

COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA



A banner hanging from Randolph Hall reveals the theme for the 250th anniversary celebration of the College of Charleston.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

A Component Unit of the State of South Carolina

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY
THE OFFICE OF THE CONTROLLER

**COLLEGE OF CHARLESTON
CHARLESTON, SOUTH CAROLINA**



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FISCAL YEAR ENDED JUNE 30, 2020**

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COLLEGE OF CHARLESTON COMPREHENSIVE ANNUAL FINANCIAL REPORT



President Andrew Hsu at his inauguration in the Cistern Yard, October 10, 2019.



Students and President Hsu cheer on the men's soccer team at their season opening game at Patriots Point Athletics Complex, Mt. Pleasant, SC, August 30, 2019.

INTRODUCTORY SECTION



Andrew T. Hsu, Ph.D.
President

September 4, 2020

Dear Friends of the College of Charleston:

It is my pleasure to present the Comprehensive Annual Financial Report of the College of Charleston for the fiscal year ending June 30, 2020. It documents the fiscal status of the institution and our accountability in managing assets of the College.

I am honored to be the 23rd president of the College of Charleston and to be leading one of the top universities in the country. I'm excited to work with our remarkable faculty, staff, students, alumni, donors and community members to further enrich the educational experience of our students as well as to raise the profile of this incredible liberal arts university. My family and I could not have been more thrilled to join this community of caring individuals last year and to do our part to help further the College's success.

During 2019-20, the College of Charleston embarked on a strategic planning process that defines our vision for the future and creates a roadmap to help guide the College in the coming five to ten years. The plan, with input from students, faculty, staff, trustees, donors and community members, was approved by the full Board of Trustees in May 2020 and outlines several goals and strategies for achieving greater student success, greater employee success and greater status as a national university in reputation and prestige.

While the pandemic certainly forced the College of Charleston to pivot in ways unexpected – such as suspending in-person instruction and canceling many of our events celebrating the 250th anniversary of our founding – the College is a resilient institution and it is proving it yet again. Simply put, we are an institution of toughness and stamina with a steadfast commitment to intellectual ideas and innovation.

I look forward to the next year as we all climb back to some sense of normalcy and as we all work together to elevate and lift the College of Charleston to even greater heights.

Sincerely,

Andrew T. Hsu

LETTER OF TRANSMITTAL

September 29, 2020

**To President Hsu,
Members of the Board of Trustees, and
Citizens of South Carolina**

FORMAL TRANSMITTAL REQUIREMENTS

We proudly present to you the Comprehensive Annual Financial Report (CAFR) for the College of Charleston (the College) for the year ended June 30, 2020. This report contains the financial statements as well as other information useful to those we serve and to whom we are accountable. The CAFR includes four major sections, Introductory, Financial, Required Supplementary Information, and Statistical, as well as all disclosures necessary for the reader to gain an understanding of the College's financial operations.

Legal Requirement

As a lump-sum agency of the State of South Carolina, the College is required to provide a complete set of audited financial statements by October 1 of each year for incorporation into the statewide CAFR. This report fulfills that requirement for the fiscal year ended June 30, 2020. The College is included in the statewide CAFR as a component unit in accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an Amendment of GASB Statements No. 14 and No. 34*.

Assumption of Responsibility

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, is assumed by the College of Charleston. We believe that, to the best of our knowledge and based upon a strong system of internal control, the data contained herein is accurate in all material respects and is reported in a manner designed to present fairly the College's financial position as well as revenues, expenses, changes in net position, and cash flows.

Internal Control

The objective of internal controls is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. The cost of a control should not exceed the benefits to be derived. Management of the College is responsible for the establishment and maintenance of internal control policies and procedures designed to safeguard the College's assets. As part of this responsibility, management ensures that its financial statements are prepared in conformity with generally accepted accounting principles (GAAP). In addition, reasonable controls are in place to ensure that: access to the College's assets is granted only with appropriate management authorization; transactions are executed in accordance with the authorization of management; transactions are recorded timely and based on criteria applicable to state guidelines, GAAP, GASB (Governmental Accounting Standards Board), and criteria developed by the National Association of College and University Business Officers; and general ledger accounts are reconciled timely.

The College of Charleston's Office of Internal Audit periodically reviews procedures and issues reports with recommended improvements to the system. This office reports directly to the Executive Vice President for Business Affairs / Chief Financial Officer but has an open and unrestricted reporting relationship with the Audit Committee of the Board of Trustees. In addition, annual audits are conducted by independent auditors which include testing to ensure the adequacy of internal controls and the College's compliance with applicable laws and regulations.

Independent Audit

Audits are conducted on an annual basis by an independent audit firm. For the fiscal year ended 2020, the audit was conducted by Elliott Davis LLC. The auditor's report appears in the front of the Financial Section and expresses an unmodified opinion on the College's financial statements.

Furthermore, Elliott Davis LLC audits the College's federal programs to ensure compliance with the requirements of the Code of Federal Regulations Part 200 (Uniform Grants Guidance), Subpart F-Audit Requirements. Additionally, in accordance with National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17, Elliott Davis LLC will perform the engagement work of the agreed upon procedures of the College's Department of Athletics. The most recent engagements (fiscal year 2019) detected no institutional liabilities related to the College's federal and athletic programs. Finally, the College is audited on a periodic basis by the State Fiscal Accountability Authority Procurement Services to ensure compliance with the provisions of the South Carolina Procurement Code.

Reference to Management's Discussion & Analysis (MD&A)

The letter of transmittal complements and should be read in conjunction with MD&A. The discussion focuses on recent activities, accounting changes, and currently known facts.

INSTITUTIONAL PROFILE

Basic Information

The College of Charleston is a state-supported, coeducational institution of higher education. The Board of Trustees is the governing body for the College and is responsible for the administration and management thereof. Founded in 1770 and chartered in 1785, the College is the oldest educational institution south of Virginia, and the thirteenth oldest in the United States. Today, this thriving academic institution offers a superior liberal arts and sciences education for more than 10,500 undergraduate and graduate students. The College has six undergraduate schools, an honors college, and The Graduate School of the University of Charleston, South Carolina. These schools offer 2 undergraduate certificates, 69 undergraduate degrees, 79 minors, 21 graduate degrees, and 9 graduate certificate programs.

The College of Charleston is committed to attracting the most promising students from South Carolina as well from other states and nations. Out-of-state and international students comprise 39 percent of the student enrollment with 48 states and U. S. territories and 62 foreign countries represented in fall 2019.

Component Units

The College of Charleston and its graduate school are a component unit of the State of South Carolina. The funds of the College of Charleston are included in the CAFR of the State of South Carolina.

Governmental Accounting Standards Board (GASB) Codification Section 2100: *Defining the Financial Reporting Entity*, and Section 2600: *Reporting Entity and Component Unit Presentation and Disclosure*, provides criteria for whether certain organizations should be reported as component units based on the nature and significance of their relationship to the related entity. Based on these criteria, the College determined the College of Charleston Foundation and the College of Charleston Cougar Club are component units. Consequently, the financial statements include the accounts of these entities as discretely presented component units.

Budget

The College prepares an annual operating budget that provides reasonable estimates of revenues and expenditures. The annual budgetary process includes an operating budget for educational and general activities, and auxiliary enterprises. Budgets for sponsored programs and capital projects are established and maintained on an individual basis throughout the year. Executive management develops a budget based on consultations with academic leaders and department heads. The resulting comprehensive budget includes mandated spending, inflationary costs, and strategic investments informed by the College's strategic plan. The proposed budget is presented to the Board of Trustees for approval, and budget status updates are provided on a quarterly basis. The responsibility for budgetary control rests at the departmental level with appropriate oversight provided by the executive management of the College. Finally, the College prepares annual budgetary reports that are available to the General Assembly of South Carolina and the public for review.

Accolades

The College of Charleston has received top marks in the U.S. News & World Report Best Colleges 2020 rankings. Among Southern Regional Universities, the College ranks as follows:

- No. 8 in Regional Universities
- No. 3 in Best Colleges for Veterans
- No. 7 in Best Undergraduate Teaching
- No. 8 in Most Innovative Schools
- No. 5 in Top Public Schools

U.S. News & World Report has published its Best Colleges rankings since 1983. According to its website, the rankings provide a starting point for families searching for the best academic value for their money and enables them to compare the relative quality of institutions based on such widely accepted indicators of excellence as freshman retention, graduation rates and the strength of the faculty.

For the 17th year in a row, The Princeton Review has recognized the College of Charleston as one of the top universities in the country. Since 1992, The Princeton Review has released this annual guide of the best colleges in the United States. The guide showcases the universities it recommends to students and families as the best for undergraduates.

INFORMATION USEFUL FOR ASSESSING ECONOMIC CONDITION

2019 novel coronavirus (or “COVID-19”)

The 2019 novel coronavirus (or “COVID-19”) has adversely affected, and may continue to adversely affect economic activity globally, nationally, and locally. It is unknown the extent to which COVID-19 may continue to spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the College’s and its students’ costs, demand for the College’s services, and the U.S. economy. These conditions could adversely affect the College’s business, financial condition, and results of operations. The extent of the adverse impact of the COVID-19 outbreak on the College cannot be predicted at this time.

Local Economy

The Charleston region is comprised of three counties (Berkeley, Charleston, and Dorchester). Strategically located on the Atlantic coast half-way between New York and Miami, the region covers more than 3,100 square miles. In addition to a thriving economy, the region is rich in history and a popular tourist destination.

Because of COVID-19, the state of South Carolina and the Charleston Metropolitan Statistical Area (MSA) experienced a decrease in labor market and an increase in unemployment. Total employment was 2,242,800 persons, and the unemployment rate was 8.6 percent for July 2020. The industries with the largest number of jobs were Trade, Transportation, and Utilities (392,300), Government (357,500), and Professional and

Business Services (286,800).¹ While Other Services (1.4 percent) was the only industry with a twelve-month increase, the industries with the three largest twelve-month percentage decreases were Leisure & Hospitality (21.6 percent), Mining and Logging (6.7 percent), and Education & Health Services (4.1 percent).²

Total employment for the Charleston Metropolitan Statistical Area (MSA) was 373,700 persons, and the unemployment rate was 9.2 percent. The top three industries for the area were in line with the state: Trade, Transportation, and Utilities (66,700), Government (66,900), and Professional and Business Services (53,300). While Government (1.7 percent) was the only industry with a twelve-month increase, the industries with the three largest twelve-month percentage decreases were Leisure & Hospitality (35.0 percent), Other Services (9.8 percent), and Professional and Business Services (7.3 percent). The general trend of the local labor market usually follows South Carolina and the United States, however, the annual unemployment rate (unadjusted) for the Charleston MSA has been lower than both the state and the country for eleven out of the last thirteen years.² The number of monthly job openings ranged from 15,671 in November 2019 to 9,825 in May 2020 due primarily to the impacts of COVID-19.³

Military remains a top economic driver in our region with a \$10.8 billion-dollar annual impact. That will continue to strengthen as Charleston becomes one of the Coast Guard's largest bases in the nation over the next several years. The three sectors with the most job growth in the region in 2019 include construction (+4 percent), trade, transportation, and utilities (+3.6 percent) and leisure and hospitality (+3.4 percent).⁴

In 2019, readers of Travel + Leisure magazine voted Charleston the number one U.S. city to visit for the seventh year in a row, as well as naming it among the world's top 15 destinations.⁴

Area accommodations sold 4.8 million room nights in 2019, a 3.7 percent increase in demand from the previous year, even while continuing to add room inventory. There were 850 more local hotel rooms available during any month in 2019, on average, than in 2018 and a total inventory of 18,162 rooms as of December 2019.⁴

Charleston has been one of the nation's most important seaports since its establishment in 1670. The South Carolina Ports Authority reported more activity than expected in 2019, an increase of 5.2 percent over 2018. The South Carolina Ports Authority's newest economic impact study shows a \$63.4 billion annual impact on the state's economy. Locally, the impact is nearly \$8 billion, with almost 28,000 Lowcountry jobs sustained because of port operations. Current improvements to this mighty statewide asset include the harbor deepening and the new Hugh K. Leatherman, Sr. Terminal, the only permitted new container terminal on the U.S. East and Gulf Coasts. The Charleston harbor deepening project is on track to achieve a 52-foot depth in 2021, making Charleston the deepest harbor on the East Coast. As one of the top ten ports in the United States, Charleston continues to demonstrate its vital connection and prominent position on the world stage. The Port's forecast for 2020 is for an increase of 4.3 percent in TEU (Twenty-foot Equivalent Units) activity compared to 2019, and 2021 will bring another 3.3 percent increase.⁴

¹ US Bureau of Labor Statistics, July 2020, preliminary as of 9/7/20, number of jobs, seasonally adjusted

² US Bureau of Labor Statistics, July 2020, preliminary as of 9/7/20, seasonally adjusted

³ SC Department of Employment & Workforce, Business Intelligence Department, Community Profile, updated 8/20/20

⁴ Economic Outlook Forecast 2020-2021, Charleston Metro Chamber of Commerce Center for Business Research

Charleston International Airport (CHS) had another record-breaking year, with more than 4.8 million passengers handled, 9 percent more than in 2018. Airlines continued to add new flights, including British Airways, which brought CHS its first nonstop transatlantic flight, connecting the Charleston region to London's Heathrow Airport. Capital expansion continues to add parking and passenger capacity at the newly renovated facilities.⁴

Single-family home construction permits issued were essentially the same in 2019 as in 2018, about 4,800 units. Multi-family permits, while still strong in our market, dropped below left total residential permits down slightly in 2019. The number of homes sold in 2019 outpaced expectations, with more than 18,500 closings or 2.1 percent growth over 2018. The median sales price was \$277,500 and the average was \$365,989, up 4.2 percent and 1.6 percent, respectively.⁴

The region's labor force and job growth accelerated in 2019 compared to 2018, slightly more than forecasted. The workforce grew by 2.3 percent (9,000 workers) and employment grew by 2.8 percent (10,000 new jobs). In addition, 30 new and expanding firms in the region announced \$260 million in capital investment and 2,100 new jobs that will be added to the market over the next several years. Our region's overall labor force participation rate remained at 65.5 percent, higher than the U.S. average of 63 percent.⁴

The Charleston area's labor force is growing at a rate three times the U.S. average.⁵

Long-term Financial Planning

The College developed a new strategic plan that was adopted by the Board of Trustees on May 7, 2020. Moving forward the annual budget process will be changed as needed to align with the new plan. With shifting market conditions and a new strategic plan, the College is realigning its budget process to target specific strategies and objectives that are directly tied to the mission and vision of the College. The College is also going through a review process to position itself for a new, multi-year budget model.

At this point the state has not provided the College with an appropriation for Fiscal Year 2021 due to economic circumstances related to the pandemic. In addition, the College did not raise tuition and fees in Fiscal Year 2021. Due to the uncertainty related to future enrollment and state appropriations, the College plans to identify new revenue streams and continue to reduce discretionary spending.

Relevant Financial Policies

It is noteworthy to mention at least three policies that impact the budgetary process. These policies cover debt, cash, and risk management issues.

The College manages debt on a portfolio basis. Its continuing objective to achieve the lowest cost of capital will be balanced with the goal of limiting exposure to market shifts. The College will manage its credit to maintain the highest acceptable rating which will permit the College to issue debt and finance capital projects at favorable interest rates while meeting its strategic objectives. Overall debt will be limited to a level that will maintain an acceptable credit score with bond rating agencies.

⁴ Economic Outlook Forecast 2020-2021, Charleston Metro Chamber of Commerce Center for Business Research

⁵ Charleston Regional Development Alliance, South Carolina Department of Commerce, 2020

Secondly, as a state agency, the investment of funds is vested with the State Treasurer of South Carolina. Other than certain approved petty cash funds and two loan funds, all cash is held in a cash management pool administered by the State Treasurer. By law, the College can earn interest income on revenues derived from the operations of its residence halls, parking, and food services. Certain debt service funds also managed by the State Treasurer allow interest earnings to the credit of the College. All other interest earned from the investment of College and related fees are retained by the State Treasurer and credited to the State General Fund.

Finally, the College contributes to a statewide risk management program in which the state assumes substantially all risk for unemployment and workers' compensation benefits and claims of covered employees for health, dental, and group life insurance benefits. In addition, the College pays premiums to the South Carolina Insurance Reserve Fund to cover the risk of loss related to the assets and activities including real and personal property. The College also obtains employee fidelity bond insurance coverage from a commercial insurer.

Major Initiatives

The Board of Trustees approved a new Strategic Plan, effective May 7, 2020. The goal of this effort was to articulate a shared vision of the College's future and to make that vision a reality through the identification of key strategic priorities and specific outcomes tied to actionable plans.

The College updates and reaffirms its five-year Comprehensive Permanent Improvement Plan annually. The plan outlines all major capital improvements planned to begin within the next five years, including project cost estimates and funding sources. Over the course of the next fiscal year, the College will begin a total renovation of the Simons Center for the Arts, which will require bond funding.

Projects completed over the past year include:

- Avery Research Center Envelope and Mechanical Upgrade
- McConnell Residence Hall HVAC System Replacement
- 92 Wentworth Student Residence Refresh
- Sottile Theatre Conservation and Mural/Fresco Reproduction

The following major projects are currently under construction:

- Calhoun Annex Renovation
- 90 Wentworth Student Residence Renovation
- Physical Plant Renovation
- 10, 20 Warren Place Apartments Bedroom Additions
- Kelly House Apartments External Walkway Structural Repairs

The following major projects are currently in the design phase:

- Simons Center for the Arts Renovation
- Multicultural Center Renovation
- Silcox Gym Envelope and 1st Floor Renovation
- Wentworth Garage Renovation
- Addlestone Library Envelope and Interior Renovation

The College is celebrating its 250th anniversary in 2020. Launching in November 2019 and closing out on Founder's Day, January 2021, the College of Charleston will come together with students, faculty, staff, alumni, and the community for a yearlong celebration of its founding in 1770.

Born out of the Age of Enlightenment and forged in an era of revolutionary awakening, the College of Charleston was founded in 1770. For 250 years, the College has grown, developed, and evolved. It has been through exciting and complex times defined by starts and stops; defeats and victories; and challenges and achievements.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the College of Charleston for its CAFR for the fiscal year ended June 30, 2019. The College has received the Certificate of Achievement for twenty-seven consecutive years. To be awarded a Certificate of Achievement, an entity must publish an easily readable and efficiently organized report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

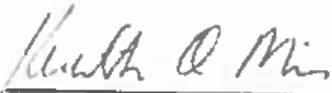
We wish to thank the President and the Board of Trustees of the College for their continued commitment to the fiscal management of the College. Likewise, we wish to thank the members of the College community whose cooperation made the successful close of the fiscal year possible.



John F. Loonan
Executive Vice President for Business Affairs / Chief Financial Officer



Dawn Willan, C.P.A.
Interim Vice President for Fiscal Services / Controller



Kenneth "Rick" Mims, C.P.A.
Deputy Controller



Patrick M. Fillippa, C.P.A.
Deputy Controller



Phyllis W. Singleton
Associate Controller

**COLLEGE OF CHARLESTON
BOARD OF TRUSTEES
2019 - 2020**

David M. Hay, Chair
Member At Large

Shawn M. Holland
Third District

Demetria Noisette Clemons, Vice Chair
Sixth District

Randy Lowell
Member at Large

Renee Buyck Romberger, Secretary
Fourth District

Toya D. Pound
Governor's Designee

Charles J. Baker, III
Alumni Association Representative

Penelope S. Rosner
Seventh District

R. McLaurin Burch
Fifth District

Brian J. Stern
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Elizabeth Middleton Burke
First District

Steve D. Swanson
Member at Large

John Hartnett Busch
Second District

August G. Swarat, II
Governor's Designee

Dr. L. Cherry Daniel
First District

Craig C. Thornton
Third District

Henry A. Futch
Fifth District

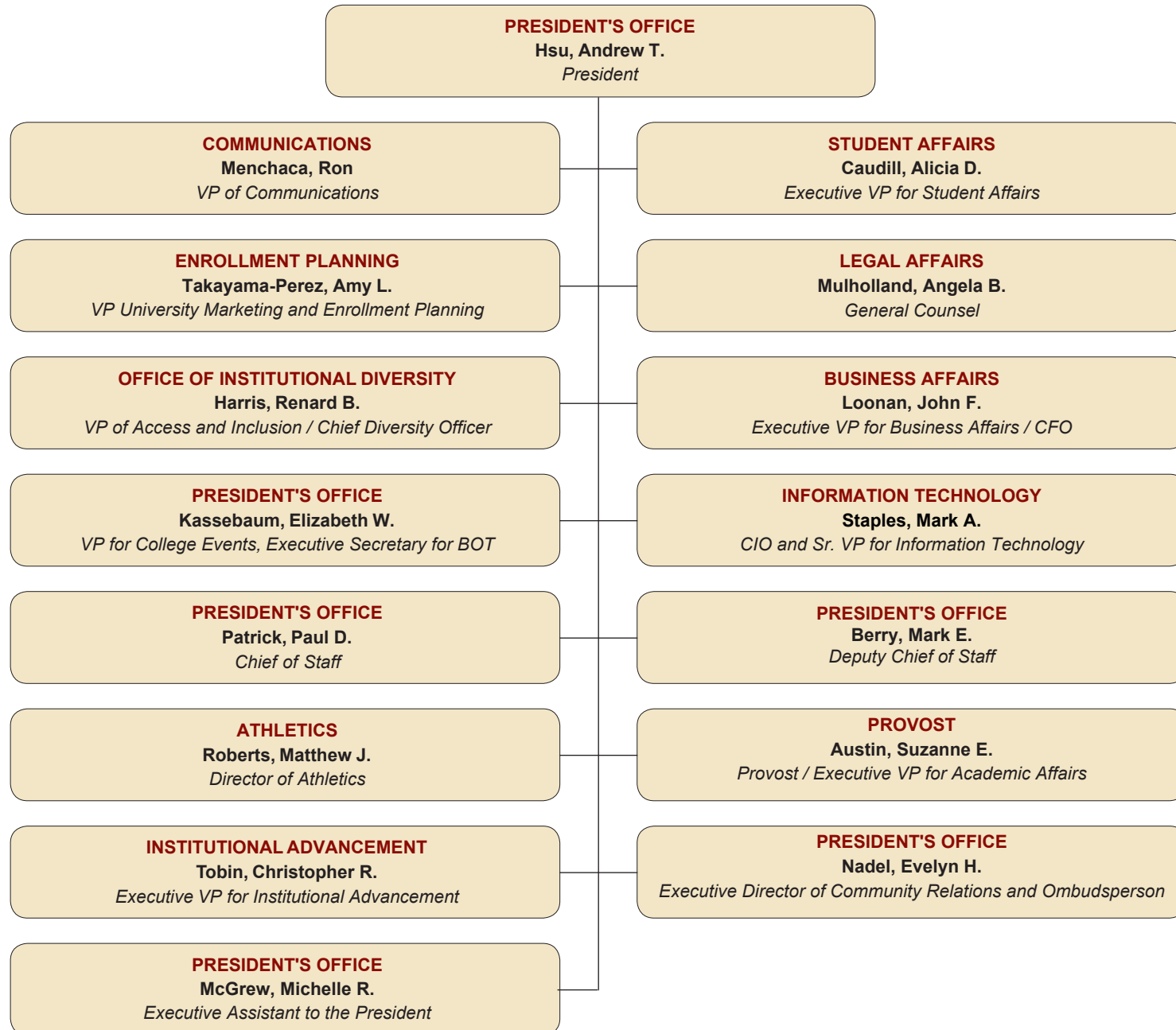
Ricci Land Welch
Sixth District

Henrietta U. Golding
Seventh District

John B. Wood, Jr.
Fourth District



ORGANIZATIONAL AND MANAGEMENT STRUCTURE



**COLLEGE OF CHARLESTON
BUSINESS AND FINANCE OFFICERS
2019-2020**

John F. Loonan
Executive Vice President for Business Affairs /
Chief Financial Officer

Dawn Willan, C.P.A.
Interim Vice President of Fiscal Services /
Controller

Kenneth "Rick" Mims, C.P.A.
Deputy Controller

Patrick M. Fillippa, C.P.A.
Deputy Controller

Phyllis W. Singleton
Associate Controller

Gail E. Long, C.P.A.
Internal Auditor

David Katz
Treasurer

Everett McInnis
Director of Budgeting and Payroll Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**College of Charleston
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

COLLEGE OF CHARLESTON COMPREHENSIVE ANNUAL FINANCIAL REPORT



A historical marker on George Street unveiled at CofC Day, January 30, 2020.



The College of Charleston's cheer and dance teams' welcome students, faculty, and staff to celebrate CofC Day in the Cistern Yard, January 30, 2020.

FINANCIAL SECTION

Independent Auditor's Report

Members of the Board of Trustees
College of Charleston
Charleston, 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 the College of Charleston (the "College"), a component unit of the State of South Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College'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 College of Charleston Foundation and Subsidiaries (a discretely presented component unit) and the College of Charleston Athletic Fund d/b/a Cougar Club (a discretely presented component unit). The College of Charleston Foundation and Subsidiaries and the College of Charleston Athletic Fund d/b/a Cougar Club represent 100% of total assets, 100% of total net assets, and 100% of total revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for these discretely presented components units, are based solely on the reports of the 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 misstatement. The financial statements of the College of Charleston Foundation and Subsidiaries and College of Charleston Athletic Fund d/b/a Cougar Club were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

Auditor's Responsibility, Continued

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 entity'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 the report 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 the College as of June 30, 2020, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 22-34, the Schedule of the College's Proportionate Share of the Net Pension Liability on page 88, the Schedule of the College's Pension Contributions on page 89, the Schedule of the College's Proportionate Share of the Net OPEB Liability on page 90, and the Schedule of the College's OPEB Contributions on page 91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB 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 regarding the methods of preparing the information and comparing the information for consistency with management's response 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 audit 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 the College's basic financial statements. The Introductory Section and Statistical Section as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2020, on our consideration of the College'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 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 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 College's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive style with a large, sweeping initial "E".

Charleston, South Carolina
September 29, 2020

**COLLEGE OF CHARLESTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Introduction

The College of Charleston's (the College) Management Discussion and Analysis (MD&A) presents an overview of its financial condition and guides the reader toward significant financial matters for the fiscal year ended June 30, 2020. Management has prepared the discussion and recommends reading it in conjunction with the accompanying financial statements and notes. The responsibility for the financial statements, notes, and this discussion rests with management.

Financial and Other Highlights

- Net position of \$20.1 million in fiscal year 2020 decreased by \$1.2 million or 5.5 percent in comparison to fiscal year 2019.
- Tuition and fee revenue of \$152.6 million for fiscal year 2020 reflects an increase of \$2.1 million, up 1.4 percent in relation to fiscal year 2019. Total revenues also increased by \$2.7 million, or 0.9 percent.
- Sales and services of auxiliary enterprises revenues decreased by \$8.4 million or 16.4 percent.
- Total expenses of \$285.6 million increased by \$4.4 million, or 1.6 percent from the prior year. Total operating expenses increased by 1.8 percent from the prior year.
- State appropriations totaling \$31.0 million in fiscal year 2020 increased by \$3.8 million or 14.0 percent from fiscal year 2019.
- The College completed renovations in McConnell Hall, Avery Research Center, and a campus dining facility.

Using the Annual Financial Report

The annual financial report encompasses three financial statements: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. These financial statements are prepared according to GASB, Statements No. 34 and 35, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments and Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The College implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. The financial statements focus on the financial condition of the College, the results of operations, and its cash flows as a whole.

The three financial statements, similar to those of the private sector, should assist the reader of the annual report in assessing whether the College's overall financial condition (the Statement of Net Position) has improved or deteriorated as a result of current year's financial activities (the Statement of Revenues, Expenses and Changes in Net Position). In addition, the financial statements will help the reader ascertain whether the College can meet its financial obligations. The Statement of Cash Flows displays information related to both inflows and outflows of cash and further classifies activities by operating, noncapital financing, capital debt and related financing, and investing.

Moreover, it answers the questions as to whether the institution is generating any extra cash that can be used to repay debt or to invest in new services, and whether the institution is generating enough cash to purchase the additional assets required for growth and maintenance. The elimination of internal service fund transactions ensures that only transactions external to the College are shown in the statements. The following discussion elaborates further on the components and relationships of the three statements.

First, the **Statement of Net Position** (the balance sheet) includes current and noncurrent assets and liabilities. Current assets convert to cash within one year and for the College consist mainly of cash and receivables. Current liabilities will settle within one year and consist primarily of payables, unearned revenues, accrued compensation, and the current portion of bonds and notes payable. This data provides information on assets available to continue the operations, amounts due to vendors, investors, lending institutions, and the net position available for expenditure by the College. All depreciable capital assets are reported net of accumulated depreciation. The College does not report any infrastructure assets as a separate line item. If applicable, the statement also displays deferred outflows and inflows of resources, which are consumptions or acquisitions of net position in one period that are applicable to future periods.

In addition, the Statement of Net Position presents three major components of net position. The first component, net investment in capital assets, consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The next component displays the restricted portion of net position, subdivided into expendable and nonexpendable. The expendable portion of restricted net position is available for expenditure but must be spent for purposes as determined by donors and/or external entities based on the defined restrictions. The nonexpendable restricted component is available solely for investment purposes. The final component is the unrestricted portion of net position which may be expended for any lawful purpose of the institution.

Secondly, the **Statement of Revenues, Expenses, and Changes in Net Position** presents the sources of revenue, types of expenses, gains or losses, and changes in net position. Revenues and expenses are categorized as either operating or nonoperating. Significant recurring sources of the College's revenues, including State appropriations, gifts, and investment income (loss) are considered nonoperating. The dependence of public educational institutions on state funding, therefore, will normally result in operating deficits. 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.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the College. Operating revenues are classified in five major areas: student tuition and related fees; federal, state, and local grants and contracts; student organization revenues; sales and services of auxiliary enterprises; and other sources.

Scholarships and fellowships applied to student accounts are shown as a reduction of student tuition and fee revenues, while stipends and other payments made directly to students continue to be presented as scholarship and fellowship expenses.

Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College. Operating expenses are mainly attributable to salaries and benefits for the faculty and staff of the College. Other elements included in operating expenses are supplies and services, utilities, scholarships and fellowships, and depreciation.

Nonoperating revenues are monies received for which goods and services are not provided. State capital appropriations are considered neither operating nor nonoperating revenues and are reported after "Income Before Other Revenues".

Lastly, the **Statement of Cash Flows** presents detailed information about the cash activity of the College during the year and is divided into five sections. The operating section shows the net cash provided by or used for the operating activities of the College. The second section presents cash flows from noncapital financing activities and reflects the cash received and spent for noncapital financing purposes. Cash used for the acquisition and construction of capital and related items is detailed in the cash flows from capital debt and related financing activities section. The section on cash flows from investing activities shows the interest received from investing activities. The fifth section reconciles the change in net cash to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position. This reconciliation is detailed in the financial statements of the College and is not included in this analysis.

As required by GASB, the Statement of Cash Flows was produced using the direct method. Under the direct method, net change in cash is determined by adjusting each item in the income statement from the accrual basis to the cash basis.

COVID – 19

The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020. The COVID-19 outbreak altered the behavior of businesses and people in a manner that continues to have negative effects on global and local economies, while also forcing schools and colleges throughout the world to transition to online classes and learning programs. On March 13, 2020, President Trump declared a national emergency under the National Emergencies Act, effective March 1, 2020. Following the diagnosis of COVID-19 cases in South Carolina the College in March 2020 moved to online instruction for students, most of whom moved out of the residence halls during that time. Further, on March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), the largest economic stimulus bill in the history of the United States with an estimated cost of over two trillion dollars. The CARES Act was designed to help offset the impact of COVID-19 and provide economic support to the health care sector, the business sector, employees, individuals and families. The Act also provided targeted relief for specific industries impacted disproportionately, including air transportation, health care and education, among others.

Statement of Net Position

The Statement of Net Position is the residual of all other elements presented in the financial statements. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. The change in net position during the fiscal year is an indicator of the change in the overall financial condition of the College. A synopsis of the College's assets and deferred outflows, liabilities and deferred inflows, and net position as of June 30, 2020 and 2019 follows.

Condensed Statement of Net Position				
	2020	2019	Increase (Decrease)	Percent Change
Assets				
Current assets	\$ 182,781,289	\$ 175,544,363	\$ 7,236,926	4.1%
Capital assets, net of depreciation	394,334,430	403,248,159	(8,913,729)	-2.2%
Other noncurrent assets	4,452,217	4,124,839	327,378	7.9%
Total Assets	\$ 581,567,936	\$ 582,917,361	\$ (1,349,425)	-0.2%
Deferred Outflows				
Deferred loss on debt refundings	\$ 656,418	\$ 698,593	\$ (42,175)	-6.0%
Deferred outflows - pension	23,831,465	24,172,195	(340,730)	-1.4%
Deferred outflows - OPEB	22,678,772	9,350,657	13,328,115	142.5%
Total Deferred Outflows	\$ 47,166,655	\$ 34,221,445	\$ 12,945,210	37.8%
Liabilities				
Current liabilities	\$ 36,172,351	\$ 39,007,754	\$ (2,835,403)	-7.3%
Noncurrent liabilities	549,168,017	534,603,702	14,564,315	2.7%
Total Liabilities	\$ 585,340,368	\$ 573,611,456	\$ 11,728,912	2.0%
Deferred Inflows				
Deferred Inflows - Pension	\$ 2,688,805	\$ 3,941,890	\$ (1,253,085)	-31.8%
Deferred Inflows - OPEB	19,504,316	16,637,420	2,866,896	17.2%
Deferred Inflows - Other	1,142,857	1,714,286	(571,429)	-33.3%
Total Deferred Inflows	\$ 23,335,978	\$ 22,293,596	\$ 1,042,382	4.7%
Net Position				
Net investment in capital assets	\$ 198,753,163	\$ 199,807,398	\$ (1,054,235)	-0.5%
Restricted - nonexpendable	1,100,000	1,100,000	-	0.0%
Restricted - expendable	73,089,537	68,825,953	4,263,584	6.2%
Unrestricted	(252,884,455)	(248,499,597)	(4,384,858)	1.8%
Total Net Position	\$ 20,058,245	\$ 21,233,754	\$ (1,175,509)	-5.5%

Total Net Position fell to \$20.1 million as of the end of fiscal year 2020, decreasing by \$1.2 million.

Total Assets of \$581.6 million decreased by \$1.3 million or 0.2 percent from last fiscal year to the current fiscal year. The net decrease is primarily due to depreciation of capital assets, which is discussed in the Capital Assets section. While total assets decreased, current assets increased by \$7.2 million. Additional information about changes within assets include:

- Total cash and cash equivalents was relatively unchanged from the prior year, increasing by 0.2 percent to \$165.0 million. Unrestricted cash and cash equivalents increased by \$1.2 million or 1.7 percent. Current restricted cash and

cash equivalents decreased by \$1.0 million and noncurrent restricted cash and cash equivalents increased by \$53 thousand. For further information, see the Statement of Cash Flows section.

- Grants and contracts receivable increased by \$3.9 million or 180.7 percent. Nearly all of this increase is related to \$3.7 million in reimbursements from the CARES Act. The College issued partial refunds totaling \$5.5 million to students for housing, food services, and parking for the spring 2020 semester because of the campus closure. \$3.7 million in grants receivable was recorded for reimbursements under the CARES Act.
- Prepaid expenses increased by \$3.0 million due to timing differences.

Total Deferred Outflows increased \$12.9 million, or 37.8 percent. Deferred losses on debt refundings decreased by \$42 thousand due to amortization of existing losses. Deferred outflows related to the College's proportionate share of the state's net pension liability decreased by \$0.3 million. Deferred outflows related to the College's proportionate share of the state's retiree health benefits increased by \$13.3 million. See notes 6 and 7 for additional information.

Total Liabilities of \$585.3 million increased by 2.0 percent. Current liabilities decreased by \$2.8 million, mostly due to timing differences in accrued expenses at year end. Noncurrent liabilities increased by \$14.6 million compared to the prior year. A \$13.9 million net change to Bonds and notes payable, the net pension liability, and the net OPEB liability accounts for most of the increase. Bonds and notes payable decreased by \$8.2 million from scheduled debt service payments. The net pension liability increased by \$8.3 million, and the OPEB liability increased by \$13.8 million. For more detailed information on noncurrent liabilities, refer to Notes 6,7,10, and 11 in the Notes to the Financial Statements.

Total Deferred Inflows increased by \$1.0 million, or 4.7 percent. Deferred inflows related to the College's net pension liability decreased by \$1.3 million. Deferred inflows related to the OPEB liability increased by \$2.7 million. A decrease of \$0.6 million is attributable to a contract with Aramark that is being amortized over a seven year period through fiscal year 2023.

Net Position - Net investment in capital assets in the amount of \$198.8 million decreased by \$1.0 million, or 0.5 percent. This balance represents capital asset accounts (net of related debt) of the College's real, personal, and intangible property. The College's capital assets include land and property primarily in an area of approximately eleven city blocks in the center of downtown Charleston. The decrease in the balance is the net result of capital projects that were completed, an increase in construction in progress, and a reduction in bonds payable.

The expendable component of restricted net position increased by \$4.3 million and includes funds for scholarships, research, Perkins loans, debt service, and state capital projects.

The nonexpendable component of restricted net position represents the College's permanent endowments. The College is the recipient of a permanent endowment of \$100 thousand from the South Carolina Commission on Higher Education. The other

endowment in the amount of \$1.0 million is funded through the South Carolina Research Center of Economic Excellence Act of 2002. Please see note 12 of the financial statements for additional information regarding this endowment.

Unrestricted net position of (\$252.9) million increased from the prior year's balance of (\$248.5) million. This was primarily a result of increases to the net pension liability and the net OPEB liability as discussed above.

In summary, the changes in total net position provide an important indicator of the financial health of the College but should be considered in conjunction with other nonfinancial factors. Nonfinancial factors include, but are not limited to, the quality of applicants, student retention rates, building conditions, and campus safety.



Pi Kappa Phi gate welcomes visitors to enter the Cistern Yard at night.

Statement of Revenues, Expenses, and Changes in Net Position

Condensed Statement of Revenues, Expenses, and Changes in Net Position				
	2020	2019	Increase (Decrease)	Percent Change
Revenues				
Tuition and fees*	\$ 152,606,120	\$ 150,548,536	\$ 2,057,584	1.4%
Federal, state, and local grants and contracts	26,598,118	29,125,302	(2,527,184)	-8.7%
Sales and services of Auxiliary Enterprises*	42,845,869	51,248,634	(8,402,765)	-16.4%
Other Operating Revenue	3,614,154	3,649,840	(35,686)	-1.0%
Total Operating Revenues	\$ 225,664,261	\$ 234,572,312	\$ (8,908,051)	-3.8%
State appropriations	\$ 30,964,520	\$ 27,155,563	\$ 3,808,957	14.0%
Federal, state, and local grants and contracts	18,002,163	11,887,946	6,114,217	51.4%
Gifts	4,874,304	4,014,351	859,953	21.4%
Interest and investment income	3,364,000	3,029,594	334,406	11.0%
Auxiliary enterprises investment income	743,032	425,149	317,883	74.8%
Nongovernmental grants and contracts	8,193	31,278	(23,085)	-73.8%
Capital appropriations	774,183	607,631	166,552	27.4%
Total Nonoperating and Other Revenues	\$ 58,730,395	\$ 47,151,512	\$ 11,578,883	24.6%
Total Revenues	\$ 284,394,656	\$ 281,723,824	\$ 2,670,832	0.9%
Expenses				
Personnel cost	\$ 113,690,572	\$ 111,791,976	\$ 1,898,596	1.7%
Benefits	53,346,820	45,571,450	7,775,370	17.1%
Supplies and services	66,094,563	75,548,918	(9,454,355)	-12.5%
Utilities	7,268,829	7,572,018	(303,189)	-4.0%
Scholarships and fellowships	20,366,448	15,777,142	4,589,306	29.1%
Depreciation	17,621,710	17,328,314	293,396	1.7%
Total Operating Expenses	\$ 278,388,942	\$ 273,589,818	\$ 4,799,124	1.8%
Interest and amortization expense on capital assets and related debt	\$ 7,146,690	\$ 7,507,441	\$ (360,751)	-4.8%
Loss on sale or disposal of capital assets	34,533	107,650	(73,117)	-67.9%
Total Nonoperating Expenses	\$ 7,181,223	\$ 7,615,091	\$ (433,868)	-5.7%
Total Expenses	\$ 285,570,165	\$ 281,204,909	\$ 4,365,256	1.6%
Change in Net Position	\$ (1,175,509)	\$ 518,915	\$ (1,694,424)	-326.5%
Net Position, Beginning	21,233,754	20,714,839	518,915	2.5%
Net Position, Ending	\$ 20,058,245	\$ 21,233,754	\$ (1,175,509)	-5.5%

* Net of scholarship discounts and allowances

Total revenue increased slightly by 0.9 percent to \$284.4 million. Operating revenues decreased by \$8.9 million. A summary of significant operating revenues follows:

- Tuition and fees increased by \$2.1 million. For the 2019-2020 academic year, the Board of Trustees approved an increase in tuition of 0.8 percent for in-state students, and 3.95 percent for out-of-state students. Tuition and fees comprise the largest portion of total revenue.
- Federal, state, and local grants and contracts revenue decreased by \$2.5 million or 8.7 percent. Spending on South Carolina state scholarships was down for the year, resulting in \$0.9 million less in reimbursement income in 2020 in comparison to 2019. Reimbursement requests for several other grants were down as well due to decreased spending over the last 3 months of the fiscal year.
- Sales and services of auxiliary enterprises revenues decreased by \$8.4 million or 16.4 percent to \$42.8 million. Housing and food services revenues were most affected by the pandemic, falling by \$4.6 million and \$1.8 million respectively. With respect to the

impact of COVID-19 on student housing at the College, President Hsu requested on March 19th that students who were able to leave campus and return home safely do so. He required all students, with the exception of students who received emergency exemptions, to move out of on-campus or College-managed housing by March 23rd. The College issued refunds totaling \$5.5 million for housing and food services. Refunds were recorded as reductions to auxiliary services revenues. The remaining \$2.0 million decrease was primarily due to a \$0.9 million contraction in Athletics revenues and a \$0.8 million contraction in Parking revenues. The College also issued refunds totaling approximately \$100 thousand for parking.

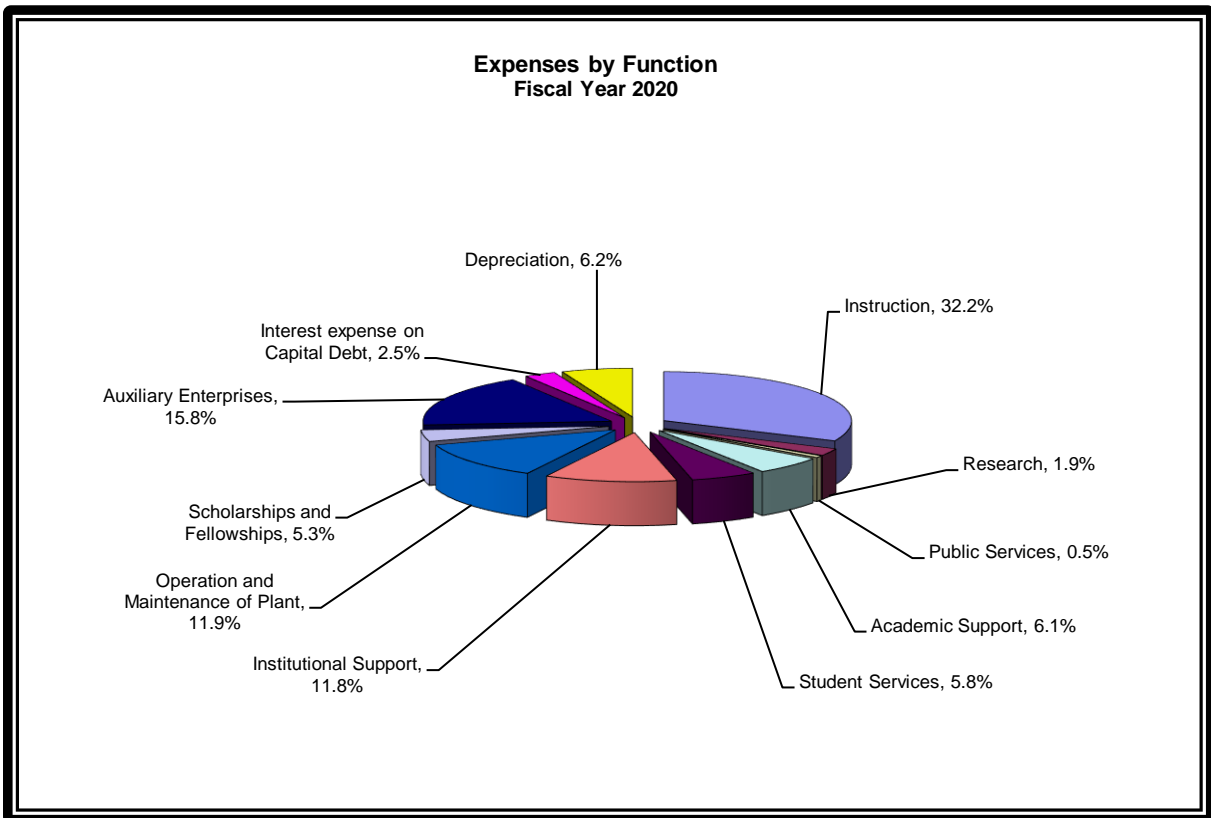
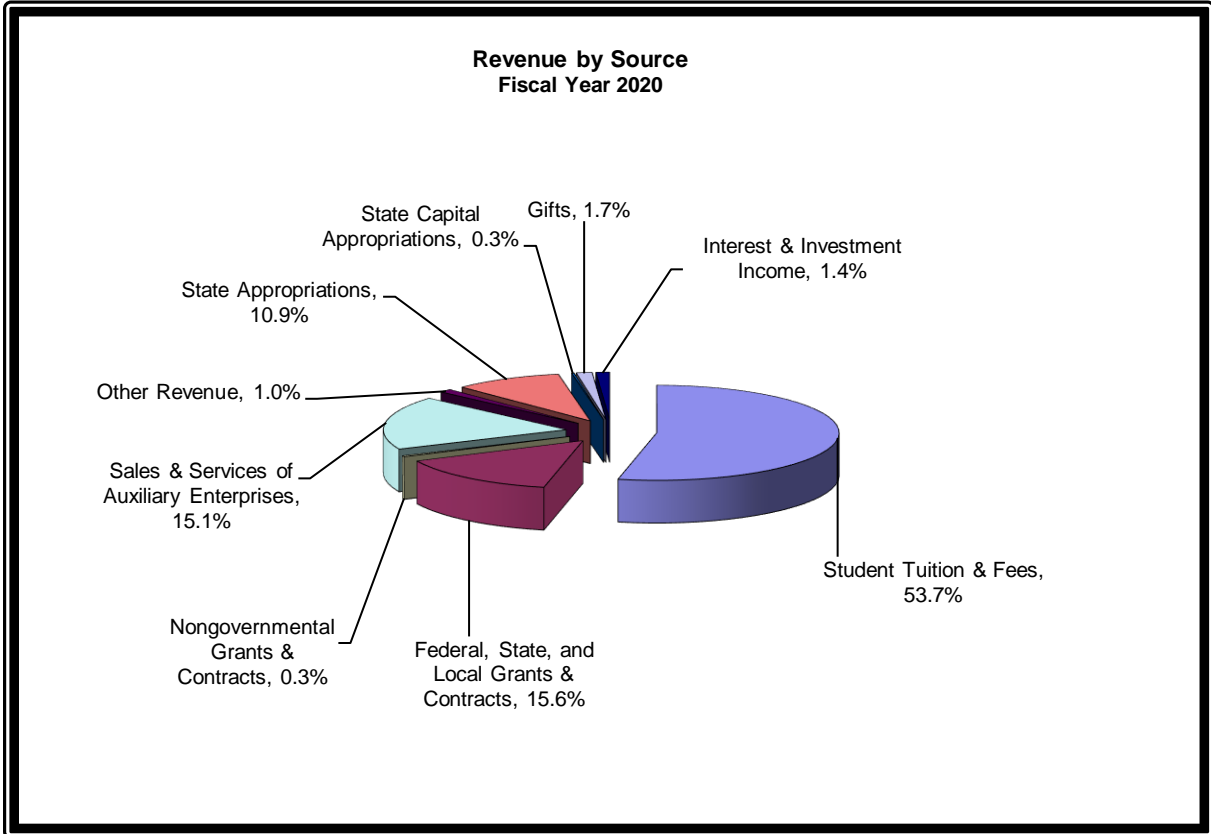
Nonoperating and other revenue increased \$11.6 million, which was mostly due to the following:

- State appropriations increased by \$3.8 million. The base appropriation increased by \$3.1 million. The overall increase for health, dental, and the pension employer contribution rate was \$0.7 million in comparison to fiscal year 2019.
- The CARES Act, signed into law on March 27, provides relief to higher education institutions through numerous provisions. Congress set aside funds through the CARES Act for the Higher Education Emergency Relief Fund (HEERF). As a result, the College recorded \$7.5 million in fiscal year 2020 as nonoperating federal grants and contracts revenue. \$3.75 million of this amount is related to direct emergency aid issued to students. The remaining \$3.75 million was used for a reimbursement of foregone revenue caused by the campus closure.

Total expenses increased by \$4.4 million compared to the prior year. Operating expenses increased by \$4.8 million and nonoperating expenses decreased by \$0.4 million. Highlights include:

- Personnel costs grew by \$1.9 million from the prior year, mostly due to a general base pay increase for employees who make under \$100,000 per year. Although current year costs related to benefits increased by \$2.0 million from the prior year, benefits expense increased by \$7.8 million due to a \$5.8 million increase in pension and OPEB expenses related to GASB Statements 68 and 75. Personnel and benefits costs comprise a majority of the operating expenses of the College.
- Services and supplies expense decreased by \$9.5 million from the prior year. Due to the campus closure in late March, College spending declined in many areas. Significant differences include a \$1.0 million reduction in housing expenses, a \$1.9 million reduction in food service costs, and a \$1.3 million reduction in athletics costs. Travel costs decreased by \$1.8 million and general supplies decreased from \$13.5 million in 2019 to \$10.6 million in 2020.
- Scholarships and fellowships expense increased by \$4.6 million or 29.1 percent from fiscal year 2019. The majority of this increase is due to emergency aid issued directly to students in the amount of \$3.75 million.

The following charts depict the revenues by source and expenses by function.



Statement of Cash Flows

The Statement of Cash Flows also provides information about the College's financial health by reporting the cash receipts and cash payments of the College during the year ended June 30, 2020. A synopsis of the Statement of Cash Flows follows.

Condensed Statement of Cash Flows				
	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Net cash used for operating activities	\$ (33,890,731)	\$ (13,251,473)	\$ (20,639,258)	-155.8%
Net cash provided by noncapital financing activities	52,840,180	43,372,369	9,467,811	21.8%
Net cash used for capital debt and related financing activities	(19,464,536)	(23,129,374)	3,664,838	15.8%
Net cash provided by investing activities	716,788	366,129	350,659	-95.8%
Net change in cash and cash equivalents	\$ 201,701	\$ 7,357,651	\$ (7,155,950)	-97.3%
Cash and cash equivalents, Beginning of Year	164,846,071	157,488,420	7,357,651	4.7%
Cash and cash equivalents, End of Year	\$ 165,047,772	\$ 164,846,071	\$ 201,701	0.1%

The College's total cash balance was essentially unchanged from the prior year. The unrestricted and restricted components of cash were stable as well. There were some significant changes within the different sections of the cash flow statement that help to explain the overall movement of cash during the year.

The College used \$33.9 million for operating activities during the year as opposed to only \$13.3 million in fiscal year 2019. During the year, salaries and benefits increased \$4.1 million due primarily to a 2 percent pay increase. Additionally, payments to students for scholarships and fellowships increased by \$4.6 million, mostly due to emergency aid related to the pandemic. The largest decrease in comparison to the prior year was a reduction of \$8.6 million in cash inflows from sales and services of auxiliary enterprises. Grants and contracts inflows were down by \$6.9 million or 22.6 percent. Payments for supplies and utilities were down by \$1.0 million.

Cash related to noncapital financing activities increased by \$9.5 million. An increase in State Appropriations accounts for \$3.8 million of this change and the remainder is primarily due to reimbursements related to the CARES Act.

In the Capital Debt and Related Financing section, principal payments on capital debt decreased by \$2.6 million. This is because the College retired \$2.5 million in State Institutional Bonds during fiscal year 2019.

As of June 30, 2020, cash and cash equivalents made up 28.4 percent of the total assets of the College.

Capital Assets

A synopsis of the net capital assets for the fiscal years ended 2020 and 2019 further illustrates the significant changes between the accounting periods.

	Capital Assets		Increase	Percent
	2020	2019	(Decrease)	Change
Land	\$ 48,054,141	\$ 48,054,141	\$ -	0.0%
Construction in progress	8,586,207	7,342,433	1,243,774	16.9%
Land improvements	4,968,429	4,968,429	-	0.0%
Buildings	368,221,834	368,221,834	-	0.0%
Building improvements	179,445,363	173,108,573	6,336,790	3.7%
Machinery, equipment, and other	33,582,556	33,918,205	(335,649)	-1.0%
Information technology equipment and software	7,941,698	7,941,698	-	0.0%
Motor vehicles	411,307	426,096	(14,789)	-3.5%
Accumulated depreciation	(256,877,105)	(240,733,250)	(16,143,855)	6.7%
Total Capital Assets - Net	\$ 394,334,430	\$ 403,248,159	\$ (8,913,729)	-2.2%

Construction in progress and building improvements increased moderately during the fiscal year. Construction continued on the Sottile Theatre stage, campus housing at 90 Wentworth Street, and the Calhoun Annex. Other projects were added to construction in progress including renovations to the Kelly House walkway and campus housing at 10 and 20 Warren Street. The College completed renovations totaling \$6.3 million in McConnell Hall, Avery Research Center, and a campus dining facility. Depreciation expense for buildings and building improvements totaled \$15.2 million during the year. For more detailed information on capital asset activity, refer to Note 5 in the Notes to the Financial Statements.

Economic Outlook

The state finished the 2020 fiscal year with a surplus of \$672 million plus a balance of \$103 million in its Contingency Reserve. These are critical resources to state government as it continues to face significantly increased costs and decreased revenues caused by the pandemic. The state Retirement System has been impacted as well. While the General Assembly previously created a plan to pay off the system's \$23 billion funding shortfall, the plan has been suspended for the year¹.

On May 18, 2020, Governor Henry McMaster signed a continuing resolution which funds the ordinary expenses of state government at fiscal year 2020 levels. The fiscal year 2021 began without the passage of the annual general appropriations act.

On June 9, 2020, the Board of Trustees approved a tuition freeze for undergraduate and graduate students for the 2021 academic year. The College resumed virtual classes on August 24, 2020 and intends to return to in person instruction on September 14, 2020. The extent to which COVID-19 impacts the future operations and financial condition of the College will depend on future developments, some of which may not be within the control of the College.

¹ South Carolina Office of the Comptroller General, year end press release, August 27, 2020.

More Information

This financial report is designed to provide a general overview of the College's finances. Any questions or requests for information may be addressed to: Dawn Willan, Interim Vice President for Fiscal Services and Controller, College of Charleston.



College of Charleston's baseball team poses for a photo on the steps of Towell Library, 1905.

**COLLEGE OF CHARLESTON
STATEMENT OF NET POSITION
JUNE 30, 2020**

Assets

Current Assets

Cash and cash equivalents	\$	69,821,313
Cash and cash equivalents, restricted		94,505,770
Accounts receivable, net		2,560,095
Grants and contracts receivable		6,023,188
Component unit receivable		2,819,968
Interest income receivable		240,876
Prepaid items		6,487,416
Inventories		312,890
Other assets		9,773

Total Current Assets **\$ 182,781,289**

Noncurrent Assets

Cash and cash equivalents, restricted	\$	720,689
Component unit receivable, restricted		1,357,334
Student loans receivable		875,275
Prepaid items		1,498,919
Capital assets not being depreciated		56,640,348
Capital assets, net of accumulated depreciation		337,694,082

Total Noncurrent Assets **\$ 398,786,647**

Total Assets **\$ 581,567,936**

Deferred Outflows of Resources

Deferred outflows - pension	\$	23,831,465
Deferred outflows - OPEB		22,678,772
Deferred loss on debt refundings		656,418

Total Deferred Outflows of Resources **\$ 47,166,655**

Liabilities

Current Liabilities

Accounts payable and accrued expenses	\$	5,961,133
Accrued payroll and related liabilities		9,791,324
Retainage payable		270,885
Unearned revenues		5,365,055
Deposits held for others		207,787
Student deposits		1,722,982
Compensated absences payable		2,497,961
Accrued interest payable		1,835,364
Bonds and notes payable		8,488,304
Other liabilities		31,556

Total Current Liabilities **\$ 36,172,351**

Noncurrent Liabilities

Compensated absences payable	\$	2,995,241
Bonds and notes payable		187,052,890
Federal capital contribution		1,414,474
Net pension liability		179,983,759
Net OPEB liability		177,721,653

Total Noncurrent Liabilities **\$ 549,168,017**

Total Liabilities **\$ 585,340,368**

Deferred Inflows of Resources

Deferred inflows - pension	\$	2,688,805
Deferred inflows - OPEB		19,504,316
Deferred inflows - other		1,142,857

Total Deferred Inflows of Resources **\$ 23,335,978**

Net Position

Net investment in capital assets **\$ 198,753,163**

Restricted for:

Nonexpendable		
Endowed professorship		100,000
Endowment other		1,000,000
Expendable		
Scholarships and fellowships		243,770
Research		3,882,919
Loans		93,529
Capital projects		61,597,104
Debt service		7,272,215

Unrestricted **(252,884,455)**

Total Net Position **\$ 20,058,245**

See Accompanying Notes to Financial Statements

COLLEGE OF CHARLESTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

Operating Revenues

Tuition and related fees (\$9,370,544 pledged for debt service; net of scholarship discounts and allowances of \$36,775,759)	\$	152,606,120
Federal grants and contracts		4,760,302
State grants and contracts		21,640,860
Local grants and contracts		196,956
Nongovernmental grants and contracts		735,312
Educational activities revenues		367,540
Student organizations generated revenues		1,651,913
Sales and services of auxiliary enterprises		
Revenues not pledged for debt service		
Athletics (net of scholarship discounts and allowances of \$2,556,597)		12,788,580
Health services (net of scholarship discounts and allowances of \$273,921)		1,310,129
Rental, vending, bookstore, and debit card		1,013,316
Revenues pledged for debt service		
Housing (net of scholarship discounts and allowances of \$4,200,124)		16,548,271
Food service (net of scholarship discounts and allowances of \$2,100,062)		9,191,403
Parking		1,994,170
Other sources		859,389
Total Operating Revenues	\$	225,664,261

Operating Expenses

Personnel costs	\$	113,690,572
Benefits		53,346,820
Supplies and services		66,094,563
Utilities		7,268,829
Scholarships and fellowships		20,366,448
Depreciation		17,621,710
Total Operating Expenses	\$	278,388,942

Operating Loss **\$ (52,724,681)**

Nonoperating Revenues (Expenses)

State appropriations	\$	30,964,520
Federal grants and contracts		17,878,716
Gifts		4,874,304
Auxiliary enterprises interest and investment income		743,032
Interest and investment income		3,364,000
Interest and amortization expense on capital assets and related debt		(7,146,690)
State grants and contracts		122,804
Nongovernmental grants and contracts		8,193
Local grants and contracts		643
Loss on sale or disposal of capital assets		(34,533)
Total Net Nonoperating Revenues	\$	50,774,989

Loss Before Other Revenues **\$ (1,949,692)**

Other Revenues

Capital appropriations	\$	774,183
Total Other Revenues	\$	774,183

Change In Net Position **\$ (1,175,509)**

Net Position, Beginning of Year		21,233,754
Net Position, End of Year	\$	20,058,245

See Accompanying Notes to Financial Statements

**COLLEGE OF CHARLESTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

Cash Flows From Operating Activities

Tuition and fees	\$ 152,791,508
Grants and contracts	23,442,542
Sales and services of education and other activities	2,019,453
Sales and services of auxiliary enterprises	42,737,775
Other operating revenues	725,359
Payments to employees for salaries and benefits	(155,548,661)
Payments to suppliers	(72,525,375)
Payments for utilities	(7,268,829)
Payments to students for scholarships and fellowships	(20,366,448)
Collection of loans from students - Perkins loan program receipts	227,859
Repayment of excess cash to Perkins program	(219,964)
Deposits held for others	94,050
Student direct lending receipts	51,530,323
Student direct lending disbursements	(51,530,323)
Net Cash Used for Operating Activities	\$ (33,890,731)

Cash Flows From Noncapital Financing Activities

State appropriations	\$ 30,964,520
Gifts and grants for other than capital purposes	21,875,660
Net Cash Provided by Noncapital Financing Activities	\$ 52,840,180

Cash Flows From Capital Debt And Related Financing Activities

Proceeds from state capital appropriations	\$ 774,183
Proceeds from capital grants and gifts	688,165
Purchases of capital assets	(8,942,125)
Proceeds from sales of capital assets	24,328
Principal paid on capital debt	(7,545,000)
Principal paid on note payable	(181,235)
Proceeds from investments in capital and related financing activities	3,364,000
Interest paid on capital related debt	(7,646,852)
Net Cash Used for Capital Debt And Related Financing Activities	\$ (19,464,536)

Cash Flows From Investing Activities

Proceeds from interest on investments	\$ 716,788
Net Cash Provided by Investing Activities	\$ 716,788

Net change in cash and cash equivalents	\$ 201,701
Cash and cash equivalents - Beginning of the Year	164,846,071
Cash and Cash Equivalents - End of the Year	\$ 165,047,772

Reconciliation of operating loss to net cash used for operating activities

Operating loss	\$ (52,724,681)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation	17,621,710
Amortization of net pension and OPEB liabilities	10,727,654
Deferred inflows-other	(571,429)

Changes in assets and liabilities:

Deposits held for others	94,050
Accounts, grants and contracts, and component unit receivables, net	(4,216,358)
Inventories	(29,515)
Student loans receivable	227,859
Prepaid items	(2,996,385)
Accounts payable and accrued expenses	(2,941,538)
Compensated absences payable and related liabilities	649,168
Unearned revenues	704,266
Student deposits	(435,532)
Net Cash Used for Operating Activities	\$ (33,890,731)

Reconciliation of Cash and Cash Equivalent Balances:

Current assets	
Cash and cash equivalents	\$ 69,821,313
Cash and cash equivalents, restricted	94,505,770
Noncurrent assets	
Cash and cash equivalents, restricted	720,689
Total Cash and Cash Equivalents	\$ 165,047,772

Non Cash Transactions

Increase in component unit receivable	\$ 13,393
Loss on sale of capital assets	\$ 58,861

See Accompanying Notes to Financial Statements

COLLEGE OF CHARLESTON FOUNDATION AND SUBSIDIARIES
NONGOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

Assets

Cash and cash equivalents	\$ 684,668
Unconditional promises to give, net	6,805,655
Other assets	1,335,878
Investments	120,062,611
Property and equipment, net	5,657,707
Collections	9,326,373
Total Assets	\$ 143,872,892

Liabilities and Net Assets

Liabilities

Accounts payable and accrued liabilities	\$ 115,990
Annuities payable	45,266
Marine Genomics grant obligation (College of Charleston)	1,357,334
Total Liabilities	\$ 1,518,590

Net Assets

Without donor restrictions:	
Board designated quasi endowment	\$ 7,721,070
Undesignated	8,068,822
Total Without Donor Restrictions	\$ 15,789,892

With donor restrictions:	
Purpose restrictions	\$ 59,130,161
Time-restricted for future periods	299,548
Perpetual in nature	67,134,701
Total With Donor Restrictions	\$ 126,564,410

Total Net Assets	\$ 142,354,302
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Total Liabilities and Net Assets	\$ 143,872,892
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See Accompanying Notes to Financial Statements

COLLEGE OF CHARLESTON FOUNDATION AND SUBSIDIARIES
NONGOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Gains, (Losses), and Other Support			
Revenue and Gains			
Contributions	\$ 689,568	\$ 8,807,877	\$ 9,497,445
Rental income	695,491	-	695,491
Interest and dividend income, net	100,565	(2,203)	98,362
Realized and unrealized gains (losses) on investments, net	923,507	6,109,618	7,033,125
Special events, net	-	10,357	10,357
Other income, net	7,914	357,236	365,150
Loss on sale of property and equipment	(19,297)	-	(19,297)
Changes in value of split interest agreements	-	5,990	5,990
Total Revenue and Gains	\$ 2,397,748	\$ 15,288,875	\$ 17,686,623
Net assets released from restrictions and administrative surcharges	\$ 11,026,581	\$ (11,026,581)	\$ -
Total Revenue, Gains and Other Support	\$ 13,424,329	\$ 4,262,294	\$ 17,686,623
Expenses			
Program			
Student aid and recognition	\$ 3,640,691	\$ -	\$ 3,640,691
Programs of education, research, and student and faculty enrichment	5,805,975	-	5,805,975
Total Program Expenses	\$ 9,446,666	\$ -	\$ 9,446,666
Supporting Services			
General and administrative	\$ 834,827	\$ -	\$ 834,827
Fundraising	1,676,547	-	1,676,547
Total Supporting Services	\$ 2,511,374	\$ -	\$ 2,511,374
Total Expenses	\$ 11,958,040	\$ -	\$ 11,958,040
Change in Net Assets	\$ 1,466,289	\$ 4,262,294	\$ 5,728,583
Net Assets, Beginning of Year	\$ 14,323,603	\$ 122,302,116	\$ 136,625,719
Net Assets, End of Year	\$ 15,789,892	\$ 126,564,410	\$ 142,354,302

See Accompanying Notes to Financial Statements

**COLLEGE OF CHARLESTON ATHLETIC FUND d/b/a - COUGAR CLUB
 NONGOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT
 STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2020**

Current Assets

Cash and cash equivalents	\$ 1,360,381
Accounts receivable	25,417
Due from related parties	7,620
Total Current Assets	\$ 1,393,418

Noncurrent Assets

Property and equipment, net of accumulated depreciation	\$ 674,061
Total Assets	\$ 2,067,479

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 66,131
Due to related parties	43,682
Current portion of long-term debt	23,789
Deferred revenue	700,213
Total Current Liabilities	\$ 833,815

Noncurrent Liabilities

Long-term debt, net of current portion	\$ 30,303
Total Liabilities	\$ 864,118

Net Assets

Without donor restrictions	\$ 215,933
Without donor restrictions - board designated	449,981
With donor restrictions	537,447
Total Net Assets	\$ 1,203,361
Total Liabilities and Net Assets	\$ 2,067,479

See Accompanying Notes to Financial Statements

**COLLEGE OF CHARLESTON ATHLETIC FUND d/b/a - COUGAR CLUB
 NONGOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and memberships	\$ 1,033,046	\$ 905,356	\$ 1,938,402
Special events	187,646	-	187,646
Less: Direct benefit to donor	(95,032)	-	(95,032)
In-kind contributions	692,350	-	692,350
Interest income	5,923	968	6,891
Other income	18,350	-	18,350
Net assets released from restrictions	722,850	(722,850)	-
Total Revenue and Support	\$ 2,565,133	\$ 183,474	\$ 2,748,607
Expenses			
Program Services	\$ 1,307,330	\$ -	\$ 1,307,330
Management and general	206,999	-	206,999
Fundraising	107,995	-	107,995
Total Program Expenses	\$ 1,622,324	\$ -	\$ 1,622,324
Change in Net Assets	\$ 942,809	\$ 183,474	\$ 1,126,283
Beginning Net Assets, As Originally Stated	\$ 577,125	\$ 353,973	\$ 931,098
Prior period restatement	(854,020)	-	(854,020)
Beginning Net Assets, Restated	\$ (276,895)	\$ 353,973	\$ 77,078
Net Assets, End of Year	\$ 665,914	\$ 537,447	\$ 1,203,361

See Accompanying Notes to Financial Statements

COLLEGE OF CHARLESTON COMPREHENSIVE ANNUAL FINANCIAL REPORT



Students attending the annual Involvement Fair in Cistern Yard.



College Mall from Randolph Hall looking towards Calhoun St., 1980

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The College of Charleston (the College) is a state-supported institution of higher education. The College's main purpose is to provide a world-class liberal arts education to undergraduate and graduate students. The College is committed to attracting the most promising students from South Carolina, other states in the nation, and from around the world. The College is a component unit of the State of South Carolina (the State) and its financial statements are included in the Comprehensive Annual Financial Report (CAFR) of the State.

The accompanying basic financial statements present the statement of net position, statement of revenues, expenses, and changes in net position, and the statement of cash flows of the College. The financial statements include all individual schools and departments. The financial statements also include all funds and accounts of the College and all component units.

As defined by Generally Accepted Accounting Principles (GAAP) established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government and 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 relationships with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of the College, as the primary government, and the accounts of its nongovernmental discretely presented component units, the College of Charleston Foundation and Subsidiaries (the Foundation) and the College of Charleston Athletic Fund d/b/a – Cougar Club (the Cougar Club).

The Foundation is a separately chartered corporation formed primarily to provide financial assistance and scholarships to the College. The Foundation reports under the Financial Accounting Standards Board (FASB) and its fiscal year runs concurrently with that of the College.

The Cougar Club is a separately chartered corporation organized exclusively to provide financial assistance and scholarships to the College's Athletic Department. The Cougar Club reports under FASB, and its fiscal year runs concurrently with that of the College.

Financial Statement Presentation

The financial statement presentation for the College meets the requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities-an amendment of GASB Statement No. 34* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The financial statement presentation provides a comprehensive, entity-wide perspective of the College's Net Position, Revenues, Expenses, and Changes in Net Position and Cash Flows.

In addition, and as per GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment to GASB Statement No. 14* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*, its component units are discretely presented in the report.

Basis of Accounting

For financial reporting purposes, the College is considered a special purpose government engaged only in business-type activities. Accordingly, the College's financial statements reflect 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 fees and auxiliary enterprise fees are presented net of scholarship discounts and allowances 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

The amounts shown in the financial statements in the College funds as "cash and cash equivalents" represent petty cash, cash on deposit in banks, cash on deposit with the State Treasurer, cash invested in various instruments by the State Treasurer as part of the State's internal cash management pool, as well as cash invested in various short-term investments by the State Treasurer, and held in separate agency accounts.

Most State agencies including the College participate in the State's internal cash management pool. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents. The State Treasurer administers the cash management pool. The pool includes some long-term investments such as obligations of the United States and certain agencies of the United States, obligations of the State of South Carolina, and certain of its political subdivisions, certificates of deposit and certain corporate bonds.

The State's internal cash management pool consists of a general deposit account and several special deposit accounts. The State records each fund's equity interest in the general deposit account; however, all earnings on the account are credited to the General Fund of the State. The College records its deposits in the general deposit account at cost. It records and reports its special deposit account at fair value.

For purposes of the Statement of Cash Flows, the College considers 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.

Investments

The College accounts for its investments at fair value in accordance with 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.

Accounts Receivable

Accounts Receivable consist primarily of tuition and fee charges to students, gift receivables, and auxiliary enterprise services provided to students, and other outside entities. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Student loans receivable consist of amounts due from the Federal Perkins Loan Program.

Inventories and Prepaid Items

The College reports inventories using the consumption approach for which goods are recorded as assets at the time of purchase and recognition of the expenditures is deferred until the goods are consumed. Inventories are carried at cost. The cost of inventory is reported on a first in, first out basis. Items accounted for as inventories include maintenance, janitorial, housing, and office supplies. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets are recorded at cost at the date of acquisition. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The College 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 and renovations and other improvements that add to the usable space, prepare existing space for new uses or extend the useful life of an existing building are capitalized.

The College capitalizes moveable personal property with a unit value of \$5,000 or more and a useful life more than one year; additionally, the College capitalizes depreciable land improvements, buildings and building improvements; and intangible assets costing \$100,000 or more. Routine repairs and maintenance, and library materials, except individual items costing \$5,000 or more, 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 life of the asset, generally 15 to 50 years for buildings, building improvements and land improvements; and 3 to 25 years for machinery, equipment, and vehicles; and 3 years for intangible assets. For assets capitalized prior to fiscal year 2012, a full year of depreciation was taken during the year the asset was placed in service, and no

depreciation was taken in the year of disposition. Beginning in fiscal year 2012, capital assets are depreciated based on the number of months the asset is in service during the fiscal year. The change in depreciation method was required by the State of South Carolina.

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. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Deposits include residence hall deposits, advance tuition payments, and other miscellaneous deposits. Student deposits are recognized as revenue during the semester for which the fee to which the deposit relates is applicable and earned when the deposit is nonrefundable to the student under the forfeit terms of the agreement.

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 more than 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.

Governmental units that issue no more than \$5 million in total of all such debt in a calendar year are exempt from the rebate requirements. For this purpose, tax-exempt indebtedness includes bonds, certain capital leases, and installment purchases. Rebates are payable every five years or at maturity of the debt, whichever is earlier. However, the potential liability is calculated annually for financial reporting purposes. The liability and expense incurred are recorded at year end to accrued accounts payable in the Statement of Net Position, and as an expense in the Statement of Revenues, Expenses, and Changes in Net Position.

The College is not aware of any rebatable arbitrage liabilities as of June 30, 2020.

Noncurrent Liabilities

Noncurrent liabilities include (1) principal amounts of bonds payable; (2) estimated amounts for accrued compensated absences; (3) net pension and OPEB liabilities, and (4) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

Pensions

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 SCRS or PORS. 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.

A plan's Net Pension Liability (NPL) is determined by reducing its total pension liability by its fiduciary net position. Total pension liability is defined by the GASB as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service in conformity with the requirements of GASB 67 *Financial Reporting for Pension Plans-An Amendment of GASB Statement No. 25*. Total pension liability may be impacted annually by the cost of service accrued by participants, interest accrued on the liability, the impact of benefit and assumption changes, the cost of benefit payments, and the difference between expected and actual plan experience. The most significant impact on a plan's fiduciary net position relates to the rate of return on its investments. Consequently, significant fluctuations in the fair value of investments substantially affect the fiduciary net position component of the NPL calculation, and as a result, cause a direct change in the NPL.

The financial reporting changes required by GASB 68 *Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27* are likely to result in increased volatility in an employer's reported proportionate share of the NPL from one year to the next. Regardless of the NPL reported on the employer's financial statements, the employer is responsible only for making the contributions required by state law during any given year. Employers cannot pay down or pay off their proportionate share of the NPL because SCRS and PORS are multiple employer, cost-sharing defined benefit plans.

Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions after the measurement date of the net pension liability are reported as deferred outflows of resources.

Postemployment Benefits Other Than Pensions

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. The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position.

Changes in net OPEB liability not included in OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions after the

measurement date of the net OPEB liability are reported as deferred outflows of resources.

Compensated Absences

Generally, all permanent full-time State employees and certain part-time employees scheduled to work at least one half of the agency's workweek are entitled to accrue and carry forward at calendar year-end maximums of 180 days sick leave and 45 days annual vacation leave. Upon termination of State employment, employees are entitled to be paid for accumulated unused annual vacation leave up to the maximum but are not entitled to any payment for unused sick leave. The compensated absences liability includes accrued annual leave. The College calculates the compensated absences liability based on recorded balances of unused leave for which the employer expects to compensate employees through cash payments at termination.

The net change in the liability is recorded in the current year in the applicable functional expense categories. The liability and expenses are recorded at year-end as compensated absences payable in the Statement of Net Position, and as a component of personnel cost and benefits expense in the Statement of Revenues, Expenses, and Changes in Net Position.

Perkins Loans Receivable and Related Liability

The loans receivable on the Statement of Net Position is due to the College under the Perkins Loan Program. This program is funded primarily by the federal government with the College providing a required match. The amount reported as the Perkins liability is the amount of cumulative federal contributions which would require repayment to the federal government if the College ceases to participate in the program. Under federal law, the authority to make new Perkins loans ended on September 30, 2017, with final disbursements permitted through June 30, 2018.

Net Position

The College's net position is classified as follows:

Net investment in capital assets: This category represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included.

Restricted net position – nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds 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.

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

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, appropriations, and sales and services of educational departments. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services to students, faculty, and staff.

College policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Income Taxes

The College, 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 Internal Revenue Service has determined that the Foundation and the Cougar Club qualify as exempt organizations under Internal Revenue Code Section 501(c)(3) and as such are exempt from taxation on related income.

Classification of Revenues and Expenses

The College has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating revenues and expenses: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances; (3) federal, state, and local grants and contracts for services that finance programs the College would not otherwise undertake; (4) receipts for scholarships where the provider has identified the student recipients; and (5) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the College. Operating expenses include all expense transactions incurred other than those related to investing, capital, or noncapital financing activities.

Nonoperating revenues and expenses: Nonoperating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes. Nonoperating expenses include interest and amortization expense on capital asset-related debt and losses on the sale or disposal of capital assets.

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 Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College 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, are recorded as nonoperating revenues in the College's financial statements. To the extent that revenues are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

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 College receives such revenues primarily from the public.

Auxiliary Enterprises and Internal Service Activities

Auxiliary enterprise revenues primarily represent revenues generated by intercollegiate athletics, parking, bookstore, food services, housing, health services, debit card, and vending. Revenues of internal auxiliary enterprise activities and the related expenditures of College departments have been eliminated.

Use of Estimates in Accounting

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows, deferred outflows, revenues, and expenditures/expenses, and affect disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

New Accounting Pronouncements

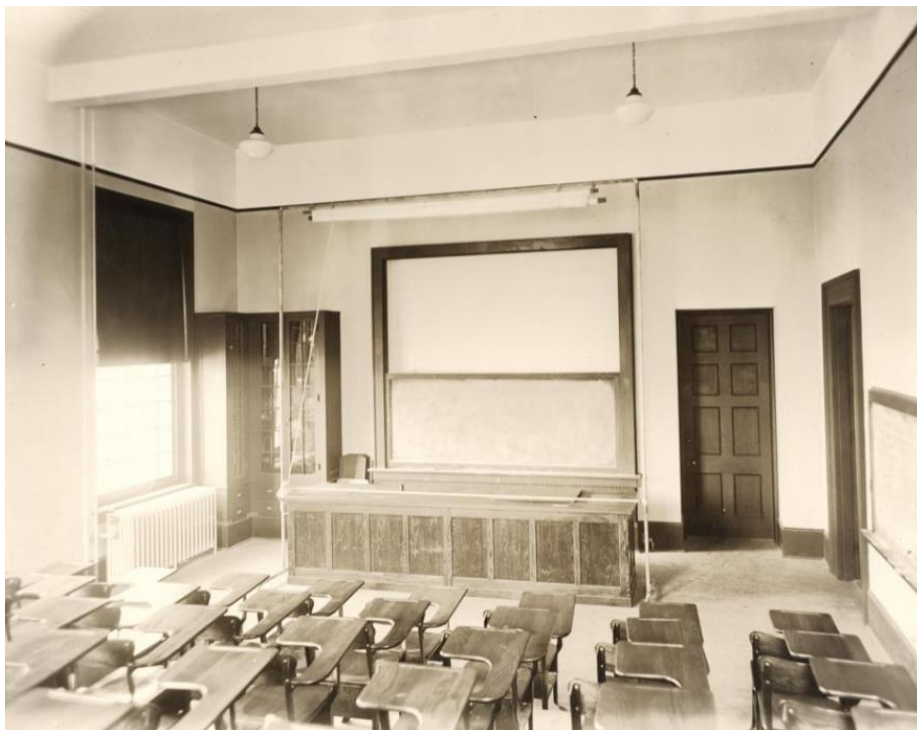
In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments in light of the COVID-19 pandemic, effective immediately. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides for the following pronouncements:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 87, *Leases*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The College has adopted Statement No. 95 in the fiscal year ended June 30, 2020. The adoption had no effect on the College's financial statements, with exception of the implementation of Statement No. 89 as noted below.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* was effective for reporting periods beginning after December 15, 2019 and should be applied prospectively. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The College adopted this Statement in fiscal year ended June 30, 2020.

Other accounting standards that have been issued or proposed by the GASB or other standards-setting bodies are not expected to have a material impact on the College's financial position, changes in net position, or cash flows.



Lecture Hall inside Randolph Hall, 1900.

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

The majority of deposits and investments of the College are under the control of the State Treasurer, who, by law, has sole authority for investing State funds. Information pertaining to the reported amounts, fair values, and credit risk of the State Treasurer's deposits and investments is disclosed in the CAFR of the State of South Carolina.

The following schedule as of June 30, 2020, reconciles deposits and investments in the notes to the Statement of Net Position amounts:

Schedule of Deposits and Investments as of June 30, 2020	
<u>Statement of Net Position</u>	
Current assets	
Cash and cash equivalents	\$ 69,821,313
Cash and cash equivalents, restricted	94,505,770
Noncurrent assets	
Cash and cash equivalents, restricted	720,689
	\$ 165,047,772
 <u>Deposits and Investments</u>	
Cash on hand	\$ 5,107
Deposits held by State Treasurer	164,837,781
Deposits held by banks	204,884
	\$ 165,047,772

Deposits Held by State Treasurer

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the deposits of the College may not be returned. For deposits held by the State Treasurer, State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 2020, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by its agents in the State's name.

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, credit risk, interest rate risk, and concentration risk of the State Treasurer's investments is disclosed in the CAFR of the State of South Carolina.

With respect to the College's other deposits at year-end, all of these deposits are either insured or collateralized with securities held by the entity or by its agent in the entity's name or collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

The College owns \$197,867 of other deposits which are held in a separate checking account used for Perkins Loans collections. Federal Depository Insurance Corporation (FDIC) covers the deposit accounts up to the FDIC limit of \$250,000.

Restricted Cash Deposits

Current restricted cash deposits of \$94,505,770 consist of \$84,541,155 for capital project accounts and \$9,964,615 for debt service accounts. Noncurrent restricted cash deposits include amounts for endowment funds, student loan funds, and unrealized appreciation associated with amounts held by the State Treasurer.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2020, are summarized as follows:

Student accounts	\$ 1,621,119
Other	626,731
Auxiliary enterprises	<u>557,245</u>
Total accounts receivable	<u>\$ 2,805,095</u>
Allowance for bad debts	<u>\$ (245,000)</u>
Federal grants and contracts	\$ 5,622,096
State grants and contracts	205,725
Nongovernmental grants and contracts	189,913
Local grants and contracts	<u>5,454</u>
Total grants and contracts receivable	<u>\$ 6,023,188</u>
Component unit	\$ 4,177,302
Interest income	240,876
Student loans	<u>875,275</u>
Total other receivables	<u>\$ 5,293,453</u>
Net Accounts Receivable	<u>\$ 13,876,736</u>

Allowances for losses on student accounts receivable are established based upon actual losses incurred in prior years and/or evaluations of the current account portfolio. At June 30, 2020, the allowance for bad debts on student accounts is estimated at \$235,000 and \$10,000 for non-student accounts.

NOTE 4 – LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program comprise substantially all the loan's receivable as of June 30, 2020. The Perkins Loan Program provides various repayment options. Students have the right to repay the loans over periods up to ten years depending on the amount of the loan and loan cancellation privileges the student may exercise. These loans are classified as noncurrent receivables. If the College determines that loans are uncollectible, the loans are written off and assigned to the U.S. Department of Education.

NOTE 5 – CAPITAL ASSETS

	Beginning Balance 6/30/2019	Increases	Decreases	Ending Balance 6/30/2020
Capital assets not being depreciated:				
Land	\$ 48,054,141	\$ -	\$ -	\$ 48,054,141
Construction in progress	7,342,433	7,580,564	(6,336,790)	8,586,207
Total capital assets not being depreciated	<u>\$ 55,396,574</u>	<u>\$ 7,580,564</u>	<u>\$ (6,336,790)</u>	<u>\$ 56,640,348</u>
Depreciable capital assets:				
Land improvements	\$ 4,968,429	\$ -	\$ -	\$ 4,968,429
Buildings	368,221,834	-	-	368,221,834
Building improvements	173,108,573	6,336,790	-	179,445,363
Machinery, equipment, and other	33,918,205	1,186,278	(1,521,927)	33,582,556
Information technology equipment and software	7,941,698	-	-	7,941,698
Motor vehicles	426,096	-	(14,789)	411,307
Total depreciable capital assets	<u>\$ 588,584,835</u>	<u>\$ 7,523,068</u>	<u>\$ (1,536,716)</u>	<u>\$ 594,571,187</u>
Less accumulated depreciation:				
Land improvements	\$ 4,234,037	\$ 51,910	\$ -	\$ 4,285,947
Buildings	154,711,680	8,610,515	-	163,322,195
Building improvements	51,030,655	6,570,173	-	57,600,828
Machinery, equipment, and other	22,451,211	2,355,630	(1,463,066)	23,343,775
Information technology equipment and software	7,941,698	-	-	7,941,698
Motor vehicles	363,969	33,482	(14,789)	382,662
Total accumulated depreciation	<u>\$ 240,733,250</u>	<u>\$ 17,621,710</u>	<u>\$ (1,477,855)</u>	<u>\$ 256,877,105</u>
Depreciable capital assets, net	<u>\$ 347,851,585</u>	<u>\$ (10,098,642)</u>	<u>\$ (58,861)</u>	<u>\$ 337,694,082</u>
Capital assets, net	<u>\$ 403,248,159</u>	<u>\$ (2,518,078)</u>	<u>\$ (6,395,651)</u>	<u>\$ 394,334,430</u>

During fiscal year 2020, depreciation expense was \$17,621,710. The College adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* during fiscal year 2020. With the adoption of this Statement, interest expense is no longer capitalized and expensed in the Statement of Revenues, Expenses and Changes in Net Position. In addition, the College disposed of assets with a net book value of \$58,861. The loss derived from the sale of assets totaled \$34,533.

NOTE 6 – PENSION PLANS

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.

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, 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 Descriptions

- 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.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A 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 summary of the benefit terms for each system is presented below.

- **SCRS** – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class

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

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

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. 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 year through 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 first, 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.



World War I Commissioning exercises outside Harrison Randolph Hall, 1917.

Construction of Randolph Hall, the most recognizable building at the College, began in 1828 under the direction of architect William Strickland.

Required **employee** contribution rates¹ are as follows:

	<u>Fiscal Year 2020¹</u>	<u>Fiscal Year 2019¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required **employer** contribution rates¹ are as follows:

	<u>Fiscal Year 2020¹</u>	<u>Fiscal Year 2019¹</u>
SCRS		
Employer Class Two	15.41%	14.41%
Employer Class Three	15.41%	14.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution ²	15.41%	14.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	17.84%	16.84%
Employer Class Three	17.84%	16.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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, 2015.

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

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

The June 30, 2019, 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, 2018. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2019, 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, 2019.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ³	7.25%	7.25%
Projected salary increases	3% to 12.5% (varies by service) ³	3% to 9.5% (varies by service) ³
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

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, 2019, 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%

³ Includes inflation at 2.25%

Net Pension Plan Liability

The NPL is calculated separately for each system and represents that system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2019, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 50,073,060,256	\$ 27,238,916,138	\$ 22,834,144,118	54.4%
PORS	7,681,749,768	4,815,808,554	2,865,941,214	62.7%

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 Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

At June 30, 2020, the College reported liabilities of \$176,324,659 and \$3,659,100 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively. The net pension liabilities were measured as of June 30, 2019. The College's proportionate shares of the net pension liabilities were based on a projection of the College's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the College's proportionate shares of the SCRS and PORS plans were 0.77 percent and 0.13 percent, respectively.

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 2019 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.

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	51.00%		
Global Public Equity ^{4,5}	35.00%	7.29%	2.55%
Private Equity ^{5,6}	9.00%	7.67%	0.69%
Equity Options Strategies ⁴	7.00%	5.23%	0.37%
Real Assets	12.00%		
Real Estate (Private) ^{5,6}	8.00%	5.59%	0.45%
Real Estate (REITs) ⁵	1.00%	8.16%	0.08%
Infrastructure (Private) ^{5,6}	2.00%	5.03%	0.10%
Infrastructure (Public) ⁵	1.00%	6.12%	0.06%
Opportunistic	8.00%		
Global Tactical Asset Allocation ⁴	7.00%	3.09%	0.22%
Other Opportunistic Strategies	1.00%	3.82%	0.04%
Credit	15.00%		
High Yield Bonds/ Bank Loans ^{4,5}	4.00%	3.14%	0.13%
Emerging Markets Debt	4.00%	3.31%	0.13%
Private Debt ^{5,6}	7.00%	5.49%	0.38%
Rate Sensitive	14.00%		
Core Fixed Income ⁴	13.00%	1.62%	0.21%
Cash and Short Duration (Net)	1.00%	0.31%	0.00%
Total Expected Return ⁷	100.00%		5.41%
Inflation for Actuarial Purposes			2.25%
			7.66%

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.

⁴ 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.

⁵ 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.

⁶ RSIC staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

⁷ 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.

Sensitivity Analysis

The following table presents the College's proportionate share of the NPL of the respective plans calculated using the discount rate of 7.25 percent, as well as what the College's proportionate share of the 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
SCRS	\$222,132,068	\$176,324,659	\$138,095,570
PORS	4,958,935	3,659,100	2,594,189

Pension Expense

For the year ended June 30, 2020, the College recognized pension expense for the SCRS and PORS plans of \$20,647,768 and \$347,055, respectively.

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to its pension liabilities from the following sources for each of the respective plans:

	SCRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 121,206	\$ 1,266,685
Changes in Assumptions	3,553,197	-
Net difference between projected and actual earnings on pension plan investments	1,561,062	-
Change in proportion and difference between employer contributions and proportionate share of plan contributions	4,712,449	1,065,947
College contributions subsequent to the measurement date	13,261,704	-
Total	\$ 23,209,618	\$ 2,332,632

	<u>PORS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 75,239	\$ 27,043
Changes in Assumptions	145,102	-
Net difference between projected and actual earnings on pension plan investments	46,395	-
Change in proportion and difference between employer contributions and proportionate share of plan contributions	-	329,130
College contributions subsequent to the measurement date	355,111	-
Total	<u>\$ 621,847</u>	<u>\$ 356,173</u>
Total SCRS and PORS	<u>\$ 23,831,465</u>	<u>\$ 2,688,805</u>

The \$13,261,704 and \$355,111 reported as deferred outflows of resources related to pensions resulting from College contributions paid subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2020 will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2020 of the systems.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension obligation will be recognized in pension expense as follows for the SCRS and PORS plans, respectively:

Future amortization:

	<u>SCRS</u>
Year ending June 30:	
2021	\$ 5,505,824
2022	146,516
2023	1,333,540
2024	<u>629,402</u>
	<u>\$ 7,615,282</u>
	<u>PORS</u>
Year ending June 30:	
2021	\$ (36,775)
2022	(61,264)
2023	(6,319)
2024	<u>14,921</u>
	<u>\$ (89,437)</u>

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2019, and the accounting valuation report as of June 30, 2019. 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.

NOTE 7 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

Plan Descriptions

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

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

The OPEB Trusts are cost-sharing multiple-employer defined benefit OPEB plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment 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 percent employer funding and 15-24 years of service for 50 percent 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, 2019 was 6.05 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer’s active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer’s contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions 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, 2019. 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 2019 totaled \$529,122,849. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of \$190,548.

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 purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts

fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

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

Net OPEB Liability and Expense

The following table represents the components of the net OPEB liability as of June 30, 2019:

OPEB Trust	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Fiduciary Net Position as a % of Total OPEB Liability
SCRHITF	\$16,516,264,617	\$1,394,740,049	\$15,121,524,568	8.44%
SCLTDITF	40,743,755	38,775,500	1,968,255	95.17%

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.

At June 30, 2020, the College reported liabilities of \$177,707,098 and \$14,555 for its proportionate shares of the SCRHITF and SCLTDITF net OPEB liabilities as of June 30, 2019. For the year ended June 30, 2020, the College recognized OPEB expense for SCRHITF and SCLTDITF of \$10,764,175 and \$60,462, respectively. The College’s proportionate shares of the collective net OPEB liabilities and collective OPEB expense were determined using the employer’s payroll-related contributions over the measurement period. At June 30, 2019, the College’s proportionate shares of the SCRHITF and SCLTDITF liabilities and expenses were 1.18 percent and 0.74 percent, respectively.

Deferred Inflows of Resources and Outflows of Resources

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 by 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 are 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.

At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to its OPEB liabilities from the following sources for each of the respective trusts:

	<u>SCRHITF</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,092,541	\$ 5,776,438
Changes in Assumptions	11,759,027	11,004,589
Net difference between projected and actual investment	461,816	253,943
Change in proportionate share and differences between employer contributions and proportionate share of plan contributions	2,412,032	2,709,315
College contributions subsequent to the measurement date	5,890,260	-
Total	<u>\$ 22,615,676</u>	<u>\$ 19,744,285</u>

	<u>SCLTDITF</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 10,128
Changes in Assumptions	8,187	1,297
Net difference between projected and actual investment earnings	9,459	9,068
Change in proportionate share and difference between employer contributions and proportionate share of plan contributions	-	2,549
College contributions subsequent to the measurement date	45,450	-
Total	<u>\$ 63,096</u>	<u>\$ 23,042</u>
Total SCRHITF and SCLTDITF	<u>\$ 22,678,772</u>	<u>\$ 19,767,327</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB obligation will be recognized in OPEB expense as follows for the SCRHITF and SCLTDITF trusts, respectively:

	<u>SCRHITF</u>
Year ending June 30:	
2021	\$ (1,196,121)
2022	(1,196,121)
2023	(1,264,499)
2024	(1,372,853)
2025	507,065
Thereafter	1,503,660
	<u>\$ (3,018,869)</u>
	<u>SCLTDITF</u>
Year ending June 30:	
2021	\$ 727
2022	727
2023	(887)
2024	(2,964)
2025	(697)
Thereafter	(2,302)
	<u>\$ (5,396)</u>

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, 2018
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25 percent
Investment Rate of Return:	2.75 percent, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.13 percent as of June 30, 2019

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 percent and gradually decreasing to an ultimate trend rate of 4.15 percent over a period of 14 years
Retiree Participation:	79 percent for retirees who are eligible for funded premiums 59 percent participation for retirees who are eligible for Partial Funded Premiums 20 percent participation for retirees who are eligible for Non-Funded Premiums
Notes:	There were no benefit changes during the current year; the discount rate changed from 3.62 percent as of June 30, 2018 to 3.13 percent as of June 30, 2019; minor updates were made to the healthcare trend rate assumption

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2018
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25 percent
Investment Rate of Return:	3.00 percent net of Plan investment expense; including inflation
Single Discount Rate:	3.04 percent as of June 30, 2019
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 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 percent were assumed to recover after the first year and 92 percent were assumed to recover after the first two years

Offsets:	40 percent 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 3.91 percent as of June 30, 2018 to 3.04 percent as of June 30, 2019

Single Discount Rate

The Single Discount Rate of 3.13 percent 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).

A Single Discount Rate of 3.04 percent was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 3.00 percent and a municipal bond rate of 3.13 percent. 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 2039. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2039, 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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Allocation-Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	0.60%	0.48%
Cash equivalents	20.00%	0.10%	0.02%
Total	100.00%		0.50%
Expected Inflation			2.25%
Total Return			2.75%
Investment Return Assumption			2.75%

South Carolina Long-Term Disability Insurance Trust Fund

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Allocation-Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash equivalents	20.00%	0.51%	0.10%
Total	<u>100.00%</u>		<u>0.86%</u>
Expected Inflation			<u>2.25%</u>
Total Return			<u>3.11%</u>
Investment Return Assumption			<u>3.00%</u>

Sensitivity Analysis

The following table presents the College's proportionate share of SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.13 percent, as well as what the College's proportionate share of the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 2.13%	Current Discount Rate 3.13%	1% Increase 4.13%
SCRHITF Net OPEB Liability	\$210,669,590	\$177,707,098	\$151,253,332

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
SCRHITF Net OPEB Liability	\$145,027,976	\$177,707,098	\$220,264,969

The following table presents the College's proportionate share of the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.04 percent, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 2.04%	Current Discount Rate 3.04%	1% Increase 4.04%
SCLTDITF Net OPEB Liability	\$25,036	\$14,555	\$4,158

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

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the trust funds administered by PEBA, Insurance Benefits is available in the Trust Funds audited financial statements for the fiscal year ended June 30, 2019 (including the unmodified audit opinion on the financial statements and required supplementary information). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2019.

NOTE 8 – LITIGATION, CONTINGENCIES, PROJECT COMMITMENTS, AND SUBSEQUENT EVENTS

Litigation

The College is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of College management, there are no material claims or lawsuits against the College that are not covered by insurance or whose settlement would materially affect the College's financial position.

Contingencies

The College participates in certain federal grant programs. These programs 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. Management believes disallowances, if any, will not be material.

Project Commitments

The College had outstanding project commitments under contracts of approximately \$13,916,000 at June 30, 2020. Of this total, approximately \$11,179,000 is attributable to capital projects. The College has current resources on hand from bond issues, private gifts, and student fees to cover these commitments. The State has issued Research University Infrastructure bonds to advance economic development and create a knowledge-based economy, thereby increasing job opportunities, or to facilitate and increase externally funded research at the research universities, including land acquisition, acquisition or construction of buildings, equipment, furnishings, site preparation, road, highway improvements, and water and sewer infrastructure. The College has \$168,346 of proceeds available to draw on June 30, 2020.

Subsequent Events

The College evaluated subsequent events through September 29, 2020, which is the date the financial statements were available to be issued.

The 2019 novel coronavirus (or “COVID-19”) has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. It is unknown the extent to which COVID-19 may spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the College’s and its donor’s and student’s costs, demand for the College’s products and services, and the U.S. economy. These conditions could adversely affect the College’s financial condition, and results of operations. Further, COVID-19 may result in health or other government authorities requiring additional closure of the College’s operations or other businesses of the College’s donors, students, and suppliers, which could significantly disrupt the College’s operations and the operations of the College’s donors and students. The extent of the adverse impact of the COVID-19 outbreak on the College cannot be predicted at this time.

In March 2020, the College converted to online classes, and most students were required to leave campus due to the COVID-19 pandemic. Due to the closure of housing and dining facilities, auxiliary services revenue decreased by approximately \$5,500,000 for housing, dining, and parking refunds issued to students for the Spring semester.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”). From this Act, the College was certified to receive approximately \$7,600,000 million in Higher Education Emergency Relief Funds (“HEERF”). The College received Part A funds under the CARES Act of approximately \$3,800,000 and expended approximately \$3,770,000 of these funds through June 30, 2020 on student aid as required under the federal grant. In addition, the College was certified to receive approximately \$3,800,000 in Part B funds, of which approximately \$3,770,000 was recognized through June 30, 2020, to cover the foregone revenue related to housing, dining, and parking refunds to students. The College recognized approximately \$7,500,000 of HEERF awards as federal nonoperating grants and contracts revenue in the Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2020.

The College began the Fall 2020 semester with virtual instruction and has transitioned to hybrid in-person instruction as of the report date. Currently, overall undergraduate enrollment was down approximately 2 percent from the Fall semester in the prior year, with a significant contributing factor being the pandemic. In addition, the College has seen a decrease in initial auxiliary services revenue for the Fall semester due to reduced residential density by 35 percent, and the three-week delay to in-person classes. These decreases have been partially offset by a 2.65 percent increase for room and board rates and a 2.24 percent increase for meal plan rates over the prior academic year. Additionally, surcharges of \$80 per hour for in-state undergraduates and \$120 per hour for out-of-state undergraduates will be charged to students enrolled beyond full time starting with the 17th credit hour.

The College has put into place contingency plans which include using Buist Residence Hall for student isolation purposes, offering telehealth services through a collaboration with the Medical University of South Carolina, implementing strict health and safety protocols throughout the campus, random testing and contact tracing. Other cost cutting measurements include a hiring freeze, reductions to temporary employees, and reduced discretionary spending. Management continues to monitor the impacts of the pandemic and are poised to enact additional cost reduction measures as determined necessary.

NOTE 9 – LEASE OBLIGATIONS

Future commitments for operating leases with remaining noncancelable terms more than one year as of June 30, 2020 are as follows:

Future Minimum Operating Lease Commitments					
<u>Year Ending June 30,</u>	<u>Equipment</u>	<u>External Parties</u>	<u>Other State Agencies</u>	<u>CofC Foundation</u>	<u>Total</u>
2021	\$ 42,743	\$ 3,176,546	\$ 172,336	\$ 695,491	\$ 4,087,116
2022	42,743	2,399,901	172,336	160,000	2,774,980
2023	42,743	2,270,271	172,336	100,000	2,585,350
2024	42,743	329,573	172,336	100,000	644,652
2025	17,809	-	172,336	100,000	290,145
2026-2030	-	-	861,680	500,000	1,361,680
2031-2035	-	-	861,680	500,000	1,361,680
2036-2040	-	-	861,680	300,000	1,161,680
2041-2045	-	-	861,680	-	861,680
2046-2050	-	-	861,680	-	861,680
2051-2055	-	-	861,680	-	861,680
2056-2060	-	-	861,680	-	861,680
2061	-	-	129,252	-	129,252
Total	<u>\$ 188,781</u>	<u>\$ 8,176,291</u>	<u>\$ 7,022,692</u>	<u>\$ 2,455,491</u>	<u>\$ 17,843,255</u>

Operating Leases

The College's operating leases having remaining terms of more than one year expire in various fiscal years from 2021 through 2061. In the normal course of business, operating leases are generally renewed or replaced by other leases. Operating leases are typically payable monthly for equipment and on a quarterly basis, in advance, for property.

The College has real property operating leases for fifteen different locations with the Foundation, a component unit. In 2020, the College executed an Omnibus Lease Extension Amendment of one-year for these leases through 2021. These triple net leases cover office space, student housing, and two parking lots. Other leases with the Foundation that are not triple net include Dixie Plantation, recently renamed Stono Preserve, with a 2038 end date, and a villa in Trujillo Spain with a 2022 end date. There are no escalation clauses for Foundation leases. Under the agreements, the College paid the Foundation \$695,491 in the current fiscal year.

Other operating leases for real property consist of office space, classroom space, dorm space, parking lots, dock space, a practice golf facility, a sports complex, a warehouse, and a fitness center.

In August 2004, the College entered into a nine-year lease for residential apartments and parking spaces with Warren Place, a Joint Venture. In 2011, this triple net lease was amended to extend it through 2023. The current year lease payments totaled \$1,422,462.

The College leases a sports complex from Patriots Point Development Authority, a state agency, with lease terms effective April 1, 1997 through March 31, 2062. A one-time payment of \$500,000 was paid in fiscal year 1998 with a corresponding charge to prepaid expenses. This payment is being amortized ratably over the 65-year lease term utilizing the straight-line method of amortization. The lease agreements make no provisions beyond the 65-year period. The unamortized balance at June 30, 2020 is \$321,154. Amortization of the prepaid rent balance for fiscal year 2020 was \$7,692 and is reported in operating expenses. The College is responsible for all maintenance and improvements as well as insurance, assessments and other fees that may be levied or invoked on the property. Rent is adjusted annually based on the Consumer Price Index for the Southeast Region. The College paid the Patriots Point Development Authority \$172,336 in rent in fiscal year 2020. The College also subleases dock space at Charleston Harbor Marina located near the sports complex at Patriots Point, and the current year lease payment was \$58,500. The College entered into a new lease for the dock space on July 1, 2018 which ends June 30, 2023.

The College leases a golf practice facility from The Links at Stono Ferry. The College entered into a new six-year lease with this facility with lease terms from August 11, 2017 through August 10, 2023 with the option to renew for up to four consecutive periods of one year each. Rent for this facility is \$150,000 per year.

The College's North Campus and Lowcountry Graduate Center were housed in a 50,000 square foot building owned by 3800 Paramount, LLC at 3800 Paramount Drive in North Charleston. The initial term of this lease is July 1, 2014 to June 30, 2021. The College terminated the lease early on June 30, 2020. Rent for fiscal year 2020 was \$962,197.

The College also leases warehouse space, and the current term ends December 14, 2022 with one renewal option of five years. The total rental payment for fiscal year 2020 was \$234,885. The College entered into a ten-year lease for a fitness center beginning October 7, 2013 with two renewal options of ten years each. Rent for fiscal year 2020 was \$529,622. The College entered into a seven-year lease for 41,000 square feet of office and classroom space at Harbor Walk beginning January 1, 2014 and ending December 31, 2020 with one five-year renewal option. In 2015, the College leased an additional 3,104 square feet. In July 2017, the College leased an additional 2,575 square feet. Rent for fiscal year 2020 was \$1,588,322.

The College entered into a new one-year lease with Clemson University for 292 Meeting Street with lease terms from January 1, 2020 through December 31, 2020 with the option to renew for up to two consecutive periods of one year each. Rent for this facility is \$84,000 per year.

Finally, the total operating lease expenditures for fiscal year 2020 were \$5,904,389. The College reports all these operating lease costs in operating expenses.

NOTE 10 – BONDS AND NOTES PAYABLE

Bonds consisted of the following at June 30, 2020:

	<u>Original Balance</u>	<u>Fixed Interest Rates</u>	<u>Maturity Dates</u>	<u>Outstanding Balance</u>	<u>Debt Retired FY 2020</u>
Revenue Bonds					
Higher Education Facilities Revenue Bonds					
Bond, Series 2012A	25,630,000	2.00-4.00%	2032	\$ 16,985,000	\$ 1,165,000
Bond, Series 2013A	12,510,000	3.00-4.00%	2033	6,840,000	425,000
Bond, Series 2017A	42,705,000	3.00-5.00%	2037	38,495,000	1,470,000
Academic/Administrative Facilities Revenue Bonds					
Bond, Series 2011A	33,745,000	2.00-5.00%	2037	26,590,000	1,095,000
Bond, Series 2013B	24,835,000	2.00-5.00%	2034	20,570,000	1,115,000
Bond, Series 2014A	54,255,000	3.00-5.00%	2044	49,810,000	1,195,000
Bond, Series 2017B	31,345,000	3.00-5.00%	2037	<u>28,255,000</u>	<u>1,080,000</u>
Total Revenue Bonds				187,545,000	<u>7,545,000</u>
Unamortized Bond Premiums/(Discounts)				7,811,658	
Notes Payable				<u>184,536</u>	
Total Bonds and Notes Payable				<u>\$ 195,541,194</u>	<u>\$ 7,545,000</u>

Bonds issued by the College include certain restrictive covenants. Auxiliary Revenue Bonds are payable solely from and secured by a pledge of revenues of the College's residence halls, food service, and parking, and from additional funds from the capital improvement fee imposed by the Board of Trustees.

Bond premiums/(discounts) and deferred losses on refunding are capitalized and amortized over the life of the bonds. The amount amortized for bond premiums/discounts was \$463,768 and the amount amortized for deferred losses on refunding was \$42,175.

Total interest and amortization expense incurred for fiscal year 2020 was \$7,146,690.

Amounts including interest required to complete payment of the Revenue Bonds as of June 30, 2020 are as follows:

Revenue Bonds Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 7,840,000	\$ 7,333,615	\$ 15,173,615
2022	8,170,000	7,014,115	15,184,115
2023	8,505,000	6,662,215	15,167,215
2024	8,870,000	6,304,878	15,174,878
2025	9,275,000	5,896,978	15,171,978
2026-2030	52,390,000	23,382,869	75,772,869
2031-2035	54,045,000	13,314,412	67,359,412
2036-2040	26,725,000	4,743,662	31,468,662
2041-2044	11,725,000	1,195,400	12,920,400
Total Revenue Bonds	<u>\$ 187,545,000</u>	<u>\$ 75,848,144</u>	<u>\$ 263,393,144</u>

Amounts including interest required to complete payment of the Notes Payable as of June 30, 2020 are as follows:

Notes Payable Year Ending June 30,	Principal	Interest	Total
2021	\$ 184,536	\$ 3,361	\$ 187,897
Total Notes Payable	\$ 184,536	\$ 3,361	\$ 187,897

In prior years, the College defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the College’s financial statements. At June 30, 2020, \$185,268 of bonds outstanding were considered defeased. Management believes the College was in compliance with all applicable bond covenants as of June 30, 2020.



Students pose in front of a balloon display on George Street commemorating the 250th anniversary of the College of Charleston, January 30, 2020.

NOTE 11 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2020</u>	<u>Due Within One Year</u>
Bonds Payable					
Revenue Bonds	\$ 195,090,000	\$ -	\$ 7,545,000	\$ 187,545,000	\$ 7,840,000
Unamortized Premiums/ (Discounts)	<u>8,275,426</u>	<u>-</u>	<u>463,768</u>	<u>7,811,658</u>	<u>463,768</u>
Total Revenue Bonds	<u>\$ 203,365,426</u>	<u>\$ -</u>	<u>\$ 8,008,768</u>	<u>\$ 195,356,658</u>	<u>\$ 8,303,768</u>
Notes Payable					
Notes Payable	\$ 365,771	\$ -	\$ 181,235	\$ 184,536	\$ 184,536
Total Bonds and Note Payable	<u>\$ 203,731,197</u>	<u>\$ -</u>	<u>\$ 8,190,003</u>	<u>\$ 195,541,194</u>	<u>\$ 8,488,304</u>
Other Liabilities					
Net Pension Liability	\$ 171,691,285	\$ 20,994,823	\$ 12,702,349	\$ 179,983,759	\$ -
Net OPEB Liability	163,912,899	21,293,504	7,484,750	177,721,653	-
Federal Capital Contribution	1,634,438	-	219,964	1,414,474	-
Accrued Compensated Absences	<u>4,844,034</u>	<u>3,669,316</u>	<u>3,020,148</u>	<u>5,493,202</u>	<u>2,497,961</u>
Total Other Liabilities	<u>\$ 342,082,656</u>	<u>\$ 45,957,643</u>	<u>\$ 23,427,211</u>	<u>\$ 364,613,088</u>	<u>\$ 2,497,961</u>
Total Long-Term Liabilities	<u>\$ 545,813,853</u>	<u>\$ 45,957,643</u>	<u>\$ 31,617,214</u>	<u>\$ 560,154,282</u>	<u>\$ 10,986,265</u>

NOTE 12 – DONOR RESTRICTED ENDOWMENTS

The College is the recipient of two restricted endowments. One is an endowed professorship from the Commission of Higher Education in the amount of \$100,000 with a stipulation that only earnings can be used to fund endowed chairs at the College. For the year ended June 30, 2020, interest income of \$3,517 was available to be spent, which is restricted for specific purposes.

The other endowment funded through the South Carolina Research Centers of Economic Excellence Act of 2002 in the amount of \$1,000,000 was received during fiscal year 2005 through a Memorandum of Understanding between the College and the Medical University of South Carolina (MUSC). As of June 30, 2020, cumulative net appreciation on these funds was \$357,334, and the total endowed balance of \$1,357,334 is included in noncurrent component unit receivable, restricted on the Statement of Net Position.

The College has joined with MUSC to raise nonstate matching funds of \$2,000,000 for collaborative research, the Research Center in Applied Marine Genomics. Through an agreement between the College and the Foundation, and permissible under South Carolina Code of Laws Section 59-101-410(b), the College loaned the funds to the Foundation for the specific purpose of maximizing the College's investment yield. The collaborative research project is intended to be a permanent program; however, in the event the program is discontinued, the Foundation must return the funds, plus any earnings less any authorized program spending and customary administrative fees.

NOTE 13 – COMPONENT UNITS

Certain separately chartered legal entities whose activities are related to those of the College exist primarily to provide financial assistance and other support to the College and its educational programs. They include the Foundation and the Cougar Club. Independent auditors retained by the organizations audit the financial statements of these entities.

The financial report of the Foundation may be obtained by writing to the Financial Services Office of the Foundation, 66 George Street Charleston, South Carolina, 29424. The financial report of the Cougar Club may be obtained by writing to the Financial Director, Cougar Club, 66 George Street, Charleston, South Carolina, 29424.

Effective fiscal year June 30, 2004, and because of the GASB Statement No. 39 implementation guidelines, the College began recognizing the Foundation and the Cougar Club as component units and displaying a discrete presentation format of their financial statements. Both entities report under guidelines established by the FASB.

College of Charleston Foundation

The Foundation is a nonprofit organization that promotes programs of education, research, student development, and faculty development for the exclusive benefit of the College. Major sources of income consist primarily of donor contributions and investment income.

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value based upon quoted market prices. Investments in limited partnerships are stated at fair values based upon financial information provided by external investment managers. Because limited partnership interests are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ significantly from the value that would have been used had a ready market for the investments existed. Investments donated to the Foundation are initially recorded at fair value on the date of the gift. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the Consolidated Statements of Activities and Changes in Net Assets.

Investment income is recorded net of investment expenses. Realized gains or losses on investments are determined by comparison of the specific cost of acquisition to proceeds at the time of disposal. Unrealized gains or losses are calculated by comparing the cost to fair values at the Consolidated Statements of Financial Position dates.

The Foundation maintains master investment accounts for its donor-restricted and board designated endowments. Investment income and expenses, including unrealized gains and losses from securities in the master investment accounts, are allocated monthly to the individual endowments based on the relationship of the fair value of each endowment to the fair value of the master investment accounts, adjusted for additions to or deductions from those accounts.

The Foundation's endowment consists of approximately 600 individual funds established for a variety of purposes including funds established by donors to provide annual funding for specific activities and general operations, and certain net assets without donor restrictions that have been designated for endowment by the Board of Directors. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions and the Foundation's interpretation of relevant law.

The Foundation places its cash and cash equivalents on deposit with commercial banks. The FDIC covers \$250,000 for each interest-bearing account. At times, the Foundation may maintain bank account balances more than the FDIC insured limit. The Foundation has not experienced losses in such deposit accounts and believes it is not exposed to any significant credit risk in this regard.

The Foundation is also subject to concentration of credit risk related to its unconditional promises to give. Contributions and unconditional promises to give consist of gift amounts from individuals and businesses, many of which are in the State of South Carolina. At June 30, 2020, promises to give from one donor accounted for approximately 19 percent of the total unconditional promises to give balance.

Investments – Nongovernmental Discretely Presented Component Units

The Foundation investments as of June 30, 2020, were as follows:

Investments Carried at Fair Value	<u>Cost</u>	<u>Fair value</u>
Cash and cash equivalents	\$ 27,978,486	\$ 27,978,486
Equity securities	225,838	272,580
Fixed income and multi-asset funds	6,167,115	6,156,587
Multi-strategy limited partnership	<u>68,265,040</u>	<u>85,654,958</u>
Total	<u>\$ 102,636,479</u>	<u>\$ 120,062,611</u>

The following schedule details transactions between the College and the Foundation during the year ended June 30, 2020.

Transactions between the College and the Foundation for Fiscal Year 2020	
The College paid the Foundation for the rental of certain real property. The amount is reported as part of operating expenses.	
In addition, see Note 9 regarding lease transactions with the Foundation.	\$ 695,491
The Foundation reimbursed the College for scholarships awarded.	
The amount is reported as a part of gifts under nonoperating revenue.	\$ 3,467,741
The Foundation reimbursed the College for certain expenditures that were paid for by the College.	\$ 3,495,214

College of Charleston Athletic Fund d/b/a - Cougar Club

The Cougar Club is a nonprofit organization that provides support to the College's athletic department through scholarships and revenue generated by fundraising and membership activities. The College received \$1,148,401 in scholarships and other support from the Cougar Club for the year ended June 30, 2020.

The College has receivables totaling \$4,177,302 with the component units. The details of the component unit receivables follow.

Component Units Receivable as of June 30, 2020	
The Foundation	
Capital projects and operating expenses receivable	\$ 2,748,101
Marine Genomics endowment receivable	1,357,334
Total Foundation receivable	<u>\$ 4,105,435</u>
The Cougar Club	
Operating expenses receivable	\$ 71,867
Total Cougar Club receivable	<u>\$ 71,867</u>
Total Component Units Receivable	<u>\$ 4,177,302</u>

On July 1, 2019, the Cougar Club adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2014-19, *Revenue from Contracts with Customers* (Topic 606) using the retrospective modified approach. This ASU requires entities to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the Cougar Club expects to be entitled to in exchange for those goods or services. The adoption resulted in a decrease to beginning net assets of approximately \$823,000 as of July 1, 2019 related to sales of advance memberships, which are recognized over time as members purchase tickets in the upcoming year.

NOTE 14 – RISK MANAGEMENT

The College is exposed to various risks of loss and maintains state or commercial insurance coverage for these risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The costs of settled claims have not exceeded this coverage in any of the past three years. The College pays insurance premiums to certain other state agencies and commercial insurers to cover risks that may occur during normal operations. The insurers promise to pay to, or on behalf of, the insured for covered economic losses sustained during the policy period, in accordance with the insurance policy and benefit program limits.

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several state funds accumulate assets and the State itself assumes substantially all risks for the following:

Managed Risks Assumed by the State

1. Claims of State employees for unemployment compensation benefits (SC Department of Employment and Workforce);
2. Claims of covered employees for workers compensation benefits for job related illnesses or injuries (State Accident Fund);
3. Claims of covered public employees for health and dental insurance benefits. (Employee Insurance Program); and
4. Claims of covered public employees for long term disability and group life insurance benefits. (Employee Insurance Program).

Employees elect health coverage with the State's self-insured plan administered through the PEBA. All the other types of coverage listed above are through the applicable State's self-insured plan or PEBA.

The College and other entities pay premiums to the State's Insurance Reserve Fund (IRF), which issues policies, accumulates assets to cover the risks of loss, and pays claims incurred for covered losses related to the following College assets, activities, and/or events:

Risks of Loss Covered by Insurance

1. Theft of, damage to, or destruction of assets,
2. Natural disasters,
3. Real property, its contents, and other equipment,
4. Motor vehicles,
5. Watercraft, artwork, and equipment (inland marine),
6. Torts,
7. Business interruptions,
8. Data processing; and
9. Medical malpractice claims against covered employees.

The IRF is a self-insurer and purchases reinsurance to obtain certain services and specialized coverage and to limit losses in certain areas. The IRF rates are determined actuarially. The College obtains coverage through commercial insurers for fidelity bond insurance to cover employees for losses arising from theft or misappropriation, for cyber liability, Directors and Officers Liability, and various other limited coverages.

Emergency Preparedness and Management Plan

To ensure that the College is prepared to respond to emergency and crisis situations, the President has formed a standing Emergency Management Team (EMT), and this team has developed an Emergency Preparedness and Management Plan (Plan) for the College. The Plan outlines an emergency response and recovery policy which provides a consistent, coordinated approach for assessing and responding to crises and emergency situations. The Plan also defines and describes actions to be taken by the College community to mitigate, prepare for, respond to, and recover from various human-induced and/or natural emergencies that may affect lives, property, and the institution.

NOTE 15 – OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2020 are summarized as follows:

	Personnel Costs and Benefits	Supplies and Services	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 88,476,856	\$ 3,564,464	\$ -	\$ -	\$ -	\$ 92,041,320
Research	2,717,007	2,631,955	-	-	-	5,348,962
Public Service	1,086,309	445,216	-	-	-	1,531,525
Academic Support	13,212,623	4,290,928	-	-	-	17,503,551
Student Services	13,225,115	3,233,739	-	-	-	16,458,854
Institutional Support	24,610,514	9,198,222	-	-	-	33,808,736
Operation and Maintenance of Plant	10,570,686	19,340,452	4,090,009	-	-	34,001,147
Scholarships and Fellowships (net of discounts and allowances)	-	102,411	-	15,008,530	-	15,110,941
Auxiliary Enterprises	13,138,282	23,287,176	3,178,820	5,357,918	-	44,962,196
Depreciation	-	-	-	-	17,621,710	17,621,710
Total Operating Expenses	\$ 167,037,392	\$ 66,094,563	\$ 7,268,829	\$ 20,366,448	\$ 17,621,710	\$ 278,388,942

NOTE 16 – STATE APPROPRIATIONS AND TRANSACTIONS WITH STATE ENTITIES

The College 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. The original appropriation is the College's base budget amount presented in the General Funds column of Section 15 of the 2019-2020 Appropriation Act. The following schedule is a reconciliation of the original appropriation as enacted by the General Assembly to State appropriations revenue reported in the financial statements for the fiscal year ended June 30, 2020.

State Appropriations

Noncapital Appropriations

Original appropriations per annual Appropriations Act	\$ 29,023,449
Employee Pay Plan Funds	1,149,752
Academic Endowment Incentive	6,220
Lowcountry Graduate Center	785,099
Total State noncapital appropriations recorded as current year revenue	\$ 30,964,520

Capital Appropriations

From South Carolina Education Lottery Fund	\$ 774,183
Total State capital appropriations recorded as current year revenue	\$ 774,183

The College 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. Additional amounts received from the CHE are accounted for as both operating and nonoperating revenues, depending upon the requirement of

deliverables with a current or potential future economic value. The College also receives state funds from various other public service projects. Following is a summary of amounts received from state agencies for scholarships, sponsored research, and public service projects for the fiscal year ended June 30, 2020.

Other Amounts Received from State Agencies

	<u>Operating Revenue</u>
Received from CHE:	
Hope Scholarships	\$ 485,653
LIFE Scholarships	12,099,589
Palmetto Scholarships	4,459,824
Need Based Grants	1,586,209
SC National Guard Program	33,750
Various other CHE amounts	33,230
Received from Department of Education	72,098
Received from Winthrop University	500,298
Received from Various State Agencies	<u>2,370,209</u>
Total	<u>\$ 21,640,860</u>

Services received at no cost from State agencies include maintenance of certain accounting records by the Comptroller General; banking, bond trustee and investment services from the State Treasurer; legal services from the Attorney General; and grant services from the Office of the Governor. Other services received at no cost from the various offices of the State Department of Administration include pension plan administration, insurance plans administration, audit services, personnel management, assistance in the preparation of the State budget, review and approval of certain budget amendments, procurement services, and other centralized functions.



Geology professors Scott Persons (rear, in hat) and Robert Boessenecker (right), along with Sarah Boessenecker (middle), overlook the newly installed whale fossil (Dorudon atrox) in the Addlestone Library rotunda.

NOTE 17 – SUMMARY FINANCIAL INFORMATION

Summarized financial activity for the year ended June 30, 2020 was as follows:

	2020	2019	Increase/ (Decrease)
Charges for services	\$ 225,664,261	\$ 234,572,312	\$ (8,908,051)
Nonoperating grants and contributions	26,957,159	19,280,668	7,676,491
Less: Program expenses	<u>(285,535,632)</u>	<u>(281,097,259)</u>	<u>(4,438,373)</u>
Net program expenses	<u>\$ (32,914,212)</u>	<u>\$ (27,244,279)</u>	<u>\$ (5,669,933)</u>
Transfers:			
State appropriations	\$ 30,964,520	\$ 27,155,563	\$ 3,808,957
State capital appropriations	<u>774,183</u>	<u>607,631</u>	<u>166,552</u>
Total transfers	<u>\$ 31,738,703</u>	<u>\$ 27,763,194</u>	<u>\$ 3,975,509</u>
Change in net position	\$ (1,175,509)	\$ 518,915	\$ (1,694,424)
Net position – Beginning	<u>21,233,754</u>	<u>20,714,839</u>	<u>518,915</u>
Net position – Ending	<u>\$ 20,058,245</u>	<u>\$ 21,233,754</u>	<u>\$ (1,175,509)</u>



College of Charleston science lecture hall inside Randolph Hall, 1900.

COLLEGE OF CHARLESTON COMPREHENSIVE ANNUAL FINANCIAL REPORT



Adjunct professor Ashley Brown leads a group of her kayaking students in a U.S. Coast Guard lifesaving exercise, Charleston harbor.



College of Charleston alum Fisher Wilson '19 (far right) and Ian Gleason (left) of the Pluff Mud String Band perform for students as part of an Honors College course, Introduction to Southern Studies, 9 Green Way.

REQUIRED SUPPLEMENTARY INFORMATION

COLLEGE OF CHARLESTON
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEARS ENDED JUNE 30,

	SCRS						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
College's proportion of the net pension liability	0.77%	0.75%	0.74%	0.76%	0.77%	0.75%	0.75%
College's proportionate share of the net pension liability	<u>\$ 176,324,659</u>	<u>\$ 168,069,526</u>	<u>\$ 166,290,549</u>	<u>\$ 162,045,025</u>	<u>\$ 145,433,196</u>	<u>\$ 129,272,338</u>	<u>\$ 134,676,602</u>
College's covered payroll for the measurement period	<u>\$ 100,915,553</u>	<u>\$ 97,948,936</u>	<u>\$ 97,777,837</u>	<u>\$ 96,875,236</u>	<u>\$ 95,239,404</u>	<u>\$ 90,548,229</u>	<u>\$ 85,152,558</u>
College's proportionate share of the net pension liability as a percentage of its covered payroll	174.72%	171.59%	170.07%	167.27%	152.70%	142.77%	158.16%
Plan fiduciary net position as a percentage of the total pension liability	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%	56.39%
	PORS						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
College's proportion of the net pension liability	0.13%	0.13%	0.14%	0.16%	0.18%	0.16%	0.16%
College's proportionate share of the net pension liability	<u>\$ 3,659,100</u>	<u>\$ 3,621,759</u>	<u>\$ 3,771,471</u>	<u>\$ 3,959,082</u>	<u>\$ 3,848,162</u>	<u>\$ 3,157,810</u>	<u>\$ 3,419,327</u>
College's covered payroll for the measurement period	<u>\$ 1,853,985</u>	<u>\$ 1,752,590</u>	<u>\$ 1,897,447</u>	<u>\$ 1,989,891</u>	<u>\$ 2,188,201</u>	<u>\$ 2,028,611</u>	<u>\$ 1,854,929</u>
College's proportionate share of the net pension liability as a percentage of its covered payroll	197.36%	206.65%	198.77%	198.96%	175.86%	155.66%	184.34%
Plan fiduciary net position as a percentage of the total pension liability	62.69%	61.73%	60.94%	60.44%	64.57%	67.55%	62.98%

**This schedule is intended to present information for 10 years. Years for which information is available will be presented here until a full 10-year trend is compiled.*

**COLLEGE OF CHARLESTON
SCHEDULE OF THE COLLEGE'S PENSION CONTRIBUTIONS
FOR THE TEN YEARS ENDED JUNE 30,**

	SCRS									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 13,261,706	\$ 11,874,257	\$ 10,534,806	\$ 8,611,733	\$ 8,125,432	\$ 7,837,056	\$ 7,219,711	\$ 6,795,402	\$ 5,630,469	\$ 5,374,140
Contributions in relation to the contractually required contribution	13,261,706	11,874,257	10,534,806	8,611,733	8,125,432	7,837,056	7,219,711	6,795,402	5,630,469	5,374,140
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 103,772,179	\$ 100,915,553	\$ 97,948,936	\$ 97,777,837	\$ 96,875,236	\$ 95,239,404	\$ 90,548,229	\$ 85,152,558	\$ 80,482,969	\$ 77,640,465
Contributions as a percentage of covered payroll	12.78%	11.77%	10.76%	8.81%	8.39%	8.23%	7.97%	7.98%	7.00%	6.92%

	PORS									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 355,111	\$ 319,627	\$ 284,620	\$ 270,197	\$ 273,412	\$ 293,437	\$ 260,473	\$ 228,157	\$ 206,098	\$ 220,050
Contributions in relation to the contractually required contribution	355,111	319,627	284,620	270,197	273,412	293,437	260,473	228,157	206,098	220,050
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 1,505,416	\$ 1,853,985	\$ 1,752,590	\$ 1,897,447	\$ 1,989,891	\$ 2,188,201	\$ 2,028,611	\$ 1,854,929	\$ 1,752,089	\$ 1,908,500
Contributions as a percentage of covered payroll	23.59%	17.24%	16.24%	14.24%	13.74%	13.41%	12.84%	12.30%	11.76%	11.53%

**COLLEGE OF CHARLESTON
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
FOR THE YEARS ENDED JUNE 30,**

	SCRHITF			
	2020	2019	2018	2017
College's proportion of the net OPEB liability	1.18%	1.16%	1.18%	1.18%
College's proportionate share of the net OPEB liability	\$ 177,707,098	\$ 163,890,467	\$ 160,088,993	\$ 171,007,498
College's covered-employee payroll for the measurement period	\$ 84,770,980	\$ 82,358,598	\$ 82,351,801	\$ 82,059,970
College's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll**	209.63%	199.00%	194.40%	208.39%
Plan fiduciary net position as a percentage of the total OPEB liability	8.44%	7.91%	7.60%	7.07%
	SCLTDITF			
	2020	2019	2018	2017
College's proportion of the net OPEB liability	0.74%	0.73%	0.75%	0.75%
College's proportionate share of the net OPEB liability	\$ 14,555	\$ 22,432	\$ 13,537	\$ 5,183
Plan fiduciary net position as a percentage of the total OPEB liability	95.17%	92.20%	95.29%	98.15%

**This schedule is intended to present information for 10 years. Years for which information is available will be presented here until a full 10-year trend is compiled.*

***Covered-employee payroll is the payroll of employees that are provided with OPEB through the OPEB plan. Contributions to the OPEB plan are not based on a measure of pay.*

**COLLEGE OF CHARLESTON
SCHEDULE OF THE COLLEGE'S OPEB CONTRIBUTIONS
FOR THE TEN YEARS ENDED JUNE 30,**

	SCRHITF									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 5,890,261	\$ 6,199,406	\$ 5,356,324	\$ 4,864,791	\$ 5,269,511	\$ 4,871,380	\$ 4,554,881	\$ 3,958,176	\$ 3,535,901	\$ 3,102,193
Contributions in relation to the contractually required contribution	5,890,261	6,199,406	5,356,324	4,864,791	5,269,511	4,871,380	4,554,881	3,958,176	3,535,901	3,102,193
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered-employee payroll**	\$ 89,798,037	\$ 84,770,980	\$ 82,358,598	\$ 82,351,801	\$ 82,059,970	\$ 77,834,601	\$ 74,936,503	\$ 70,003,191	\$ 68,865,781	\$ 65,491,657
Contributions as a percentage of covered-employee payroll**	6.56%	7.31%	6.50%	5.91%	6.42%	6.26%	6.08%	5.65%	5.13%	4.74%

	SCLTDITF									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 45,450	\$ 54,647	\$ 53,404	\$ 54,048	\$ 52,985	\$ 50,976	\$ 50,789	\$ 49,272	\$ 49,047	\$ 48,590
Contributions in relation to the contractually required contribution	45,450	54,647	53,404	54,048	52,985	50,976	50,789	49,272	49,047	48,590
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Covered-employee payroll is the payroll of employees that are provided with OPEB through the OPEB plan. Contributions to the OPEB plan are not based on a measure of pay.

COLLEGE OF CHARLESTON COMPREHENSIVE ANNUAL FINANCIAL REPORT



Blue skies over Randolph Hall.



Towell Library at dusk.

STATISTICAL SECTION

STATISTICAL SECTION

This section of the College of Charleston's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information conveys about the College's overall financial health.

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Financial Trends

These schedules contain trend information to help the reader understand how the College's financial performance has changed over time.

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Revenue Capacity

This schedule contains information to help the reader assess the factors affecting the College's ability to generate tuition income.

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Debt Capacity

This schedule presents information to help the reader assess the affordability of the College's current levels of outstanding debt and its ability to issue additional debt in the future.

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Demographic and Economic Information

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

101 - 106

Operating Information

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

107 - 110

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant fiscal years.

SCHEDULE OF OPERATING AND NONOPERATING REVENUES BY SOURCE

	For the Fiscal Year Ended June 30,																			
	(amounts expressed in thousands)										(percent of total revenues)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Revenues:																				
Tuition and related fees																				
(net of scholarship allowance)	\$ 152,606	\$ 150,548	\$ 145,609	\$ 146,297	\$ 143,541	\$ 141,682	\$ 139,892	\$ 133,936	\$ 128,093	\$ 118,768	53.81%	53.55%	54.01%	53.65%	54.53%	54.74%	55.49%	55.19%	54.30%	52.43%
Federal grants and contracts	4,760	6,350	6,304	7,929	9,075	8,390	8,151	9,278	8,939	8,244	1.68%	2.26%	2.34%	2.91%	3.45%	3.24%	3.23%	3.82%	3.79%	3.64%
State grants and contracts	21,641	22,536	21,391	20,665	20,115	19,681	18,810	18,671	18,140	17,981	7.63%	8.02%	7.93%	7.58%	7.64%	7.60%	7.46%	7.69%	7.69%	7.94%
Local grants and contracts	197	239	208	183	221	327	241	176	176	184	0.07%	0.09%	0.08%	0.07%	0.08%	0.13%	0.10%	0.07%	0.07%	0.08%
Nongovernmental grants and contracts	735	686	599	681	1,126	1,292	1,334	541	165	192	0.26%	0.24%	0.22%	0.25%	0.43%	0.50%	0.53%	0.22%	0.07%	0.08%
Sales and services of educational and other activities	2,019	2,159	2,047	2,038	2,052	2,052	1,940	1,949	1,950	1,845	0.71%	0.77%	0.76%	0.75%	0.78%	0.79%	0.77%	0.80%	0.83%	0.81%
Sales and services of auxiliary enterprises (net of scholarship allowance)	42,846	51,249	50,068	52,123	48,189	47,276	45,072	43,532	43,517	40,593	15.11%	18.23%	18.57%	19.11%	18.31%	18.27%	17.88%	17.94%	18.45%	17.93%
Other sources	860	805	1,056	689	487	549	860	474	1,116	211	0.29%	0.29%	0.39%	0.23%	0.19%	0.21%	0.34%	0.20%	0.47%	0.09%
Total Operating Revenues	\$ 225,664	\$ 234,572	\$ 227,282	\$ 230,605	\$ 224,806	\$ 221,249	\$ 216,300	\$ 208,557	\$ 202,096	\$ 188,018	79.56%	83.45%	84.30%	84.55%	85.41%	85.48%	85.80%	85.93%	85.67%	83.00%
Nonoperating Revenues:																				
State appropriations	\$ 30,965	\$ 27,156	\$ 25,664	\$ 26,209	\$ 22,597	\$ 21,843	\$ 20,881	\$ 19,810	\$ 18,872	\$ 19,794	10.92%	9.66%	9.52%	9.61%	8.58%	8.44%	8.28%	8.16%	8.00%	8.74%
Federal grants and contracts	17,879	11,765	11,760	10,902	10,691	10,583	10,560	10,298	10,216	14,792	6.30%	4.19%	4.36%	4.00%	4.06%	4.09%	4.19%	4.24%	4.33%	6.53%
Gifts	4,874	4,014	4,094	4,054	3,957	3,772	3,498	3,230	3,008	2,515	1.72%	1.43%	1.52%	1.49%	1.50%	1.46%	1.39%	1.33%	1.28%	1.11%
Interest and investment income	3,364	3,030	614	724	992	1,130	678	417	1,169	855	1.19%	1.08%	0.23%	0.27%	0.38%	0.44%	0.27%	0.17%	0.50%	0.38%
Other nonoperating revenue	875	579	181	218	195	231	165	391	525	539	0.31%	0.19%	0.07%	0.08%	0.07%	0.09%	0.07%	0.17%	0.22%	0.24%
Total Nonoperating Revenues	\$ 57,957	\$ 46,544	\$ 42,313	\$ 42,107	\$ 38,432	\$ 37,559	\$ 35,782	\$ 34,146	\$ 33,790	\$ 38,495	20.44%	16.55%	15.70%	15.45%	14.59%	14.52%	14.20%	14.07%	14.33%	17.00%
Total Operating and Nonoperating Revenues	\$ 283,621	\$ 281,116	\$ 269,595	\$ 272,712	\$ 263,238	\$ 258,808	\$ 252,082	\$ 242,703	\$ 235,886	\$ 226,513	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: College of Charleston Comprehensive Annual Financial Reports.

SCHEDULE OF OPERATING AND NONOPERATING EXPENSES BY FUNCTION

	For the Fiscal Year Ended June 30,																			
	(amounts expressed in thousands)										(percent of total expenses)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Expenses:																				
Instruction	\$ 92,041	\$ 89,467	\$ 87,933	\$ 85,556	\$ 82,831	\$ 79,060	\$ 74,723	\$ 70,055	\$ 67,426	\$ 64,386	32.23%	31.82%	32.88%	32.48%	32.37%	31.06%	30.20%	29.92%	30.54%	30.36%
Research	5,349	6,795	6,325	7,938	8,744	8,503	7,860	8,515	7,959	7,227	1.87%	2.42%	2.37%	3.01%	3.42%	3.34%	3.18%	3.64%	3.61%	3.41%
Public service	1,531	1,617	1,745	1,632	1,852	1,684	1,661	1,400	1,382	1,122	0.54%	0.58%	0.65%	0.62%	0.72%	0.66%	0.67%	0.60%	0.63%	0.53%
Academic support	17,504	16,978	15,684	15,190	15,575	15,093	14,972	13,591	13,267	13,046	6.13%	6.04%	5.87%	5.77%	6.09%	5.93%	6.05%	5.80%	6.01%	6.15%
Student services	16,459	15,603	15,230	13,845	13,543	13,546	12,911	12,116	11,385	10,723	5.76%	5.55%	5.70%	5.26%	5.29%	5.32%	5.22%	5.17%	5.16%	5.06%
Institutional support	33,809	31,654	31,793	31,334	29,306	30,423	28,768	28,492	23,917	23,097	11.84%	11.26%	11.89%	11.90%	11.45%	11.95%	11.63%	12.17%	10.84%	10.89%
Operation and maintenance of plant	34,001	34,652	29,649	26,792	28,440	31,236	32,897	25,919	22,514	22,346	11.91%	12.32%	11.09%	10.17%	11.12%	12.27%	13.29%	11.07%	10.20%	10.54%
Scholarships and fellowships (net of discounts and allowances)	15,111	10,567	10,858	10,746	11,016	10,086	10,233	10,799	11,935	11,713	5.29%	3.76%	4.06%	4.08%	4.31%	3.96%	4.14%	4.61%	5.41%	5.52%
Auxiliary enterprises	44,962	48,929	46,396	44,286	41,965	42,068	42,169	41,018	37,455	35,176	15.74%	17.40%	17.35%	16.81%	16.40%	16.52%	17.04%	17.51%	16.96%	16.58%
Depreciation	17,622	17,328	15,778	15,658	14,924	14,611	13,555	12,858	14,725	14,757	6.17%	6.16%	5.90%	5.94%	5.83%	5.74%	5.47%	5.49%	6.67%	6.95%
Total Operating Expenses	\$ 278,389	\$ 273,590	\$ 261,391	\$ 252,977	\$ 248,196	\$ 246,310	\$ 239,749	\$ 224,763	\$ 211,965	\$ 203,593	97.48%	97.31%	97.76%	96.04%	97.00%	96.75%	96.89%	95.98%	96.03%	95.99%
Nonoperating Expenses:																				
Interest and amortization expense on capital assets and related debt	\$ 7,147	\$ 7,507	\$ 5,883	\$ 10,423	\$ 7,663	\$ 8,150	\$ 7,532	\$ 9,367	\$ 8,690	\$ 8,503	2.51%	2.66%	2.20%	3.96%	3.00%	3.20%	3.04%	4.00%	3.94%	4.01%
Loss on sale or disposal of capital assets	34	108	135	-	4	115	162	43	73	-	0.01%	0.03%	0.04%	0.00%	0.00%	0.05%	0.07%	0.02%	0.03%	0.00%
Total Nonoperating Expenses	\$ 7,181	\$ 7,615	\$ 6,018	\$ 10,423	\$ 7,667	\$ 8,265	\$ 7,694	\$ 9,410	\$ 8,763	\$ 8,503	2.52%	2.69%	2.24%	3.96%	3.00%	3.25%	3.11%	4.02%	3.97%	4.01%
Total Operating and Nonoperating Expenses	\$ 285,570	\$ 281,205	\$ 267,409	\$ 263,400	\$ 255,863	\$ 254,575	\$ 247,443	\$ 234,173	\$ 220,728	\$ 212,096	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

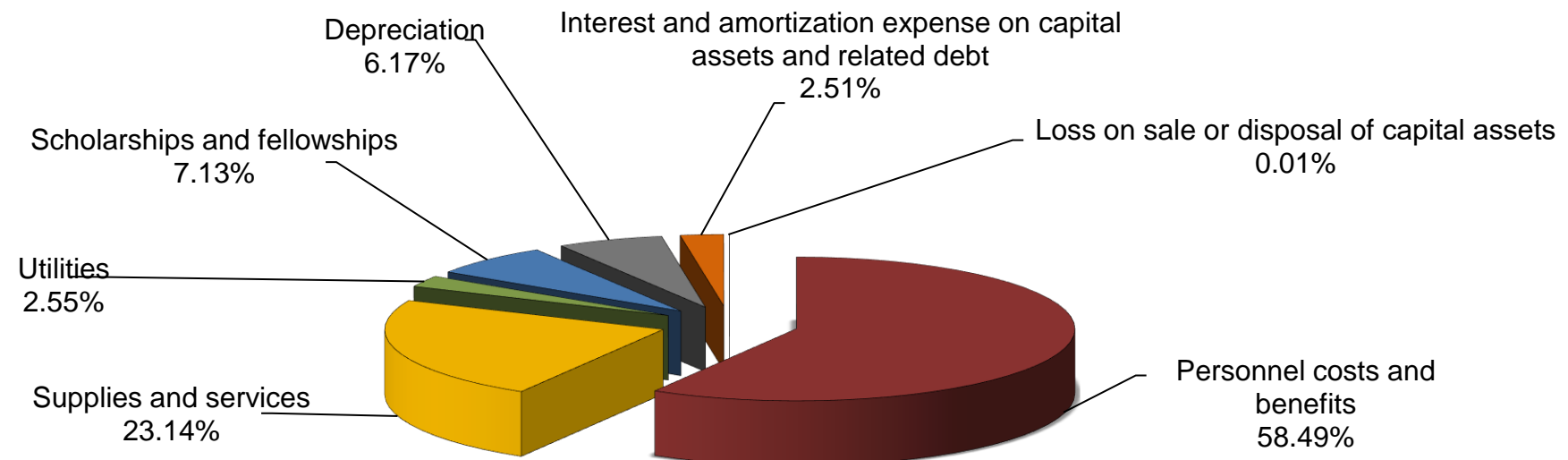
Source: College of Charleston Comprehensive Annual Financial Reports.

SCHEDULE OF OPERATING AND NONOPERATING EXPENSES BY USE

For the Fiscal Year Ended June 30,

	(amounts expressed in thousands)										(percent of total expenses)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Expenses:																				
Personnel costs and benefits	\$ 167,037	\$ 157,364	\$ 154,588	\$ 148,112	\$ 146,156	\$ 141,587	\$ 134,171	\$ 126,016	\$ 120,436	\$ 113,725	58.49%	55.98%	57.81%	56.24%	57.12%	55.61%	54.22%	53.81%	54.57%	53.62%
Supplies and services	66,095	75,549	66,156	64,546	62,609	66,247	68,659	61,625	52,849	51,465	23.14%	26.87%	24.75%	24.50%	24.47%	26.02%	27.75%	26.32%	23.94%	24.26%
Utilities	7,269	7,572	9,068	8,802	8,678	8,774	8,273	8,807	7,990	7,971	2.55%	2.69%	3.39%	3.34%	3.39%	3.45%	3.34%	3.76%	3.62%	3.76%
Scholarships and fellowships	20,366	15,777	15,801	15,859	15,829	15,091	15,091	15,457	15,965	15,675	7.13%	5.61%	5.91%	6.02%	6.19%	5.93%	6.10%	6.60%	7.23%	7.39%
Depreciation	17,622	17,328	15,778	15,658	14,924	14,611	13,555	12,858	14,725	14,757	6.17%	6.16%	5.90%	5.94%	5.83%	5.74%	5.48%	5.49%	6.67%	6.96%
Total Operating Expenses	\$ 278,389	\$ 273,590	\$ 261,391	\$ 252,977	\$ 248,196	\$ 246,310	\$ 239,749	\$ 224,763	\$ 211,965	\$ 203,593	97.48%	97.31%	97.76%	96.04%	97.00%	96.75%	96.89%	95.98%	96.03%	95.99%
Nonoperating Expenses:																				
Interest and amortization expense on capital assets and related debt	\$ 7,147	\$ 7,507	\$ 5,822	\$ 10,423	\$ 7,663	\$ 8,104	\$ 7,532	\$ 9,367	\$ 8,690	\$ 8,503	2.51%	2.66%	2.18%	3.96%	3.00%	3.18%	3.04%	4.00%	3.94%	4.01%
Investment loss	-	-	61	-	-	46	-	-	-	-	0.00%	0.00%	0.02%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
Loss on sale or disposal of capital assets	34	108	135	-	4	115	162	43	73	-	0.01%	0.03%	0.04%	0.00%	0.00%	0.05%	0.07%	0.02%	0.03%	0.00%
Total Nonoperating Expenses	\$ 7,181	\$ 7,615	\$ 6,018	\$ 10,423	\$ 7,667	\$ 8,265	\$ 7,694	\$ 9,410	\$ 8,763	\$ 8,503	2.52%	2.69%	2.24%	3.96%	3.00%	3.25%	3.11%	4.02%	3.97%	4.01%
Expenses	\$ 285,570	\$ 281,205	\$ 267,409	\$ 263,400	\$ 255,863	\$ 254,575	\$ 247,443	\$ 234,173	\$ 220,728	\$ 212,096	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Expenses by Use - Fiscal year 2020



Source: College of Charleston Comprehensive Annual Financial Reports.

SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION

For the Fiscal Year Ended June 30,
(amounts expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total revenues (from schedule of revenues by source)	\$ 283,621	\$ 281,116	\$ 269,595	\$ 272,712	\$ 263,238	\$ 258,808	\$ 252,082	\$ 242,703	\$ 235,886	\$ 226,513
Total expenses (from schedule of expenses by use and function)	(285,570)	(281,205)	(267,409)	(263,400)	(255,863)	(254,575)	(247,443)	(234,173)	(220,728)	(212,096)
Net income before other revenues, expenses, gains or losses	\$ (1,949)	\$ (89)	\$ 2,186	\$ 9,312	\$ 7,375	\$ 4,233	\$ 4,639	\$ 8,530	\$ 15,158	\$ 14,417
Capital improvement bond proceeds	-	-	-	-	-	-	-	-	-	2,373
Capital gifts	-	-	1,500	658	178	125	1,500	982	460	155
Capital appropriations	774	607	555	643	864	3,609	3,766	3,753	3,431	218
Prior period adjustment	-	-	(166,094)	-	-	(130,610)	-	-	-	-
Net Position, beginning	21,233	20,715	182,568	171,955	163,538	286,181	276,276	263,011	243,962	226,799
Net Position, ending	\$ 20,058	\$ 21,233	\$ 20,715	\$ 182,568	\$ 171,955	\$ 163,538	\$ 286,181	\$ 276,276	\$ 263,011	\$ 243,962
Net investment in capital assets	\$ 198,753	\$ 199,807	\$ 200,554	\$ 195,634	\$ 197,774	\$ 192,937	\$ 176,597	\$ 164,856	\$ 159,379	\$ 155,328
Restricted - nonexpendable	1,100	1,100	1,100	1,100	1,100	1,124	1,203	1,163	1,110	1,175
Restricted - expendable	73,090	68,826	66,866	67,156	72,255	69,293	62,993	53,289	50,544	44,321
Unrestricted	(252,885)	(248,500)	(247,805)	(81,322)	(99,174)	(99,816)	45,388	56,968	51,978	43,138
Total Net Position	\$ 20,058	\$ 21,233	\$ 20,715	\$ 182,568	\$ 171,955	\$ 163,538	\$ 286,181	\$ 276,276	\$ 263,011	\$ 243,962

Source: College of Charleston Comprehensive Annual Financial Reports.

SCHEDULE OF RATIOS OF OUTSTANDING DEBT

For the Fiscal Year Ended June 30,
(dollars expressed in thousands except for outstanding debt per student)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenue bonds	\$ 195,357	\$ 203,365	\$ 211,082	\$ 219,169	\$ 221,687	\$ 227,953	\$ 178,741	\$ 184,572	\$ 188,901	\$ 160,590
State institution bonds	-	-	2,501	2,931	3,346	3,736	4,105	4,461	4,802	5,122
Notes Payable	184	366	544	-	-	-	-	-	-	-
Bond anticipation note	-	-	-	-	-	-	-	-	-	33,500
Capital lease obligations	-	-	-	-	-	-	-	-	-	3,550
Total Outstanding Debt	\$ 195,541	\$ 203,731	\$ 214,127	\$ 222,100	\$ 225,033	\$ 231,689	\$ 182,846	\$ 189,033	\$ 193,703	\$ 202,762
Full time equivalent students (fiscal year)	9,575	9,855	9,824	10,257	10,365	10,354	10,538	10,558	10,548	10,206
Outstanding debt per student	\$ 20,422	\$ 20,673	\$ 21,796	\$ 21,654	\$ 21,711	\$ 22,377	\$ 17,351	\$ 17,904	\$ 18,364	\$ 19,867

Note: Outstanding debt per student calculated using full time equivalent enrollment data for each of the last ten years.

Source:

College of Charleston Comprehensive Annual Financial Reports.

College of Charleston Office of Institutional Research.

TUITION AND FEES
Last Ten Academic Years

Academic Year Beginning in Fall	Undergraduate (1)		Undergraduate (2)	
	Resident	Nonresident	Resident	Nonresident
2019	\$ 12,518	\$ 32,848	\$ 522	\$ 1,369
2018	12,418	31,600	517	1,317
2017	11,998	30,386	500	1,266
2016	11,386	29,544	474	1,231
2015	11,000	28,544	458	1,189
2014	10,558	27,548	440	1,148
2013	10,230	26,694	426	1,112
2012	9,918	25,304	413	1,054
2011	9,616	24,330	401	1,014
2010 (3)	10,314	23,172	430	966

	Graduate (1)		Graduate (2)	
	Resident	Nonresident	Resident	Nonresident
2019	\$ 13,770	\$ 36,132	\$ 574	\$ 1,506
2018	13,660	34,760	569	1,448
2017	13,198	33,424	550	1,393
2016	12,524	32,498	522	1,354
2015	12,100	31,398	504	1,308
2014	11,614	30,304	484	1,263
2013	11,254	29,364	469	1,224
2012	10,910	27,834	455	1,160
2011	10,580	26,764	441	1,115
2010 (3)	11,346	25,490	473	1,062

- Notes:
- (1) Full-time fees are assessed for 12 or more credit hours each semester.
 - (2) Part-time fees are assessed per credit hour up to 12 hours in a semester.
 - (3) Tuition was subsequently reduced for the 2011 Spring semester.

Source: College of Charleston Office of Institutional Research.

SCHEDULE OF BOND COVERAGE

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year Ended June 30,	Defined Net Revenue Available for Debt Service	Total Revenue Available for Debt Service	Debt Service Payment Requirements			Coverage Ratio
			Principal	Interest	Total	
Revenue Bonds						
2020	\$ 21,455	\$ 29,661	\$ 7,545	\$ 7,640	\$ 15,185	1.95
2019	26,725	34,594	7,255	7,925	15,180	2.28
2018	24,547	31,796	7,625	8,216	15,841	2.01
2017	27,718	34,448	7,450	8,994	16,444	2.09
2016	25,276	32,013	6,225	9,196	15,421	2.08
2015	24,329	30,577	6,020	7,197	13,217	2.31
2014	17,688	27,419	5,825	7,293	13,118	2.09
2013	17,819	27,552	6,085	8,074	14,159	1.95
2012	19,090	27,436	5,645	7,535	13,180	2.08
2011	17,605	25,375	5,415	7,763	13,178	1.93
State Institutional Bonds						
2020	A \$ -	\$ -	\$ -	\$ -	\$ -	-
2019	652	652	450	100	550	1.19
2018	655	655	430	115	545	1.20
2017	684	684	415	130	545	1.26
2016	683	683	390	143	533	1.28
2015	685	685	370	156	526	1.30
2014	693	693	355	169	524	1.32
2013	697	697	340	179	519	1.34
2012	701	701	320	189	509	1.38
2011	703	703	305	198	503	1.40

A - State Institutional Bonds were retired in fiscal year 2019.

Source: College of Charleston Controller's Office.

ADMISSIONS, ENROLLMENT, AND DEGREE STATISTICS

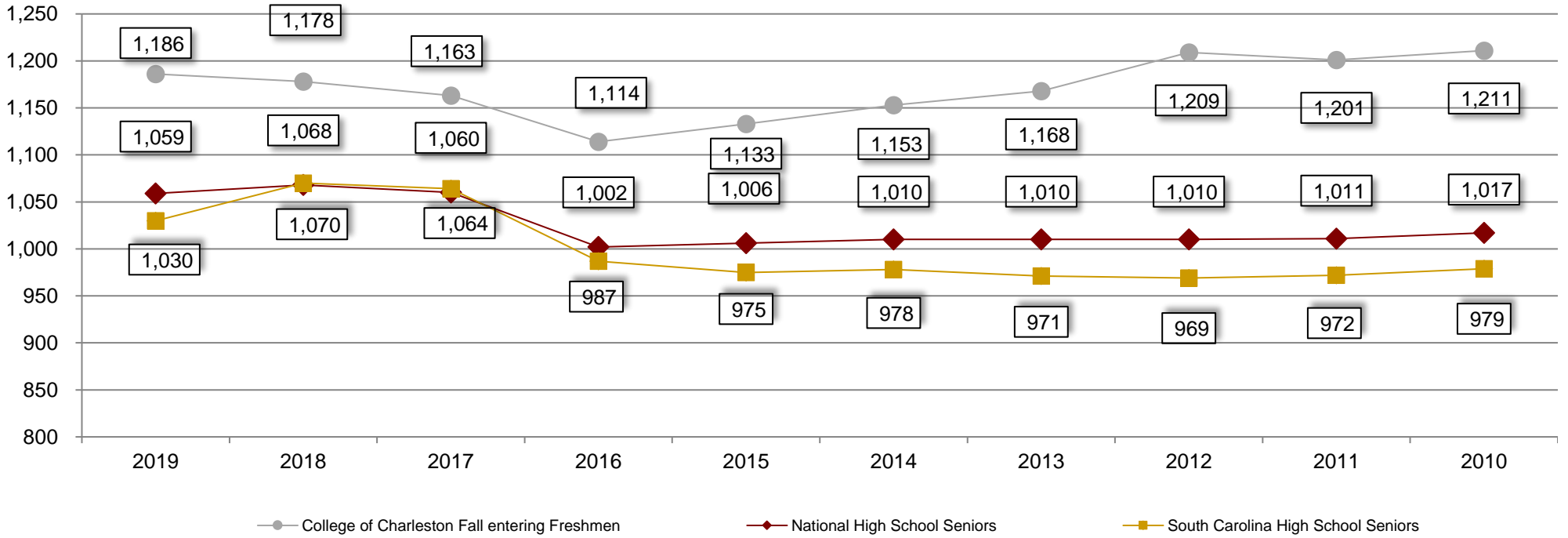
Last Ten Years - Fall

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Admissions - Freshman										
Applications	11,783	11,675	11,900	10,828	11,722	11,179	11,533	11,510	11,086	11,280
Applications accepted	9,230	9,254	9,574	9,110	9,043	8,722	8,331	8,098	8,149	7,896
Accepted as a percentage of applications	78.3%	79.3%	80.5%	84.1%	77.1%	78.0%	72.2%	70.4%	73.5%	70.0%
Students enrolled	2,051	2,199	1,840	2,349	2,237	2,166	2,116	2,138	2,334	2,010
Enrolled as a percentage of accepted	22.2%	23.8%	19.2%	25.8%	24.7%	24.8%	25.4%	26.4%	28.6%	25.5%
SAT scores - total*	1,186	1,178	1,163	1,114	1,133	1,153	1,168	1,209	1,201	1,211
Verbal*	605	600	596	561	573	581	589	606	605	606
Math*	581	578	567	553	560	571	579	603	596	605
South Carolina average SAT score - total	1,030	1,070	1,064	987	975	978	971	969	972	979
U.S. average SAT score - total	1,059	1,068	1,060	1,002	1,006	1,010	1,010	1,010	1,011	1,017
Enrollment										
Undergraduate and graduate FTE	9,575	9,855	9,824	10,257	10,365	10,354	10,538	10,558	10,548	10,206
Undergraduate and graduate headcount	10,545	10,783	10,863	11,294	11,531	11,456	11,619	11,723	11,649	11,532
Percentage of Men	34.8%	34.8%	35.7%	35.6%	35.5%	36.0%	36.4%	36.0%	36.4%	35.4%
Percentage of Women	65.2%	65.2%	64.3%	64.4%	64.5%	64.0%	63.6%	64.0%	63.6%	64.6%
Percentage of African American	7.7%	7.9%	8.1%	8.1%	7.8%	7.2%	6.4%	6.2%	5.8%	6.3%
Percentage of White	77.4%	77.3%	77.3%	78.7%	79.6%	80.5%	81.8%	82.6%	83.4%	83.3%
Percentage of Other	15.0%	14.8%	14.6%	13.2%	12.6%	12.3%	11.8%	11.2%	10.8%	10.4%
Degrees Earned										
Undergraduate	2,399	2,380	2,304	2,613	2,507	2,375	2,402	2,333	2,327	2,380
Graduate	238	246	270	244	254	283	246	237	216	246

Source: College of Charleston Office of Institutional Research.

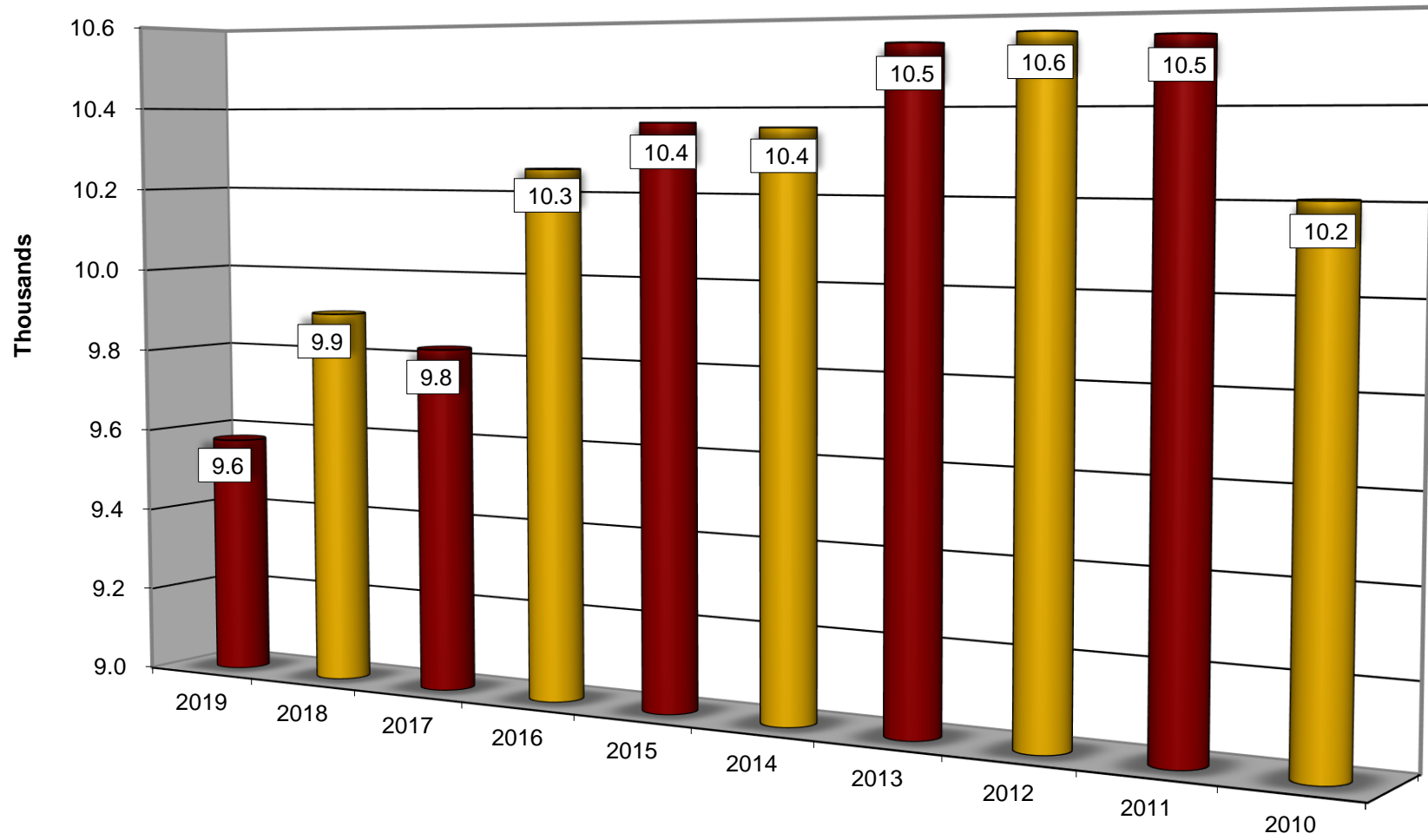
* The College Board made scoring changes to the SAT in March 2016. Per IPEDS reporting requirements, averages reported for the Fall 2016 and earlier classes are based on an older SAT scale. The averages reported beginning Fall 2017 are based on the new scale. Comparisons of SAT data between earlier years and Fall 2017 are not valid.

**College of Charleston
Average Combined SAT Scores
Last Ten Years - Fall**



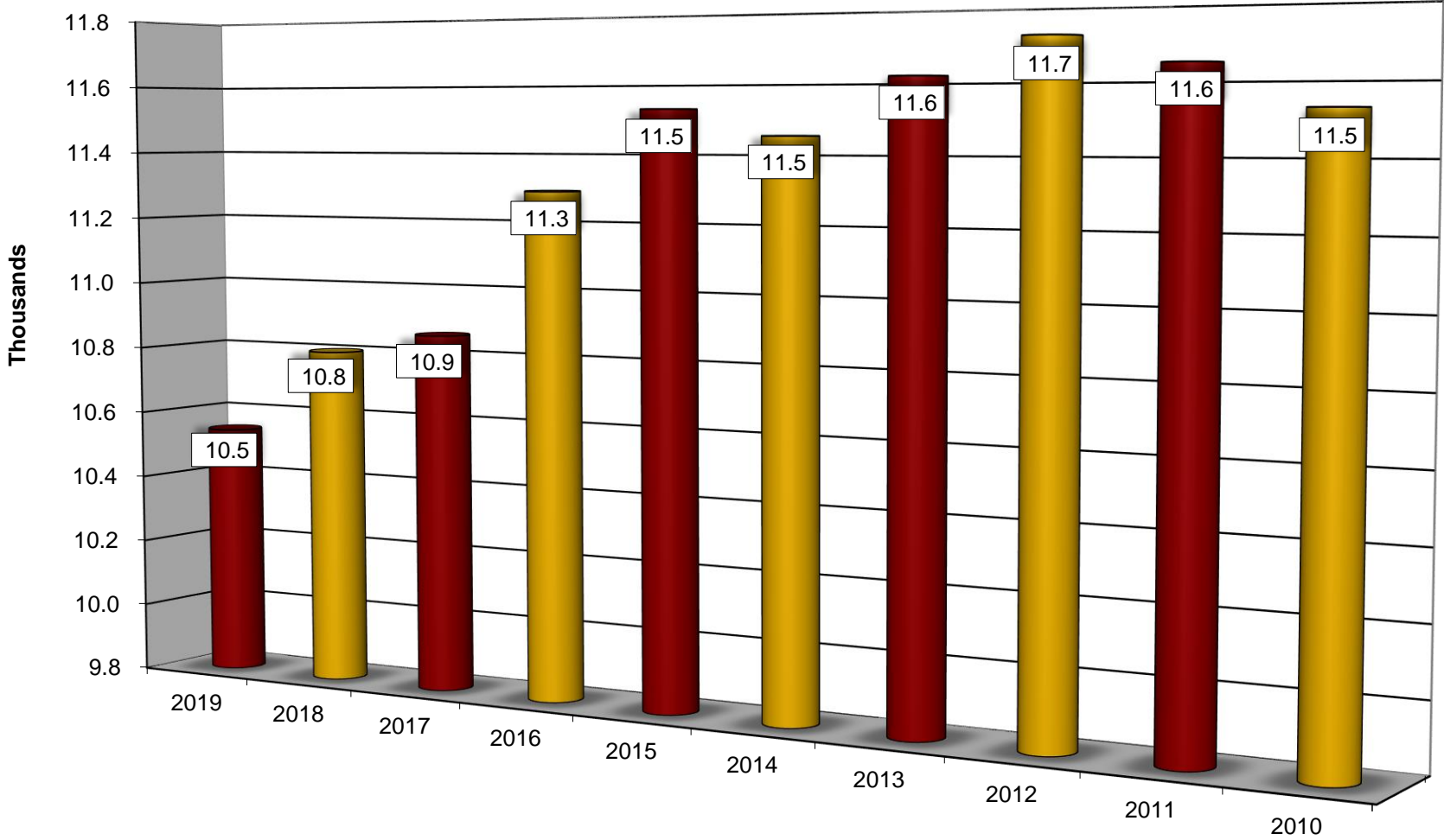
Source: College of Charleston Office of Institutional Research.

College of Charleston
Student Full Time Equivalents
Last Ten Years - Fall



Source: College of Charleston Office of Institutional Research.

**College of Charleston
Student Head Count
Last Ten Years - Fall**



Source: College of Charleston Office of Institutional Research.

DEMOGRAPHIC STATISTICS
State of South Carolina

Year	Personal Income (in thousands) as of June 30 (a)	Population as of July 1 (a)	Per Capita Income (a)	Average Annual Unemployment Rate (b)
2019	\$ 233,308,826	5,148,714	\$ 45,314	2.8%
2018	217,275,251	5,084,127	42,736	3.4%
2017	203,087,627	5,024,369	40,421	4.3%
2016	198,762,651	4,987,575	39,852	4.8%
2015	186,285,746	4,869,991	38,041	6.0%
2014	178,485,001	4,832,482	36,934	6.6%
2013	169,282,713	4,774,839	35,453	7.6%
2012	161,863,730	4,723,723	34,266	9.1%
2011	156,230,797	4,679,230	33,673	10.3%
2010	149,283,181	4,596,958	33,163	11.2%

Source:

- (a) U.S. Board of Economic Analysis
- (b) U.S. Department of Labor

TEN LARGEST EMPLOYERS

State of South Carolina

Latest Completed Calendar Year and Ten Years Prior
(Listed alphabetically)

2019

BMW Manufacturing Corp.
Department of Defense
Medical University of SC Hospital Authority
Michelin North America, Inc.
PRISMA Health Midlands
School District of Greenville County
Spartanburg Regional Medical Center
University of South Carolina
Upstate Affiliate Organization
Wal-Mart Associates, Inc.

2009

Bi-Lo, Inc.
Blue Cross Blue Shield of South Carolina
Department of Defense
Greenville Health System
Michelin North America, Inc.
Palmetto Health
School District of Greenville County
University of South Carolina
U.S. Postal Service
Wal-Mart Associates, Inc.

Note: Due to confidentiality, the number of employees for each company is not available, and the employers are listed alphabetically rather than in order of size.

Source: South Carolina Department of Employment and Workforce.

FACULTY AND STAFF STATISTICS

Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Instructional Faculty										
Part time	353	355	356	364	367	368	338	373	354	337
Full time	526	534	522	531	548	542	535	519	521	510
Percentage tenured	67%	65%	66%	65%	63%	63%	64%	63%	62%	59%
Staff and administrators with faculty rank										
Full time	1,013	993	983	994	1,014	1,024	1,009	971	967	964
Full time permanent	916	876	864	856	897	899	902	868	858	837
Full time temporary*	97	117	119	138	117	125	107	103	109	127
Other employees										
Part time temporary	166	160	183	168	198	214	220	220	178	172
Graduate assistants	156	171	169	173	165	175	141	109	140	154
Total employees										
Part time	675	686	708	705	730	757	699	702	672	663
Full time*	1,539	1,527	1,505	1,525	1,562	1,566	1,544	1,490	1,488	1,474
FTE Students per full time										
Instructional Faculty	18.2	18.5	18.8	19.3	18.9	19.1	19.7	20.3	20.2	20.0
Staff member	9.5	9.9	10.0	10.3	10.2	10.1	10.4	10.9	10.9	10.6
Average annual faculty salary	\$ 79,414	\$ 76,664	\$ 77,350	\$ 77,145	\$ 74,564	\$ 73,641	\$ 69,719	\$ 68,807	\$ 65,965	\$ 64,679

Source: College of Charleston Office of Institutional Research - IPEDS Human Resources Survey.

SCHEDULE OF CAPITAL ASSET INFORMATION

Fall	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Academic buildings										
Net assignable square feet (in thousands)	803	751	751	728	734	757	765	758	751	722
Administrative and support buildings										
Net assignable square feet (in thousands)	275	281	281	286	245	189	173	171	168	169
Laboratories										
Net assignable square feet (in thousands)	203	190	190	175	178	176	189	176	173	173
Auxiliary and independent operations buildings										
Net assignable square feet (in thousands)	1,126	994	994	994	962	980	1,001	1,029	1,019	1,046
Libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes (in thousands)	1,681	1,626	1,521	1,495	1,355	1,178	1,087	1,071	939	816
Volumes per student	159	151	140	132	118	103	94	91	81	71
Student Housing:										
Residence Halls	8	8	8	8	7	7	8	8	8	8
Apartments	3	3	4 **	3	3	3	3	3	3	3
Other housing options	23 ****	22 ***	24	24	27	27	26	30	30	30
Units available	2,286 *****	3,375	3,424	3,409	3,404	3,374	3,230	3,284	3,235	3,408
Units in use	2,067	3,247	3,358	3,261	3,325	3,218	3,287	3,183	3,115	3,446
Percent occupancy	90.4%	96.2%	98.1%	95.7%	97.7%	95.4%	101.8%	96.9%	96.3%	101.1%
Dining facilities:										
Locations	10 *****	11	11	11	11 *	10	8	8	6	6
Average daily customers	2,146	7,283	7,875	6,913	7,221	6,627	6,227	6,165	5,404	5,470
Parking facilities:										
Parking spaces available	1,691	1,691 ****	1,792	1,719	1,806	1,974	2,174	2,224	2,224	2,269
Parking permits issued to students	422	615	693	702	723	666	835	991	989	972
Parking permits issued to faculty/staff	811	1,105	1,047	972	981	1,030	980	966	938	959

* One additional dining facility opened January 2016, averaging 172 daily customers in Fiscal Year 2016.

**Includes use of 29 rooms at NoMo for 2018-2019.

***90 Wentworth and 107 Wentworth offline for renovation.

****80 spaces in City's harbor front lot no longer available.

*****107 Wentworth offline.

*****De-densified buildings due to COVID-19; Buist not assigned - used for isolation; 81 quarantine beds among other buildings.

*****Stern offline - kitchen to be used to prepare Q&I (Quarantine and Isolation) meals for delivery and grab-and-go meals for convenience locations.

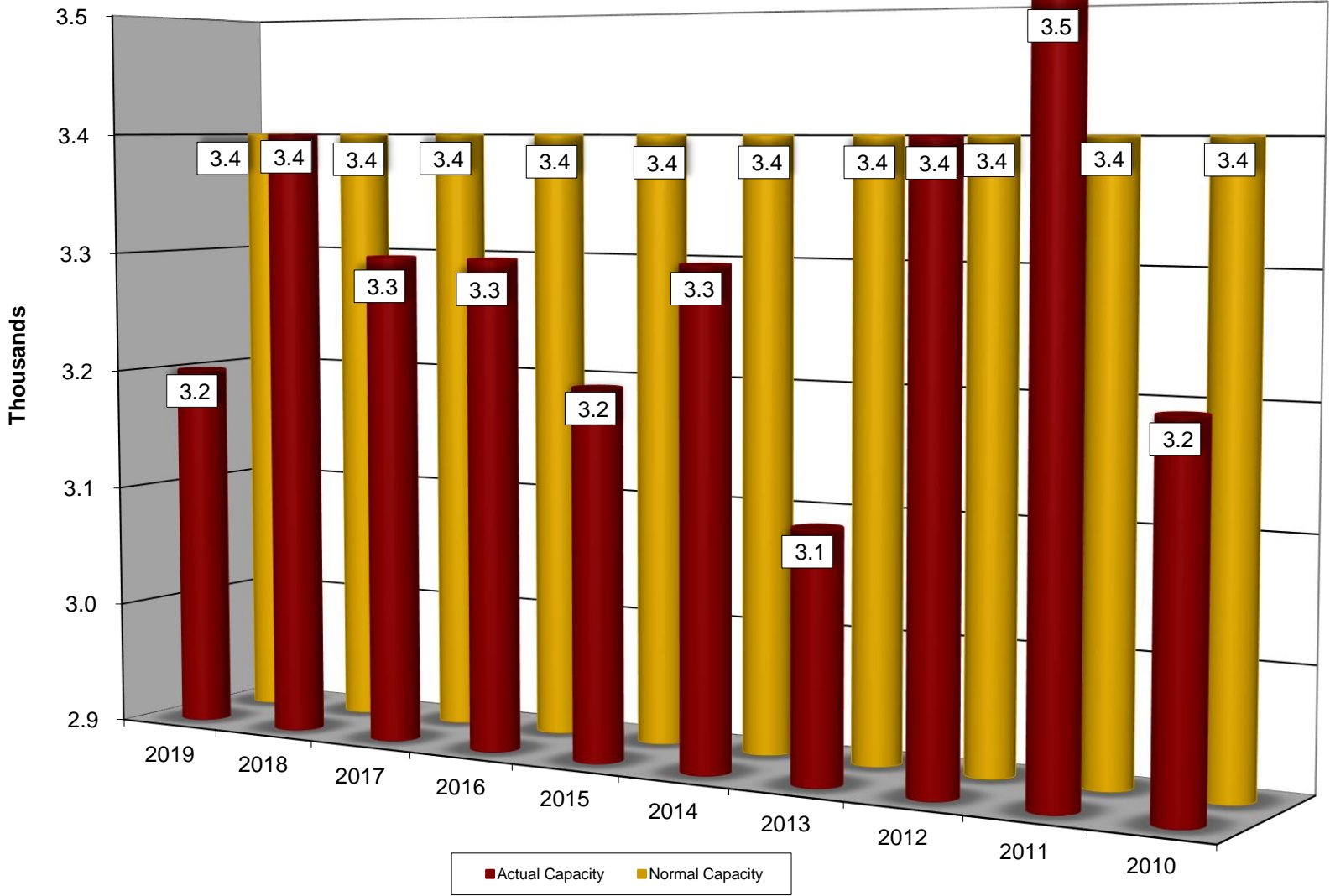
Sources:

Building square footage: College of Charles College of Charleston Division of Business Affairs.

Libraries: College of Charles College of Charleston Library.

Student Housing, Dining and Parking facilities: College of Charles College of Charleston Business and Auxiliary Services.

**College of Charleston
Residence Hall Occupancy
Fall**



Source: College of Charleston Office of Institutional Research.

ACADEMIC SUBJECT AREAS AND DEGREES OFFERED

Spring 2020

UNDERGRADUATE			GRADUATE		
Accounting	A.B., B.S.	History	A.B., B.A.	Accountancy	M.S.
African American Studies	A.B., B.A.	Hospitality and Tourism Management	A.B., B.S.	Arts and Cultural Management	CER
Anthropology	A.B., B.S.	International Business	A.B., B.S.	Business Administration	M.B.A.
Archaeology	A.B., B.A.	International Studies	A.B., B.A.	Child Life	M.S.
Art History	A.B., B.A.	Jewish Studies	A.B., B.A.	Communication	M.A.
Arts Management	A.B., B.A.	Latin American and Caribbean Studies	A.B., B.A.	Community Planning, Policy, and Design	M.A.
Astronomy	A.B., B.A.	Marine Biology	A.B., B.S.	Computer and Information Sciences	M.S.
Astrophysics	A.B., B.S.	Marketing	A.B., B.S.	Creative Writing	M.F.A.
Biochemistry	A.B., B.S.	Mathematics	A.B., B.S.	Cybersecurity	CER
Biology	A.B., B.A., B.S.	Meteorology	A.B., B.A.	Data Science and Analytics	M.S.
Business Administration	A.B., B.S.	Middle Level Education	A.B., B.S.	Early Childhood Education	M.A.T.
Chemistry	A.B., B.A., B.S.	Music	A.B., B.A.	Elementary Education	M.A.T.
Classics	A.B., B.A.	Philosophy	A.B., B.A.	English	M.A.
Commercial Real Estate Finance	A.B., B.S.	Physical Education	A.B., B.S.	English to Speakers of Other Languages, Initial	CER
Communication	A.B., B.A.	Physics	A.B., B.A., B.S.	Environmental Studies	M.S.
Computer Information Systems	A.B., B.S.	Political Science	A.B., B.A.	Gifted and Talented Education	CER
Computer Science	A.B., B.A., B.S.	Professional Studies	B.P.S.	Historic Preservation	M.S.
Computing in the Arts	A.B., B.A.	Project Management	UCER	History	M.A.
Dance	A.B., B.A.	Psychology	A.B., B.A., B.S.	Information Systems	CER
Data Science	A.B., B.S.	Public Health	A.B., B.A., B.S.	Languages	M.Ed.
Early Childhood Education	A.B., B.S.	Religious Studies	A.B., B.A.	Marine Biology	M.S.
Economics	A.B., B.S.	Secondary Education	A.B., B.S.	Mathematical Sciences	M.S.
Elementary Education	A.B., B.S.	Sociology	A.B., B.S.	Middle Grades Education	M.A.T.
English	A.B., B.A.	Spanish	A.B., B.A.	Operations Research	CER
Exercise Science	A.B., B.S.	Special Education	A.B., B.S.	Performing Arts	M.A.T.
Finance	A.B., B.S.	Studio Art	A.B., B.A.	Public Administration	M.P.A.
Foreign Language Education	A.B., B.S.	Supply Chain Management	A.B., B.S.	Science and Math for Teachers	M.Ed.
French & Francophone Studies	A.B., B.A.	Sustainability and 21st Century Business Solutions	UCER	Software Engineering	CER
General Studies	B.G.S.	Systems Engineering	A.B., B.S.	Special Education	CER, M.A.T., MCER
Geology	A.B., B.A., B.S.	Theatre	A.B., B.A.	Statistics	CER
German	A.B., B.A.	Urban Studies	A.B., B.A.	Teaching, Learning and Advocacy	M.Ed.
Historic Preservation & Community Planning	A.B., B.A.	Women's and Gender Studies	A.B., B.A.	Urban and Regional Planning	CER

A.B. - Artium Baccalaureatus (classical studies)

B.A. - Bachelor of Arts

B.G.S. Bachelors of General Studies

B.P.S. - Bachelor of Professional Studies

B.S. - Bachelor of Science

CER - Post-Baccalaureate Certificate

M.A. - Master of Arts

M.A.T. - Master of Arts in Teaching

M.B.A. - Master of Business Administration

M.Ed. - Master of Education

M.F.A. - Master of Fine Arts

M.P.A. - Master of Public Administration

M.S. - Master of Science

MCER - Post-Master's Certificate

UCER - Undergraduate Certificate

Source: College of Charleston Office of Institutional Research.

COLLEGE OF CHARLESTON COMPREHENSIVE ANNUAL FINANCIAL REPORT



Students hold ceremony programs on stage during spring commencement, College of Charleston, May 10, 2019.