

COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA



A College of Charleston class ring awaits their new owner in Towell Library.

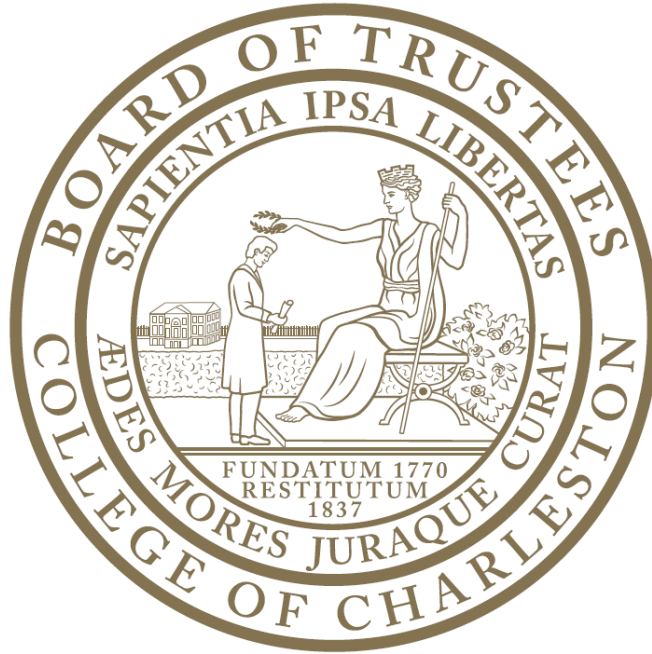
ANNUAL COMPREHENSIVE FINANCIAL REPORT

A Component Unit of the State of South Carolina

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**PREPARED BY
THE OFFICE OF THE CONTROLLER**

COLLEGE OF CHARLESTON
CHARLESTON, SOUTH CAROLINA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

A Component Unit of the State of South Carolina

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

COLLEGE OF CHARLESTON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

PREPARED BY
 THE OFFICE OF THE CONTROLLER

| INTRODUCTORY SECTION | Page |
|--|-------------|
| President's Letter | 5 |
| Letter of Transmittal | 6 - 14 |
| Board of Trustees | 15 |
| Organizational and Management Structure | 16 |
| Business and Finance Officers | 17 |
| Certificate of Achievement for Excellence in Financial Reporting | 18 |
| | |
| FINANCIAL SECTION | |
| Independent Auditor's Report | 20 - 22 |
| Management's Discussion and Analysis | 23 - 34 |
| Basic Financial Statements: | |
| Statement of Net Position | 35 |
| Statement of Revenues, Expenses, and Changes in Net Position | 36 |
| Statement of Cash Flows | 37 |
| College of Charleston Foundation and Subsidiaries | |
| Consolidated Statement of Financial Position | 38 |
| College of Charleston Foundation and Subsidiaries | |
| Consolidated Statement of Activities and Changes in Net Assets | 39 |
| College of Charleston Athletic Fund Statement of Financial Position | 40 |
| College of Charleston Athletic Fund Statement of Activities | 41 |
| Notes to the Financial Statements | 43 - 86 |
| | |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Schedule of the College's Proportionate Share of the Net Pension Liability | 88 |
| Schedule of the College's Pension Contributions | 89 |
| Schedule of the College's Proportionate Share of the Net OPEB Liability | 90 |
| Schedule of the College's OPEB Contributions | 91 |
| | |
| STATISTICAL SECTION | |
| Schedule of Operating and Nonoperating Revenues by Source | 94 |
| Schedule of Operating and Nonoperating Expenses by Function | 95 |
| Schedule of Operating and Nonoperating Expenses by Use | 96 |
| Schedule of Net Position and Changes in Net Position | 97 |
| Schedule of Ratios of Outstanding Debt | 98 |
| Tuition and Fees | 99 |
| Schedule of Bond Coverage | 100 |
| Admissions, Enrollment, and Degree Statistics | 101 |
| Average Combined SAT Scores | 102 |
| Student Full Time Equivalents | 103 |
| Student Head Count | 104 |
| Demographic Statistics for the State of South Carolina | 105 |
| Ten Largest Employers for the State of South Carolina | 106 |
| Faculty and Staff Statistics | 107 |
| Schedule of Capital Asset Information | 108 |
| Residence Hall Occupancy | 109 |
| Academic Subject Areas and Degrees Offered | 110 |

COLLEGE OF CHARLESTON

ANNUAL COMPREHENSIVE FINANCIAL REPORT



A student shows off their Maroon Monday shirt at Rivers Green.



The College of Charleston dance team, The Cougarettes, pose for a photo in Marion Square, Charleston, SC.

INTRODUCTORY SECTION



Andrew T. Hsu, Ph.D.
President

September 7, 2021

Dear Friends of the College of Charleston:

It is my pleasure to present the Annual Comprehensive Financial Report of the College of Charleston for the fiscal year ending June 30, 2021. It documents the fiscal status of the institution and our accountability in managing assets of the College.

During the academic year 2020–21, the College of Charleston began the implementation phase of its strategic plan, *Tradition and Transformation*. Our plan, created and developed by our faculty, staff, students, trustees, alumni and community partners, defines our vision for the future and creates a roadmap to help guide the College over the next decade. It 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 throughout the year, the College proved yet again that it is a resilient institution, and it even set several records along the way – specifically in the areas of fund-raising and new student recruitment. In fiscal year 2020–21, the College reached all-time highs in philanthropic commitments as well as set new records for submitted and completed applications (meaning, the College welcomed its largest freshman class in its 251-year history to campus in fall 2021).

Along with everyone in our campus community, I look forward to the next year as we keep climbing out from under the limitations placed upon us by the pandemic, and we continue the exciting work of elevating and lifting the College of Charleston to even greater heights.

Sincerely,

Andrew T. Hsu

LETTER OF TRANSMITTAL

September 30, 2021

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

FORMAL TRANSMITTAL REQUIREMENTS

We proudly present to you the Annual Comprehensive Financial Report (the report) for the College of Charleston (the College) for the year ended June 30, 2021. This report contains the financial statements as well as other information useful to those we serve and to whom we are accountable. The report 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 Annual Comprehensive Financial Report. This report fulfills that requirement for the fiscal year ended June 30, 2021. The College is included in the statewide Annual Comprehensive Financial Report as a component unit in accordance with Governmental Accounting Standards Board (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 and Governance 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 2021, 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 2020) 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 10,300 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 3 undergraduate certificates, 71 undergraduate degrees, 80 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 50 states and U. S. territories and 56 foreign countries represented in fall 2020.

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 Annual Comprehensive Financial Report of the State of South Carolina.

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 Athletic Fund 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 division 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 2021 rankings. Among Southern Regional Universities, the College ranks as follows:

- No. 8 in Regional Universities
- No. 4 in Best Colleges for Veterans
- No. 5 in Best Undergraduate Teaching
- No. 3 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 18th 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.

Not only does The Princeton Review name the College as one of the best schools in the Southeast, the school is also recognized in the categories of “The Best College Cities,” “Colleges That Create Futures” and “Green Colleges.”

Forbes recognized the College as one of America’s top colleges, noting that the College is “Deeply committed to the liberal arts and sciences, and the atmosphere is civically and globally-minded.” “In the Honors College, students take interdisciplinary courses, engage in local community organizations, and participate in research and internship opportunities.”

INFORMATION USEFUL FOR ASSESSING ECONOMIC CONDITION

2019 novel coronavirus (or “COVID-19”)

The College was able to keep the campus open and continue the delivery of instruction for the entire 2020-2021 academic year by following the advice and direction from the Centers for Disease Control (CDC) and the South Carolina Department of Health and Environmental Control (DHEC). In continuing that practice and given the current emergence of the delta variant and the most recent guidance of the CDC and DHEC, the college is requiring all members of the campus community to wear face coverings while around others indoors. The use of Federal COVID-19 relief funds and careful fiscal management helped to position the college for the start of the upcoming academic year. The College opened the campus to full capacity with in-person instruction, and full-occupancy in the residence halls for the Fall 2021 semester. All students registered for classes during the Fall 2021 semester must comply with a one-time testing requirement prior to their return to campus. This is being encouraged for all faculty, staff, and students, regardless of individual vaccination status.

Local Economy

The Charleston region is comprised of three counties (Berkeley, Charleston, and Dorchester) and 27 cities. 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 fluctuations in the labor market and unemployment. As of July 2021, total employment in the state of South Carolina was 2,299,500 persons, and the unemployment rate was 4.3 percent. The industries with the largest number of jobs were Government (368,300), Professional and Business Services (284,900), and Education and Health Services (256,700).¹ While Financial Activities (1.4 percent) was the only industry with a twelve-month decrease, the industries with the three largest twelve-month percentage increases were Leisure and Hospitality (12.7 percent), Construction (7.3 percent), and Other Services (5.2 percent).²

Total employment for the Charleston Metropolitan Statistical Area (MSA) was 393,500 persons, and the unemployment rate was 3.9 percent. The top three industries for the area were Trade, Transportation, and Utilities (71,700), Government (67,000), and Professional and Business Services (54,300). While Financial Activities (3.1 percent) was the only industry with a twelve-month decrease, the industries with the three largest twelve-month percentage increases were Trade, Transportation, and Utilities (9.8 percent), Leisure and Hospitality (16.5 percent), and Education and Health Services (6.5 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 twelve out of the last fourteen years.² The number of monthly job openings ranged from 9,693 in November 2020 to 22,082 in May 2021.³

The forecast is for the local labor force to grow by 1 percent in 2022, as employment grows at 2 to 2.5 percent, returning to growth levels of 7,000 to 9,000 jobs per year. This will result in an unemployment rate of around 4 percent for 2022.⁴

In 2021, readers of Travel + Leisure magazine voted Charleston the number one U.S. city to visit for the ninth year in a row, as well as naming it among the world's top 20 destinations.

Due to the ongoing effects of COVID-19, hotel rooms sold during the year were only 60 percent of what they were in the prior year, decreasing from 4.8 million down to 2.9 million.⁴

Charleston has been one of the nation's most important seaports since its establishment in 1670. As COVID-19 affected international trade and disrupted supply chains globally, container activity at the South Carolina Ports Authority followed suit, with double-digit declines in spring and summer of 2020. By year-end, though, container activity, breakbulk cargo and assembled vehicles passing through Charleston's terminals had returned to robust levels, resulting in just a 5 percent decline from records set in the prior year. As the new Hugh K. Leatherman, Sr. Terminal, the only permitted new container terminal on the U.S. East and Gulf Coasts, opened its first phase in March 2021, the outlook is bright.

¹ US Bureau of Labor Statistics, July 2021, number of persons, seasonally adjusted

² US Bureau of Labor Statistics, July 2021, in percent, seasonally adjusted

³ SC Department of Employment & Workforce, Business Intelligence Department, Community Profile, updated 8/19/21

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

At full build-out in 2033, the three-wharf terminal will double the South Carolina Ports' current capacity, keeping the Port of Charleston one of the U.S.'s top ranked and one of the world's most competitive ports. The Ports' forecast for 2021 is for an increase of 6.7 percent in TEU (twenty-foot equivalent unit containers) activity compared to 2020, and 2022 will bring another 5 percent increase.⁴

Charleston International Airport (CHS) was coming off a record-breaking year in 2019. However, no one predicted a global pandemic would cut activity for 2020 by more than half. Both domestic and global air travel came nearly to a halt for many months. In a show of confidence in the Charleston market, however, airlines began announcing new flights including to Los Angeles, St. Louis, and Louisville. As 2021 progresses, travel is expected to begin to resume, however, most airlines do not expect to hit pre-COVID levels until 2023, when business and leisure passengers feel comfortable traveling in the close quarters of an airplane. The forecast for 2021 is for increased passenger volumes of about 10-15 percent as the world gets back to traveling.⁴

Single-family home construction permits in the Charleston Metro Area saw a boost in 2020, a welcome sign based on the increase in housing demand in the market. Multi-family permits dropped below 2,000 units in 2020 but remained a significant portion of all construction. The forecast for 2021 and 2022 is for both single-family homes and multi-family units permitted in the Charleston Metro Area to drop slightly but remain relatively similar to 2020 levels. The Charleston Metro Area remains a strong, attractive economy for migrating workforce and families as well as local students aging into adulthood and prime workforce age.⁴

The Charleston region offers local employers a growing pool of 380,000+ skilled workers. The region's education and workforce training system continue to build a solid base of technically skilled workers in engineering, information technology and more. In addition, 17 new and expanding firms in the region announced approximately \$1 billion in capital investment and 2,600 new jobs that will be added to the market over the next several years.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's annual planning and budgeting cycle enables the College to align funding with the implementation of the College's Strategic Plan, adopted in 2020. This process affords the College the ability to reinforce and manage investment-based budgeting that targets specific strategies, tactics, or objectives directly tied to the mission and vision of the College. The administration believes this process is imperative for the College to maintain its viability and excellent academic reputation. The shifting dynamics of the higher education marketplace mandate that institutions fund only those initiatives expected to return value and enhance the learning environment. The College is in the process of transitioning to a multi-year Responsibility Centered Management (RCM) budget model.

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, 2021

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.

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 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. In the upcoming year, the College will begin a total renovation of the Simons Center for the Arts and will issue bonds to fund the project.

Projects completed over the past year include:

- Physical Plant Renovation
- Calhoun Annex Renovation
- 90 Wentworth Student Residence Renovation
- 10, 20 Warren Place Apartments Bedroom Additions
- Kelly House Apartments External Walkway Structural Repairs
- Campus Services Office Renovation
- Student Health Services Refresh
- Sottile Theatre Stage Renovation

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
- McAlister Residence Hall Renovation
- Electrical Grid Infrastructure Upgrades
- TD Arena Scoreboard/Video Board Package Addition
- Craig Hall Mechanical Room Renovation
- Patriot's Point Sailing Center Dock Construction

The following major projects are currently in the construction phase:

- Guaranteed energy savings contract
- Campus Safety and Security Project
- Housing Fire Safety Upgrades

AWARDS AND ACKNOWLEDGEMENTS

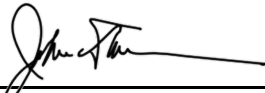
Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the College of Charleston for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. The College has received the Certificate of Achievement for twenty-eight 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.

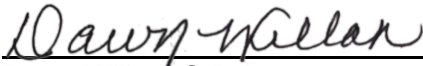
A Certificate of Achievement is valid for a period of one year. We believe that our current report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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.



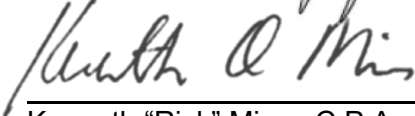
John F. Loonan
Executive Vice President for Business Affairs / Chief Financial Officer



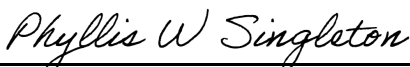
Dawn Willan, C.P.A.
Vice President for Fiscal Services



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



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



Phyllis W. Singleton
Associate Controller

COLLEGE OF CHARLESTON
BOARD OF TRUSTEES
2020 - 2021

David M. Hay, Chair
Member At Large

Shawn M. Holland
Third District

Demetria Noisette Clemons, Vice Chair
Sixth District

Randy R. 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
Second District

Elizabeth Middleton Burke
First District

Steve D. Swanson
Member at Large

John Hartnett Busch
Second District

August G. Swarat, II
Governor's Designee

Andrew A. Gianoukos
First District

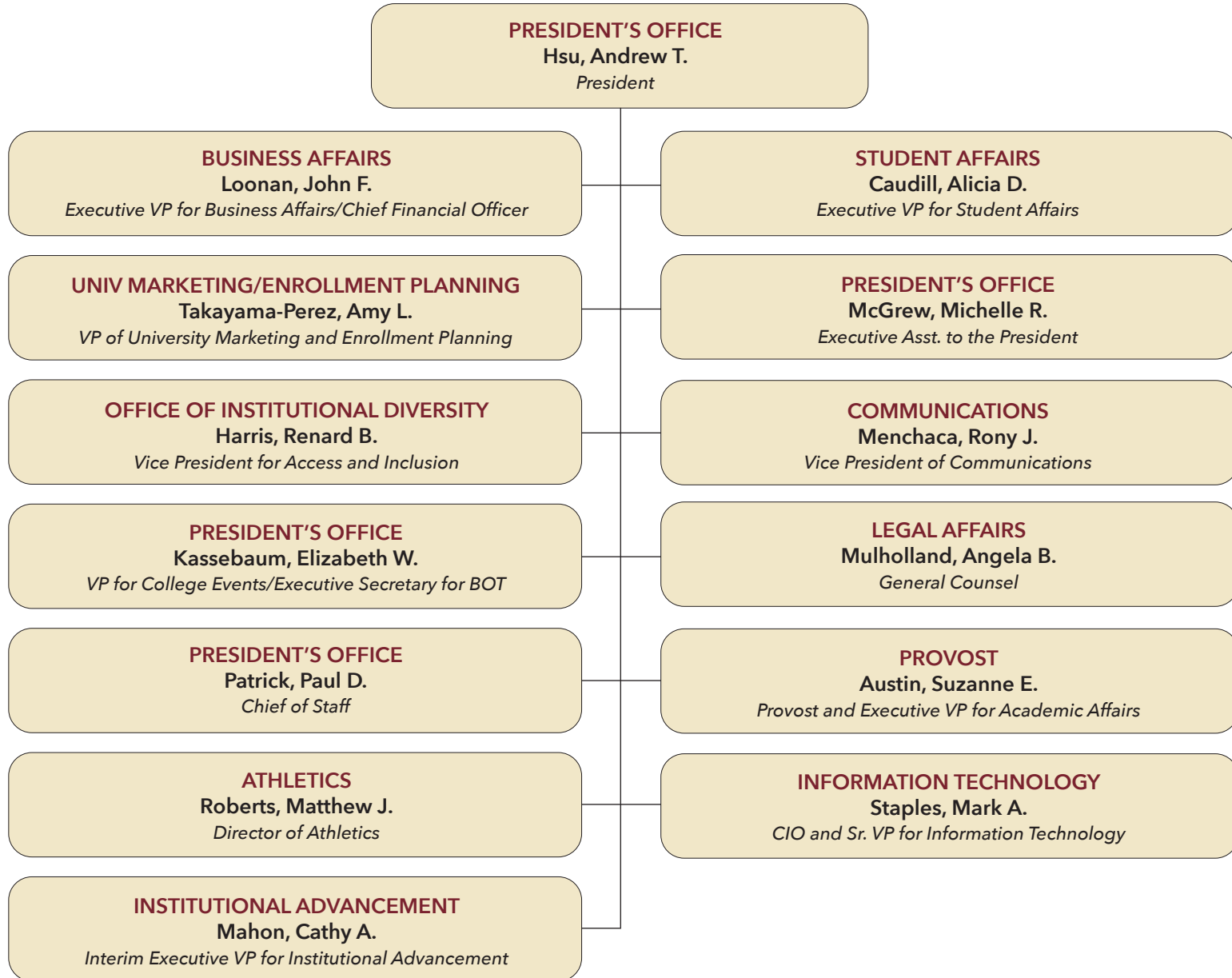
Craig C. Thornton
Third District

Henry A. Futch
Fifth District

Ricci Land Welch
Sixth District

Henrietta U. Golding
Seventh District

John B. Wood, Jr.
Fourth District





COLLEGE OF CHARLESTON
BUSINESS AND FINANCE OFFICERS
2020-2021

John F. Loonan

Executive Vice President for Business Affairs/
Chief Financial Officer

Dawn Willan, C.P.A.

Vice President of Fiscal Services

Patrick M. Fillippa, C.P.A.

Controller

Kenneth “Rick” Mims, C.P.A.

Deputy Controller

Phyllis W. Singleton

Associate Controller

David Katz

Treasurer

Everett McInnis

Associate Vice President for 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, 2020

Christopher P. Morill

Executive Director/CEO

COLLEGE OF CHARLESTON

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Students attend a genetics lab, taught by Agnes Ayme-Southgate in the Rita Hollings Science Center.



Campus Recreation presents a yoga event in the Cistern Yard, College of Charleston.

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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 23-34, 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 30, 2021, 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, flowing style.

Charleston, South Carolina
September 30, 2021

COLLEGE OF CHARLESTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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, 2021. 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 \$17.5 million in fiscal year 2021 decreased by \$2.5 million or 12.7 percent in comparison to fiscal year 2020.
- Tuition and fee revenue of \$149.8 million for fiscal year 2021 reflects a decrease of \$2.8 million, down 1.8 percent in relation to fiscal year 2020. Total revenues also decreased by \$6.6 million, or 2.3 percent.
- Sales and services of auxiliary enterprises revenues decreased by \$8.8 million or 20.5 percent.
- Total expenses of \$280.4 million decreased by \$5.2 million, or 1.8 percent from the prior year. Total operating expenses decreased by 1.8 percent from the prior year.
- State appropriations totaling \$30.8 million in fiscal year 2021 decreased by \$0.1 million or 0.5 percent from fiscal year 2020.
- The College completed renovations of Sottile Theatre, the Calhoun Annex, and campus housing at 90 Wentworth Street during fiscal year 2021.

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 Governmental Accounting Standards Board (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 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, mortgages, 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

In fiscal year 2021, the College was awarded \$12.9 million in emergency relief funds from the SC CARES program and \$11.9 million from the Higher Education Emergency Relief (HEERF) II program. All of the SC CARES funds were used to issue emergency grants to students, reimburse the College for student refunds for housing, dining, and parking related to the three-week delayed opening of the campus for the fall semester, revenue losses due to de-densification of the residence halls, and expenses related to the opening of campus. \$4.0 million of the HEERF II funds were issued as emergency grants to students. The College is planning on using the remaining relief funds during fiscal year 2022. The HEERF III funds were awarded in May 2021, but nothing was drawn in fiscal year 2021. \$10,479,385 was awarded for student emergency grants (half were disbursed in September and the second half will be disbursed in the spring), and \$10,452,169 was awarded for institutions to defray the expenses associated with COVID-19. The first draw from the institutional portion was made in August 2021, and the rest has not been drawn.

Statements 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, 2021 and 2020 follows.

| Condensed Statements of Net Position | | | | |
|--------------------------------------|-----------------------|-----------------------|------------------------|-------------------|
| | 2021 | 2020 | Increase (Decrease) | Percent Change |
| Assets | | | | |
| Current assets | \$ 202,953,801 | \$ 182,781,289 | \$ 20,172,512 | 11.0% |
| Capital assets, net of depreciation | 381,979,858 | 394,334,430 | (12,354,572) | -3.1% |
| Other noncurrent assets | 4,514,638 | 4,452,217 | 62,421 | 1.4% |
| Total Assets | \$ 589,448,297 | \$ 581,567,936 | \$ 7,880,361 | 1.4% |
| Deferred Outflows | | | | |
| Deferred loss on debt refundings | \$ 308,405 | \$ 656,418 | \$ (348,013) | -53.0% |
| Deferred outflows - pension | 32,445,427 | 23,831,465 | 8,613,962 | 36.1% |
| Deferred outflows - OPEB | 44,521,803 | 22,678,772 | 21,843,031 | 96.3% |
| Total Deferred Outflows | \$ 77,275,635 | \$ 47,166,655 | \$ 30,108,980 | 63.8% |
| Liabilities | | | | |
| Current liabilities | \$ 36,739,356 | \$ 36,172,351 | \$ 567,005 | 1.6% |
| Noncurrent liabilities | 590,689,754 | 549,168,017 | 41,521,737 | 7.6% |
| Total Liabilities | \$ 627,429,110 | \$ 585,340,368 | \$ 42,088,742 | 7.2% |
| Deferred Inflows - pension | \$ 2,318,241 | \$ 2,688,805 | \$ (370,564) | -13.8% |
| Deferred Inflows - OPEB | 18,893,221 | 19,504,316 | (611,095) | -3.1% |
| Deferred Inflows - other | 571,429 | 1,142,857 | (571,428) | -50.0% |
| Total Deferred Inflows | \$ 21,782,891 | \$ 23,335,978 | \$ (1,553,087) | -6.7% |
| Net Position | | | | |
| Net investment in capital assets | \$ 195,062,857 | \$ 198,753,163 | \$ (3,690,306) | -1.9% |
| Restricted - expendable | 71,509,866 | 73,089,537 | (1,579,671) | -2.2% |
| Restricted - nonexpendable | 1,100,000 | 1,100,000 | - | 0.0% |
| Unrestricted | (250,160,792) | (252,884,455) | 2,723,663 | 1.1% |
| Total Net Position | \$ 17,511,931 | \$ 20,058,245 | \$ (2,546,314) | -12.7% |

Total Net Position fell to \$17.5 million as of the end of fiscal year 2021, decreasing by \$2.5 million.

Total Assets of \$589.4 million increased by \$7.9 million or 1.4 percent from last fiscal year to the current fiscal year. The net increase is primarily due to an increase in cash and cash equivalents, which is discussed in the Statement of Cash Flows section. While total assets increased, capital assets, net of depreciation decreased by \$12.4 million. The net decrease is primarily due to depreciation of capital assets. Additional information about changes within assets include:

- Total cash increased by \$26.7 million or 16.2 percent from the prior year. Unrestricted cash increased by \$4.5 million or 6.4 percent. Current restricted

cash deposits increased by \$22.2 million and noncurrent restricted cash deposits increased by \$54 thousand. For further information, see the Statement of Cash Flows section.

- Grants and contracts receivable decreased by \$3.5 million or 58.3 percent. There was a \$3.9 million increase from fiscal year 2019 to fiscal year 2020 primarily due to a receivable related to the CARES Act. The fiscal year 2021 grants and contracts receivable balance is more in line with expectations and is consistent with prior years leading up to fiscal year 2020.
- Prepaid expenses decreased by \$0.9 million due to timing differences.

Total Deferred Outflows increased \$30.1 million, or 63.8 percent. Deferred losses on debt refundings decreased by \$0.3 million due to amortization of existing losses and a write-off of bond costs and amortization related to the 2011A series bonds, which were refunded during the year. Deferred outflows related to the College's proportionate share of the state's net pension liability increased by \$8.6 million. Deferred outflows related to the College's proportionate share of the state's retiree health benefits increased by \$21.8 million. See notes 6 and 7 of the financial statements for additional information.

Total Liabilities of \$627.4 million increased by 7.2 percent. Current liabilities increased by \$1.0 million, mostly due to an increase in unearned revenue at year end. Noncurrent liabilities increased by \$41.1 million compared to the prior year. Bonds and notes payable decreased by \$6.9 million from scheduled debt service payments. The net pension liability increased by \$19.5 million, mostly due to a difference in projected and actual earnings on pension plan investments. The OPEB liability increased by \$29.4 million. The majority of this change is due to a change in the discount rate used for the calculation. 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 decreased by \$1.6 million, or 6.7 percent. Deferred inflows related to the College's net pension liability decreased by \$0.4 million. Deferred inflows related to the OPEB liability decreased by \$0.6 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 \$195.1 million decreased by \$3.7 million, or 1.9 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 a reduction in bonds payable and capital projects that were completed.

The expendable component of restricted net position decreased by \$1.6 million and includes funds for scholarships, research, Perkins loans, debt service, and state capital projects. Net position related to research decreased by \$3.7 million due to the transfer of COVID-19 funds from the grant to residence halls, food services, and parking auxiliary funds where the related expenses were incurred. Net position related to capital projects increased by \$2.1 million due to an overall net increase in spending on various projects.

The nonexpendable component of restricted net position represents the College's permanent endowments. The College is the recipient of a permanent endowment of \$0.1

million 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 (\$250.2) million increased from the prior year's balance of (\$252.9) million.

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.



President Andrew Hsu serves food to students in the Stern Center Gardens as part of Twilight Breakfast.

Statements of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

| | 2021 | 2020 | Increase (Decrease) | Percent Change |
|---|-----------------------|-----------------------|------------------------|-------------------|
| Revenues | | | | |
| Tuition and fees* | \$ 149,802,825 | \$ 152,606,120 | \$ (2,803,295) | -1.8% |
| Federal, state, and local grants and contracts | 27,679,077 | 26,598,118 | 1,080,959 | 4.1% |
| Sales and services of Auxiliary Enterprises* | 34,079,098 | 42,845,869 | (8,766,771) | -20.5% |
| Other Operating Revenue | 2,851,429 | 3,614,154 | (762,725) | -21.1% |
| Total Operating Revenues | <u>\$ 214,412,429</u> | <u>\$ 225,664,261</u> | <u>\$ (11,251,832)</u> | <u>-5.0%</u> |
| State appropriations | \$ 30,820,900 | \$ 30,964,520 | \$ (143,620) | -0.5% |
| Federal, state, and local grants and contracts | 27,389,275 | 18,002,163 | 9,387,112 | 52.1% |
| Gifts | 4,383,215 | 4,874,304 | (491,089) | -10.1% |
| Interest and investment income | 88,000 | 3,364,000 | (3,276,000) | -97.4% |
| Auxiliary enterprises investment income (loss) | (44,655) | 743,032 | (787,687) | -106.0% |
| Nongovernmental grants and contracts | - | 8,193 | (8,193) | -100.0% |
| Capital appropriations | 756,572 | 774,183 | (17,611) | -2.3% |
| Total Nonoperating and Other Revenues | <u>\$ 63,393,307</u> | <u>\$ 58,730,395</u> | <u>\$ 4,662,912</u> | <u>7.9%</u> |
| Total Revenues | <u>\$ 277,805,736</u> | <u>\$ 284,394,656</u> | <u>\$ (6,588,920)</u> | <u>-2.3%</u> |
| Expenses | | | | |
| Personnel cost | \$ 108,024,284 | \$ 113,690,572 | \$ (5,666,288) | -5.0% |
| Benefits | 58,276,767 | 53,346,820 | 4,929,947 | 9.2% |
| Supplies and services | 61,130,685 | 66,094,563 | (4,963,878) | -7.5% |
| Utilities | 6,793,135 | 7,268,829 | (475,694) | -6.5% |
| Scholarships and fellowships* | 21,849,525 | 20,366,448 | 1,483,077 | 7.3% |
| Depreciation | 17,361,130 | 17,621,710 | (260,580) | -1.5% |
| Total Operating Expenses | <u>\$ 273,435,526</u> | <u>\$ 278,388,942</u> | <u>\$ (4,953,416)</u> | <u>-1.8%</u> |
| Interest and amortization expense on capital assets and related debt | \$ 6,859,464 | \$ 7,146,690 | \$ (287,226) | -4.0% |
| Loss on sale or disposal of capital assets | 57,060 | 34,533 | 22,527 | 65.2% |
| Total Nonoperating Expenses | <u>\$ 6,916,524</u> | <u>\$ 7,181,223</u> | <u>\$ (264,699)</u> | <u>-3.7%</u> |
| Total Expenses | <u>\$ 280,352,050</u> | <u>\$ 285,570,165</u> | <u>\$ (5,218,115)</u> | <u>-1.8%</u> |
| Change in Net Position | <u>\$ (2,546,314)</u> | <u>\$ (1,175,509)</u> | <u>\$ (1,370,805)</u> | <u>-116.6%</u> |
| Net Position, Beginning | <u>20,058,245</u> | <u>21,233,754</u> | <u>(1,175,509)</u> | <u>-5.5%</u> |
| Net Position, Ending | <u>\$ 17,511,931</u> | <u>\$ 20,058,245</u> | <u>\$ (2,546,314)</u> | <u>-12.7%</u> |

* Net of scholarship discounts and allowances

Total revenue decreased by 2.3 percent to \$277.8 million. Operating revenues decreased by \$11.3 million. A summary of significant operating revenues follows:

- Tuition and fees revenue decreased by \$2.8 million. For the 2020-2021 academic year, there was no change to tuition and fees charged to students. The overall decrease was due to lower enrollment due to the pandemic. Tuition and fees comprise the largest portion of total revenue.
- Federal, state, and local grants and contracts revenue increased by \$1.1 million or 4.1 percent. There was an 8.7 percent decrease from fiscal year 2019 to fiscal year 2020 due to the pandemic, so the current year revenues are more consistent with prior years.
- Sales and services of auxiliary enterprises revenues decreased by \$8.8 million or 20.5 percent to \$34.1 million. Due to the pandemic, revenues for all the College's auxiliary services declined from the previous year. Most notably, housing revenues decreased by \$4.2 million, food service revenues decreased by \$2.5 million, and athletics revenues decreased by \$1.4 million.

Nonoperating and other revenue increased \$4.7 million, which was mostly due to the following:

- State appropriations decreased slightly by \$0.1 million.
- The CARES Act, signed into law on March 27, 2020, 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 \$4.0 million in fiscal year 2021 as nonoperating federal grants and contracts revenue. This was a \$3.5 million decrease from the amount recorded in fiscal year 2020. The College also recorded \$12.9 million in nonoperating federal grants revenue for funds received under the SC Cares Act Relief Grant Program. This program was created to reimburse organizations for costs associated with COVID-19. Nonoperating revenues recorded under the Federal Pell Grant program decreased from \$10.2 million in fiscal year 2020 to \$9.7 million in fiscal year 2021.

- Interest and investment income decreased by \$3.3 million from 2020. The majority of the decrease is related to unrealized investment losses allocated to the College by the State of South Carolina.

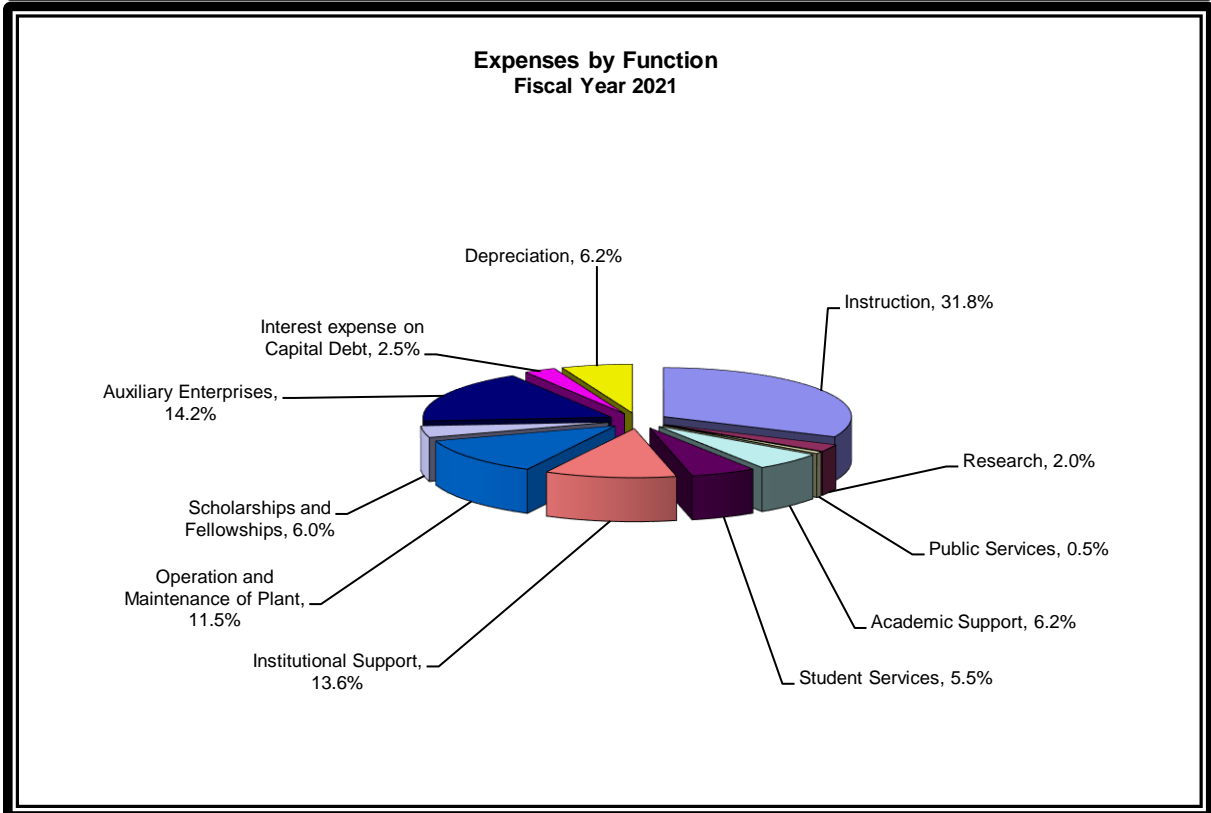
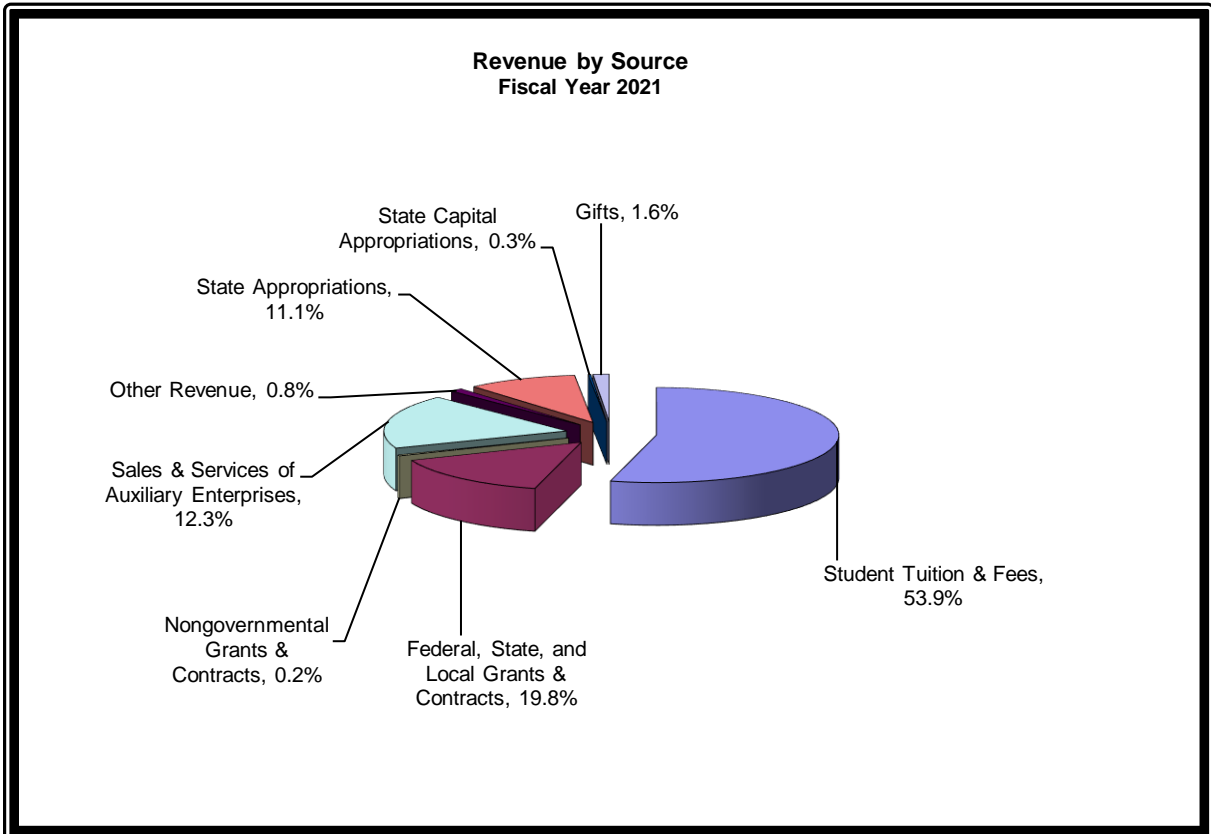
Total expenses decreased by \$5.2 million compared to the prior year. Operating expenses decreased by \$4.9 million and nonoperating expenses decreased by \$0.3 million. Highlights include:

- Personnel costs decreased by \$5.7 million from the prior year. The College implemented a ten percent decrease in the temporary/adjunct employee population and a voluntary separation program, which accounted for most of this change. The College also eliminated all aged positions vacated prior to December 31, 2019 which remained vacant. Although current year costs related to benefits decreased by \$2.0 million from the prior year, benefits expense increased by \$4.9 million due to a \$6.9 million increase in pension and OPEB expenses related to GASB Statements 68 and 75. Personnel and benefits costs comprise most of the operating expenses of the College.
- Supplies and services expense decreased by \$5.0 million from the prior year. College spending declined in many areas due to budget reductions and the pandemic. Significant differences include a \$1.3 million reduction in housing expenses, a \$1.8 million reduction in food service costs, and a \$1.4 million reduction in athletics costs. Travel costs decreased by \$2.5 million and general supplies decreased from \$10.6 million in 2020 to \$9.5 million in 2021.
- Scholarships and fellowships expense increased by \$1.5 million or 7.3 percent from fiscal year 2020, primarily due to an increase in academic scholarships.



A Pteranodon hangs on display in the lobby of the School of Sciences and Mathematics, College of Charleston.

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



Statements 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, 2021. A synopsis of the Statement of Cash Flows follows.

| Condensed Statements of Cash Flows | | | | |
|---|-----------------------|-----------------------|--------------------------------|---------------------------|
| | 2021 | 2020 | Increase (Decrease) | Percent Change |
| Net cash used for operating activities | \$ (19,186,305) | \$ (33,890,731) | \$ (14,704,426) | -43.4% |
| Net cash provided by noncapital financing activities | 62,644,638 | 52,840,180 | 9,804,458 | 18.6% |
| Net cash used for capital debt and related financing activities | (16,768,502) | (19,464,536) | (2,696,034) | -13.9% |
| Net cash provided by investing activities | 17,391 | 716,788 | (699,397) | -97.6% |
| Net change in cash and cash equivalents | \$ 26,707,222 | \$ 201,701 | \$ 26,505,521 | 13141.0% |
| Cash and cash equivalents, Beginning of Year | 165,047,772 | 164,846,071 | 201,701 | 0.1% |
| Cash and cash equivalents, End of Year | \$ 191,754,994 | \$ 165,047,772 | \$ 26,707,222 | 16.2% |

Total cash increased by \$26.7 million or 16.2 percent from the prior year. The year to year change in cash flows from operating activities and cash flows from noncapital financing activities accounts for the majority of this increase.

The College used \$19.2 million for operating activities during the year, a 43.4 percent decline from fiscal year 2020. Payments to suppliers were down \$12.5 million and payments to employees were down \$6.5 million. These changes were addressed in the Statement of Revenues, Expenses, and Changes in Net Position section. Grants and contracts inflows were up by \$8.0 million or 34.2 percent. Inflows from grants and contracts declined significantly from fiscal year 2019 to 2020 due to the pandemic. The current year inflows are more in line with expectations and amounts received over the past several years. Inflows from auxiliary services were down \$9.4 million from fiscal year 2020. This change was also addressed in the Statement of Revenues, Expenses, and Changes in Net Position section.

Cash related to noncapital financing activities increased by \$9.8 million. This is primarily due to funds received under the SC Cares Act Relief Grant Program which was addressed in the Statement of Revenues, Expenses, and Changes in Net Position section.

The Capital Debt and Related Financing section shows \$27.4 million in proceeds from new bond issues, which is from the College's series 2021A bonds that were issued in March 2021. This is offset by \$33.3 million in bond principal payments. \$26.6 million of those payments were to pay off the College's 2011A series bonds and the remainder was for regularly scheduled payments on other bonds.

As of June 30, 2021, cash and cash equivalents made up 32.5 percent of the total assets of the College.

Capital Assets

A synopsis of the net capital assets for the fiscal years ended 2021 and 2020 further illustrates the significant changes between the accounting periods.

| | Capital Assets | | Increase (Decrease) | Percent Change |
|---|-----------------------|-----------------------|------------------------|-------------------|
| | 2021 | 2020 | | |
| Land | \$ 48,054,141 | \$ 48,054,141 | \$ - | 0.0% |
| Construction in progress | 4,047,226 | 8,586,207 | (4,538,981) | -52.9% |
| Land improvements | 4,968,429 | 4,968,429 | - | 0.0% |
| Buildings | 368,221,834 | 368,221,834 | - | 0.0% |
| Building improvements | 187,651,626 | 179,445,363 | 8,206,263 | 4.6% |
| Machinery, equipment, and other | 32,893,040 | 33,582,556 | (689,516) | -2.1% |
| Information technology equipment and software | 7,941,698 | 7,941,698 | - | 0.0% |
| Motor vehicles | 461,658 | 411,307 | 50,351 | 12.2% |
| Accumulated depreciation | (272,259,794) | (256,877,105) | (15,382,689) | 6.0% |
| Total Capital Assets - Net | \$ 381,979,858 | \$ 394,334,430 | \$ (12,354,572) | -3.1% |

Construction in progress decreased by \$4.5 million during the fiscal year, as the College completed several construction projects. This is reflected in the increase to building improvements. The College completed renovations totaling \$8.2 million, including renovations in Sottile Theatre, campus housing at 90 Wentworth Street, and the Calhoun Annex. Construction continued on the Simons Center. Other projects were added to construction in progress including renovations to the Multicultural Center and Addlestone Library. Depreciation expense totaled \$17.4 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 2021 fiscal year with a General Fund surplus of \$1.024 billion. The state's General Fund spent \$8.4 billion in fiscal year 2021, the majority of which was underwritten by income tax and sales tax collections. Fiscal year 2021's General Fund spending declined 2.7 percent (or \$0.235 billion) compared to amounts spent in fiscal year 2020, while fiscal year 2021's General Fund revenues topped fiscal year 2020 revenues by 13.9 percent (or \$1.280 billion).

Most of the \$1.280 billion increase in General Fund revenues resulted from increases of 16.4 percent (or \$0.539 billion) in sales and use tax receipts, 8.6 percent (or \$0.384 billion) in individual income tax receipts, and 66.3 percent (or \$0.248 billion) in corporate income tax receipts.

Actual revenue collections for the year were dramatically higher than revenue projections that were used at the beginning of the year.¹

¹ South Carolina Office of the Comptroller General, year-end press release, August 12, 2021.

In March 2021, Moody's Investors Service raised its outlook for higher education from negative to stable. Moody's pointed to improved tuition and auxiliary revenue potential with a widespread return to on-campus and in-person learning. They also noted the benefits of federal relief funds and a lower risk of funding cuts for public universities based on recovering state economies. In addition, the strength of financial markets bodes well for fundraising and endowment performance.²

On June 14, 2021, the Board of Trustees approved an out-of-state tuition increase of 3.44 percent; in-state tuition was not increased. Student housing fees and food service fees were unchanged.

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, Vice President of Fiscal Services, College of Charleston.



Students relax in the sun in the Cistern Yard, College of Charleston.

² Inside Higher Ed, Moody's Raises Higher Ed Outlook to Stable, Rick Seltzer, March 23, 2021

**COLLEGE OF CHARLESTON
STATEMENT OF NET POSITION
JUNE 30, 2021**

Assets

Current Assets

| | |
|---------------------------------------|---------------|
| Cash and cash equivalents | \$ 74,298,755 |
| Cash and cash equivalents, restricted | 116,681,928 |
| Accounts receivable, net | 2,965,667 |
| Grants and contracts receivable | 2,509,395 |
| Component unit receivable | 520,509 |
| Interest income receivable | 178,830 |
| Prepaid items | 5,511,470 |
| Inventories | 282,657 |
| Other assets | 4,590 |

Total Current Assets **\$ 202,953,801**

Noncurrent Assets

| | |
|---|-------------|
| Cash and cash equivalents, restricted | \$ 774,311 |
| Component unit receivable, restricted | 1,658,433 |
| Student loans receivable | 536,527 |
| Prepaid items | 1,545,367 |
| Capital assets not being depreciated | 52,101,367 |
| Capital assets, net of accumulated depreciation | 329,878,491 |

Total Noncurrent Assets **\$ 386,494,496**

Total Assets **\$ 589,448,297**

Deferred Outflows of Resources

| | |
|----------------------------------|---------------|
| Deferred outflows - pension | \$ 32,445,427 |
| Deferred outflows - OPEB | 44,521,803 |
| Deferred loss on debt refundings | 308,405 |

Total Deferred Outflows of Resources **\$ 77,275,635**

Liabilities

Current Liabilities

| | |
|---|--------------|
| Accounts payable and accrued expenses | \$ 5,784,131 |
| Accrued payroll and related liabilities | 9,314,448 |
| Retainage payable | 11,823 |
| Unearned revenues | 6,200,510 |
| Deposits held for others | 472,696 |
| Student deposits | 1,628,844 |
| Compensated absences payable | 2,881,563 |
| Accrued interest payable | 1,705,081 |
| Bonds and notes payable | 8,709,908 |
| Other liabilities | 30,352 |

Total Current Liabilities **\$ 36,739,356**

Noncurrent Liabilities

| | |
|------------------------------|--------------|
| Compensated absences payable | \$ 2,896,596 |
| Bonds and notes payable | 179,969,203 |
| Federal capital contribution | 1,246,774 |
| Net pension liability | 199,497,642 |
| Net OPEB liability | 207,079,539 |

Total Noncurrent Liabilities **\$ 590,689,754**

Total Liabilities **\$ 627,429,110**

Deferred Inflows of Resources

| | |
|----------------------------|--------------|
| Deferred inflows - pension | \$ 2,318,241 |
| Deferred inflows - OPEB | 18,893,221 |
| Deferred inflows - other | 571,429 |

Total Deferred Inflows of Resources **\$ 21,782,891**

Net Position

Net investment in capital assets **\$ 195,062,857**

Restricted for:

| | |
|------------------------------|------------|
| Nonexpendable | |
| Endowed professorship | 100,000 |
| Endowment other | 1,000,000 |
| Expendable | |
| Scholarships and fellowships | 246,268 |
| Research | 115,005 |
| Loans | 93,501 |
| Capital projects | 63,793,192 |
| Debt service | 7,261,900 |

Unrestricted **(250,160,792)**

Total Net Position **\$ 17,511,931**

See Accompanying Notes to Financial Statements

**COLLEGE OF CHARLESTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

Operating Revenues

| | | |
|--|-----------|--------------------|
| Tuition and related fees (\$9,177,377 pledged for debt service; net of scholarship discounts and allowances of \$41,096,129) | \$ | 149,802,825 |
| Federal grants and contracts | | 5,933,447 |
| State grants and contracts | | 21,700,599 |
| Local grants and contracts | | 45,031 |
| Nongovernmental grants and contracts | | 571,550 |
| Educational activities revenues | | 336,374 |
| Student organizations generated revenues | | 1,615,125 |
| Sales and services of auxiliary enterprises | | |
| Revenues not pledged for debt service | | |
| Athletics (net of scholarship discounts and allowances of \$2,766,279) | | 11,363,562 |
| Health services (net of scholarship discounts and allowances of \$335,307) | | 1,216,993 |
| Rental, vending, bookstore, and debit card | | 864,852 |
| Revenues pledged for debt service | | |
| Housing (net of scholarship discounts and allowances of \$3,520,719) | | 12,388,871 |
| Food service (net of scholarship discounts and allowances of \$1,760,259) | | 6,668,166 |
| Parking | | 1,576,654 |
| Other sources | | 328,380 |
| Total Operating Revenues | \$ | 214,412,429 |

Operating Expenses

| | | |
|---------------------------------|-----------|--------------------|
| Personnel costs | \$ | 108,024,284 |
| Benefits | | 58,276,767 |
| Supplies and services | | 61,130,685 |
| Utilities | | 6,793,135 |
| Scholarships and fellowships | | 21,849,525 |
| Depreciation | | 17,361,130 |
| Total Operating Expenses | \$ | 273,435,526 |

Operating Loss **\$ (59,023,097)**

Nonoperating Revenues (Expenses)

| | | |
|--|-----------|-------------------|
| State appropriations | \$ | 30,820,900 |
| Federal grants and contracts | | 27,009,392 |
| Gifts | | 4,383,215 |
| Auxiliary enterprises interest and investment loss | | (44,655) |
| Interest and investment income | | 88,000 |
| Interest and amortization expense on capital assets and related debt | | (6,859,464) |
| State grants and contracts | | 379,883 |
| Loss on sale or disposal of capital assets | | (57,060) |
| Total Net Nonoperating Revenues | \$ | 55,720,211 |

Loss Before Other Revenues **\$ (3,302,886)**

Other Revenues

| | | |
|------------------------------|-----------|----------------|
| State capital appropriations | \$ | 756,572 |
| Total Other Revenues | \$ | 756,572 |

Change In Net Position **\$ (2,546,314)**

| | | |
|--|-----------|-------------------|
| Net Position, Beginning of Year | | 20,058,245 |
| Net Position, End of Year | \$ | 17,511,931 |

See Accompanying Notes to Financial Statements

**COLLEGE OF CHARLESTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

Cash Flows From Operating Activities

| | |
|---|------------------------|
| Tuition and fees | \$ 150,599,128 |
| Grants and contracts | 31,463,321 |
| Sales and services of education and other activities | 1,951,499 |
| Sales and services of auxiliary enterprises | 33,341,844 |
| Other operating revenues | 721,505 |
| Payments to employees for salaries and benefits | (149,059,853) |
| Payments to suppliers | (59,997,046) |
| Payments for utilities | (6,793,135) |
| Payments to students for scholarships and fellowships | (21,849,525) |
| Collection of loans from students - Perkins loan program receipts | 338,748 |
| Repayment of excess cash to Perkins program | (167,700) |
| Deposits held for others | 264,909 |
| Student direct lending receipts | 44,646,327 |
| Student direct lending disbursements | (44,646,327) |
| Net Cash Used for Operating Activities | \$ (19,186,305) |

Cash Flows From Noncapital Financing Activities

| | |
|---|----------------------|
| State appropriations | \$ 30,820,900 |
| Gifts and grants for other than capital purposes | 31,823,738 |
| Net Cash Provided by Noncapital Financing Activities | \$ 62,644,638 |

Cash Flows From Capital Debt And Related Financing Activities

| | |
|--|------------------------|
| Proceeds from state capital appropriations | \$ 756,572 |
| Proceeds from capital grants and gifts | 2,131,783 |
| Purchases of capital assets | (6,252,446) |
| Proceeds from sales of capital assets | 11,406 |
| Principal paid on capital debt | (33,305,000) |
| Proceeds from new bond issues | 27,449,698 |
| Principal paid on note payable | (184,536) |
| Proceeds from investments in capital and related financing activities | 88,000 |
| Interest paid on capital related debt | (7,463,979) |
| Net Cash Used for Capital Debt And Related Financing Activities | \$ (16,768,502) |

Cash Flows From Investing Activities

| | |
|--|------------------|
| Proceeds from interest on investments | \$ 17,391 |
| Net Cash Provided by Investing Activities | \$ 17,391 |

| | |
|--|-----------------------|
| Net change in cash and cash equivalents | \$ 26,707,222 |
| Cash and cash equivalents - Beginning of the Year | 165,047,772 |
| Cash and Cash Equivalents - End of the Year | \$ 191,754,994 |

Reconciliation of operating loss to net cash used for operating activities

| | |
|---|-----------------|
| Operating loss | \$ (59,023,097) |
| Adjustments to reconcile operating loss to net cash used for operating activities | |
| Depreciation | 17,361,130 |
| Amortization of net pension and OPEB liabilities | 17,433,117 |
| Deferred inflows-other | (571,428) |

Changes in assets and liabilities:

| | |
|---|------------------------|
| Accounts, grants and contracts, and component unit receivables, net | 2,923,551 |
| Inventories | 30,233 |
| Student loans receivable | 338,748 |
| Prepaid items | 929,498 |
| Accounts payable and accrued expenses | 100,760 |
| Compensated absences payable and related liabilities | 284,957 |
| Unearned revenues | 835,455 |
| Deposits held for others | 264,909 |
| Student deposits | (94,138) |
| Net Cash Used for Operating Activities | \$ (19,186,305) |

Reconciliation of Cash and Cash Equivalent Balances:

| | |
|--|-----------------------|
| Current assets | |
| Cash and cash equivalents | \$ 74,298,755 |
| Cash and cash equivalents, restricted | 116,681,928 |
| Noncurrent assets | |
| Cash and cash equivalents, restricted | 774,311 |
| Total Cash and Cash Equivalents | \$ 191,754,994 |

Non Cash Transactions

| | |
|--|------------|
| Increase in component unit receivable | \$ 301,099 |
| Loss on sale or disposal of capital assets | \$ 68,466 |

See Accompanying Notes to Financial Statements

**COLLEGE OF CHARLESTON FOUNDATION AND SUBSIDIARIES
 NONGOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2021**

Assets

| | |
|-------------------------------------|-------------|
| Cash and cash equivalents | \$ 769,024 |
| Unconditional promises to give, net | 5,887,854 |
| Other assets | 1,645,289 |
| Investments | 152,025,121 |
| Property and equipment, net | 5,428,024 |
| Collections | 9,371,873 |

Total Assets **\$ 175,127,185**

Liabilities and Net Assets

Liabilities

| | |
|--|------------|
| Accounts payable and accrued liabilities | \$ 204,476 |
| Annuities payable | 49,171 |
| Marine Genomics grant obligation (College of Charleston) | 1,658,433 |

Total Liabilities **\$ 1,912,080**

Net Assets

Without donor restrictions:

| | |
|----------------------------------|--------------|
| Board designated quasi endowment | \$ 9,876,292 |
| Undesignated | 11,842,031 |

Total Without Donor Restrictions **\$ 21,718,323**

With donor restrictions:

| | |
|------------------------------------|---------------|
| Purpose restrictions | \$ 80,154,451 |
| Time-restricted for future periods | 212,401 |
| Perpetual in nature | 71,129,930 |

Total With Donor Restrictions **\$ 151,496,782**

Total Net Assets **\$ 173,215,105**

Total Liabilities and Net Assets **\$ 175,127,185**

See Accompanying Notes to Financial Statements

**COLLEGE OF CHARLESTON FOUNDATION AND SUBSIDIARIES
 NONGOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT
 CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2021**

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|-----------------------|
| Revenue, Gains, (Losses), and Other Support | | | |
| Contributions | \$ 523,953 | \$ 10,241,230 | \$ 10,765,183 |
| Rental income | 695,491 | - | 695,491 |
| Interest and dividend income, net | 5 | 2,350 | 2,355 |
| Realized and unrealized gains (losses) on investments, net | 5,422,583 | 27,941,182 | 33,363,765 |
| Other income, net | 9,255 | 274,962 | 284,217 |
| Losses on disposal of property and equipment | (10,780) | - | (10,780) |
| Losses on promises to give | (119,047) | (1,285,711) | (1,404,758) |
| Changes in value of split interest agreements | - | 19,338 | 19,338 |
| Total Revenue and Gains | \$ 6,521,460 | \$ 37,193,351 | \$ 43,714,811 |
| Net assets released from restrictions and administrative surcharges | \$ 12,260,979 | \$ (12,260,979) | \$ - |
| Total Revenue, Gains and Other Support, Net | \$ 18,782,439 | \$ 24,932,372 | \$ 43,714,811 |
| Expenses | | | |
| Program | | | |
| Student aid and recognition | \$ 3,978,647 | \$ - | \$ 3,978,647 |
| Programs of education, research, and student and faculty enrichment | 6,640,754 | - | 6,640,754 |
| Total Program Expenses | \$ 10,619,401 | \$ - | \$ 10,619,401 |
| Supporting Services | | | |
| General and administrative | \$ 776,731 | \$ - | \$ 776,731 |
| Fundraising | 1,457,876 | - | 1,457,876 |
| Total Supporting Services | \$ 2,234,607 | \$ - | \$ 2,234,607 |
| Total Expenses | \$ 12,854,008 | \$ - | \$ 12,854,008 |
| Change in Net Assets | \$ 5,928,431 | \$ 24,932,372 | \$ 30,860,803 |
| Net Assets, Beginning of Year | \$ 15,789,892 | \$ 126,564,410 | \$ 142,354,302 |
| Net Assets, End of Year | \$ 21,718,323 | \$ 151,496,782 | \$ 173,215,105 |

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, 2021**

Assets

Current Assets

| | |
|-----------------------------|---------------------|
| Cash and cash equivalents | \$ 2,350,296 |
| Accounts receivable, net | 17,847 |
| Total Current Assets | \$ 2,368,143 |

Noncurrent Assets

| | |
|---|---------------------|
| Property and equipment, net of accumulated depreciation | \$ 708,467 |
| Total Assets | \$ 3,076,610 |

Liabilities and Net Assets

Current Liabilities

| | |
|--------------------------|---------------------|
| Accounts payable | \$ 630,051 |
| Due to related parties | 31,470 |
| Deferred revenue | 921,742 |
| Total Liabilities | \$ 1,583,263 |

Net Assets

| | |
|---|---------------------|
| Without donor restrictions | \$ (400,600) |
| Without donor restrictions - board designated | 350,981 |
| With donor restrictions | 1,542,966 |
| Total Net Assets | \$ 1,493,347 |
| Total Liabilities and Net Assets | \$ 3,076,610 |

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, 2021**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|---------------------------------------|------------------------------------|---------------------|
| Revenues and Support | | | |
| Memberships | \$ 844,958 | \$ - | \$ 844,958 |
| Contributions | 36,441 | 1,279,896 | 1,316,337 |
| Special events | 166,036 | - | 166,036 |
| Less: Direct benefit to donor | (71,912) | - | (71,912) |
| In-kind contributions | - | 37,794 | 37,794 |
| Interest income | 2,375 | - | 2,375 |
| Gain on PPP loan forgiveness | 54,092 | - | 54,092 |
| Other income | 1,081 | - | 1,081 |
| Net assets released from restrictions | 949,867 | (949,867) | - |
| Total Revenue and Support | \$ 1,982,938 | \$ 367,823 | \$ 2,350,761 |
| Expenses | | | |
| Program Services | \$ 1,794,379 | \$ - | \$ 1,794,379 |
| Management and general | 176,317 | - | 176,317 |
| Fundraising | 90,079 | - | 90,079 |
| Total Program Expenses | \$ 2,060,775 | \$ - | \$ 2,060,775 |
| Change in Net Assets | \$ (77,837) | \$ 367,823 | \$ 289,986 |
| Beginning Net Assets | \$ 28,218 | \$ 1,175,143 | \$ 1,203,361 |
| Ending Net Assets | \$ (49,619) | \$ 1,542,966 | \$ 1,493,347 |

See Accompanying Notes to Financial Statements

COLLEGE OF CHARLESTON

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Dance students from the School of the Arts at College of Charleston perform at Arts Under the Oaks, Stono Preserve, Hollywood, SC.



College of Charleston School of the Arts students perform a medley of theatre classics at Arts Under the Oaks, Stono Preserve, Hollywood, SC.

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 Annual Comprehensive Financial Report 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. The College 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, 2021.

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 costs 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.

Risks and Uncertainties

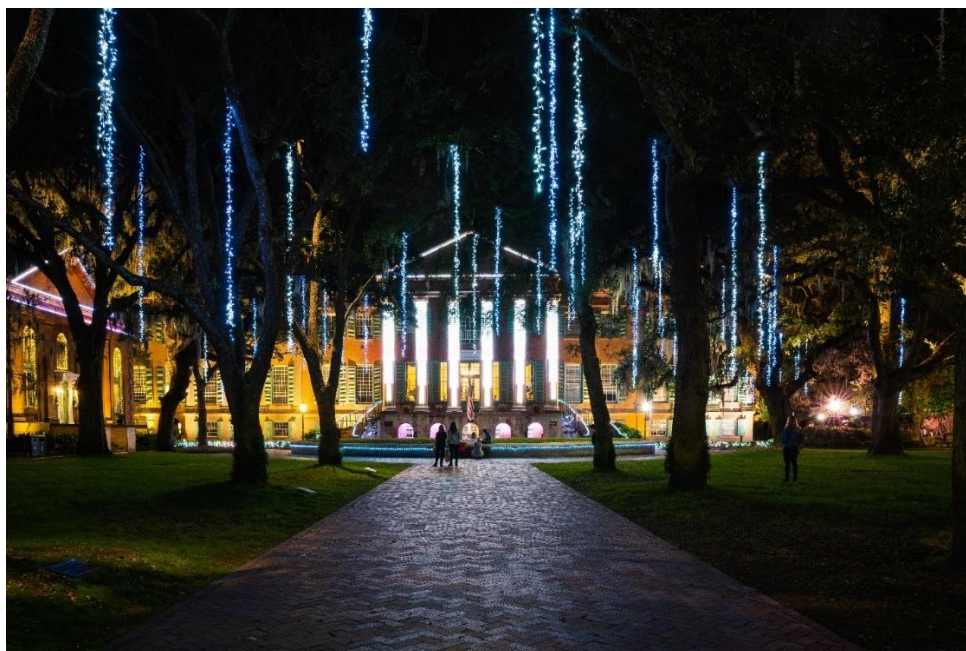
The 2019 novel coronavirus (or COVID-19) has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. It is unknown the extent to which COVID-19 may spread, may have a destabilizing effect on financial and economic activity and may have the potential 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 partial/full 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 impact of the COVID-19 outbreak on the College cannot be predicted at this time.

New Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College is currently evaluating this Statement and believes it will have a material impact on its financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The College is currently evaluating the impact that this Statement will have on its financial statements.

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.



Cougar Night Lights on display in the Cistern Yard.

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

Most 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 Annual Comprehensive Financial Report of the State of South Carolina.

The following schedule as of June 30, 2021, reconciles deposits and investments in the notes to the Statement of Net Position amounts:

| Schedule of Deposits and Investments as of June 30, 2021 | |
|---|------------------------------|
| <u>Statement of Net Position</u> | |
| Current assets | |
| Cash and cash equivalents | \$ 74,298,755 |
| Cash and cash equivalents, restricted | 116,681,928 |
| Noncurrent assets | |
| Cash and cash equivalents, restricted | 774,311 |
| | <u>\$ 191,754,994</u> |
| <u>Deposits and Investments</u> | |
| Cash on hand | \$ 5,107 |
| Deposits held by State Treasurer | 191,604,392 |
| Deposits held by banks | 145,495 |
| | <u>\$ 191,754,994</u> |

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, 2021, 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 Annual Comprehensive Financial Report 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 \$138,506 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 \$116,681,928 consist of \$89,978,413 for capital project accounts, \$9,593,755 for debt service accounts and \$17,109,760 for other 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, 2021, are summarized as follows:

| | |
|---------------------------------------|----------------------------|
| Student accounts | \$ 1,552,370 |
| Other | 350,035 |
| Auxiliary enterprises | 1,308,262 |
| Total accounts receivable | <u>\$ 3,210,667</u> |
| Allowance for bad debts | <u>\$ (245,000)</u> |
| Federal grants and contracts | \$ 2,172,587 |
| State grants and contracts | 222,471 |
| Nongovernmental grants and contracts | 108,723 |
| Local grants and contracts | 5,614 |
| Total grants and contracts receivable | <u>\$ 2,509,395</u> |
| Component unit | \$ 2,178,942 |
| Interest income | 178,830 |
| Student loans | 536,527 |
| Total other receivables | <u>\$ 2,894,299</u> |
| Accounts Receivable, Net | <u>\$ 8,369,361</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, 2021, 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 all the loan's receivable as of June 30, 2021. The Perkins Loan Program provides various repayment options. Students have up to 10 years to repay the loans. That repayment period can be extended through forbearances or deferments, if qualified. 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 6/30/2020 | Increases | Decreases | Ending Balance 6/30/2021 |
|---|-----------------------------------|------------------------------|------------------------------|--------------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 48,054,141 | \$ - | \$ - | \$ 48,054,141 |
| Construction in progress | 8,586,207 | 4,522,652 | (9,061,633) | 4,047,226 |
| Total capital assets not being depreciated | <u>\$ 56,640,348</u> | <u>\$ 4,522,652</u> | <u>\$ (9,061,633)</u> | <u>\$ 52,101,367</u> |
| Depreciable capital assets: | | | | |
| Land improvements | \$ 4,968,429 | \$ - | \$ - | \$ 4,968,429 |
| Buildings | 368,221,834 | - | - | 368,221,834 |
| Building improvements | 179,445,363 | 8,206,263 | - | 187,651,626 |
| Machinery, equipment, and other | 33,582,556 | 1,287,389 | (1,976,905) | 32,893,040 |
| Information technology equipment and software | 7,941,698 | - | - | 7,941,698 |
| Motor vehicles | 411,307 | 120,353 | (70,002) | 461,658 |
| Total depreciable capital assets | <u>\$ 594,571,187</u> | <u>\$ 9,614,005</u> | <u>\$ (2,046,907)</u> | <u>\$ 602,138,285</u> |
| Less accumulated depreciation: | | | | |
| Land improvements | \$ 4,285,947 | \$ 51,910 | \$ - | \$ 4,337,857 |
| Buildings | 163,322,195 | 8,600,515 | - | 171,922,710 |
| Building improvements | 57,600,828 | 6,558,240 | - | 64,159,068 |
| Machinery, equipment, and other | 23,343,775 | 2,133,713 | (1,922,762) | 23,554,726 |
| Information technology equipment and software | 7,941,698 | - | - | 7,941,698 |
| Motor vehicles | 382,662 | 16,752 | (55,679) | 343,735 |
| Total accumulated depreciation | <u>\$ 256,877,105</u> | <u>\$ 17,361,130</u> | <u>\$ (1,978,441)</u> | <u>\$ 272,259,794</u> |
| Depreciable capital assets, net | <u>\$ 337,694,082</u> | <u>\$ (7,747,125)</u> | <u>\$ (68,466)</u> | <u>\$ 329,878,491</u> |
| Capital assets, net | <u>\$ 394,334,430</u> | <u>\$ (3,224,473)</u> | <u>\$ (9,130,099)</u> | <u>\$ 381,979,858</u> |

During fiscal year 2021, depreciation expense was \$17,361,130. In addition, the College disposed of assets with a net book value of \$68,466. The loss derived from the sale or disposal of assets totaled \$57,060.

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 an Annual Comprehensive Financial Report containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The Annual Comprehensive Financial Report is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is 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 annual comprehensive 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 in accordance with state statute. However, the General Assembly postponed

the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. 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 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.



An aerial view of Patriots Point Athletics Complex, Mount Pleasant, SC.

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

| | <u>Fiscal Year 2021¹</u> | <u>Fiscal Year 2020¹</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 2021¹</u> | <u>Fiscal Year 2020¹</u> |
|------------------------------------|-------------------------------------|-------------------------------------|
| SCRS | | |
| Employer Class Two | 15.41% | 15.41% |
| Employer Class Three | 15.41% | 15.41% |
| Employer Incidental Death Benefit | 0.15% | 0.15% |
| State ORP | | |
| Employer Contribution ² | 15.41% | 15.41% |
| Employer Incidental Death Benefit | 0.15% | 0.15% |
| PORS | | |
| Employer Class Two | 17.84% | 17.84% |
| Employer Class Three | 17.84% | 17.84% |
| Employer Incidental Death Benefit | 0.20% | 0.20% |
| Employer Accidental Death Program | 0.20% | 0.20% |

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

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, 2020, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

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

| | SCRS | PORS |
|--|---|--|
| Actuarial cost method | Entry age normal | Entry age normal |
| Investment rate of return ³ | 7.25% | 7.25% |
| Projected salary increases | 3.0% to 12.5% (varies by service) ³ | 3.0% 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, 2020, TPL are as follows.

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

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, 2020, 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 | \$ 51,844,187,763 | \$ 26,292,418,682 | \$ 25,551,769,081 | 50.7% |
| PORS | 8,046,386,629 | 4,730,174,642 | 3,316,211,987 | 58.8% |

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

At June 30, 2021, the College reported liabilities of \$195,223,802 and \$4,273,840 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively. The net pension liabilities were measured as of June 30, 2020. 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, 2020, the College's proportionate shares of the SCRS and PORS plans were 0.76 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 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

| 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% | 7.81% | 2.73% |
| Private Equity ^{5,6} | 9.00% | 8.91% | 0.80% |
| Equity Options Strategies ⁴ | 7.00% | 5.09% | 0.36% |
| Real Assets | 12.00% | | |
| Real Estate (Private) ^{5,6} | 8.00% | 5.55% | 0.44% |
| Real Estate (REITs) ⁵ | 1.00% | 7.78% | 0.08% |
| Infrastructure (Private) ^{5,6} | 2.00% | 4.88% | 0.10% |
| Infrastructure (Public) ⁵ | 1.00% | 7.05% | 0.07% |
| Opportunistic | 8.00% | | |
| Global Tactical Asset Allocation ⁴ | 7.00% | 3.56% | 0.25% |
| Other Opportunistic Strategies | 1.00% | 4.41% | 0.04% |
| Credit | 15.00% | | |
| High Yield Bonds/ Bank Loans ^{4,5} | 4.00% | 4.21% | 0.17% |
| Emerging Markets Debt | 4.00% | 3.44% | 0.14% |
| Private Debt ^{5,6} | 7.00% | 5.79% | 0.40% |
| Rate Sensitive | 14.00% | | |
| Core Fixed Income ⁴ | 13.00% | 1.60% | 0.21% |
| Cash and Short Duration (Net) | 1.00% | 0.56% | 0.01% |
| Total Expected Return ⁷ | 100.00% | | 5.80% |
| Inflation for Actuarial Purposes | | | 2.25% |
| | | | 8.05% |

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 collective NPL of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' 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 | 1.00% Decrease (6.25%) | Current Discount Rate (7.25%) | 1.00% Increase (8.25%) |
| SCRS | \$241,955,965 | \$195,223,802 | \$156,201,883 |
| PORS | 5,657,845 | 4,273,840 | 3,162,573 |

Pension Expense

For the year ended June 30, 2021, the College recognized pension expense for the SCRS and PORS plans of \$22,124,696 and \$417,767, respectively.

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2021, 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 | |
|--|--|---|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences between expected and actual experience | \$ 2,252,624 | \$ 738,224 |
| Changes in Assumptions | 239,181 | - |
| Net difference between projected and actual earnings on pension plan investments | 14,360,347 | - |
| Change in proportion and difference between employer contributions and proportionate share of plan contributions | 2,976,496 | 1,437,630 |
| College contributions after the measurement date | <u>11,700,269</u> | <u>-</u> |
| Total | <u>\$ 31,528,917</u> | <u>\$ 2,175,854</u> |

| | <u>PORS</u> | |
|--|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences between expected and actual experience | \$ 90,828 | \$ 18,812 |
| Changes in Assumptions | 52,156 | - |
| Net difference between projected and actual earnings on pension plan investments | 437,631 | - |
| Change in proportion and difference between employer contributions and proportionate share of plan contributions | 24,419 | 123,575 |
| College contributions after the measurement date | 311,476 | - |
| Total | <u>\$ 916,510</u> | <u>\$ 142,387</u> |
| Total SCRS and PORS | <u>\$ 32,445,427</u> | <u>\$ 2,318,241</u> |

The \$11,700,269 and \$311,476 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, 2021 will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2022 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: | |
| 2022 | \$ 4,120,972 |
| 2023 | 5,290,623 |
| 2024 | 4,576,750 |
| 2025 | <u>3,664,449</u> |
| | <u>\$ 17,652,794</u> |
| | |
| | <u>PORS</u> |
| Year ending June 30: | |
| 2022 | \$ 72,555 |
| 2023 | 127,224 |
| 2024 | 148,480 |
| 2025 | <u>114,388</u> |
| | <u>\$ 462,647</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, 2020, and the accounting valuation report as of June 30, 2020. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' Annual Comprehensive Financial Report.

NOTE 7 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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, 2020 was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the 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, 2020. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2020 totaled \$578,838,884. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of \$2,724,225.

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 annual comprehensive 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, 2020:

| OPEB Trust | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability | Plan Fiduciary Net Position as a % of Total OPEB Liability |
|-------------------|-----------------------------|------------------------------------|---------------------------|---|
| SCRHITF | \$19,703,745,672 | \$1,652,299,185 | \$18,051,446,487 | 8.4% |
| SCLTDITF | 42,782,316 | 42,479,106 | 303,210 | 99.3% |

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, 2021, the College reported liabilities of \$207,077,349 and \$2,190 for its proportionate shares of the SCRHITF and SCLTDITF net OPEB liabilities as of June 30, 2020. For the year ended June 30, 2021, the College recognized OPEB expense for SCRHITF and SCLTDITF of \$15,020,786 and \$58,698, 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, 2020, the College’s proportionate shares of the SCRHITF and SCLTDITF liabilities and expenses were 1.15 percent and 0.72 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, 2021, 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 | \$ 5,922,601 | \$ 4,715,893 |
| Changes in Assumptions | 30,815,694 | 8,246,878 |
| Net difference between projected and actual investment | (482,999) | - |
| Change in proportionate share and differences between employer contributions and proportionate share of plan contributions | 2,018,744 | 5,917,648 |
| College contributions after the measurement date | <u>6,204,881</u> | <u>-</u> |
| Total | <u>\$ 44,478,921</u> | <u>\$ 18,880,419</u> |

| | SCLTDITF | |
|---|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ - | \$ 9,090 |
| Changes in Assumptions | 9,176 | 1,093 |
| Net difference between projected and actual investment earnings | (18,252) | - |
| Change in proportionate share and difference between employer contributions and proportionate share of plan contributions | - | 2,619 |
| College contributions after the measurement date | 51,958 | - |
| Total | \$ 42,882 | \$ 12,802 |
| Total SCRHITF and SCLTDITF | \$ 44,521,803 | \$ 18,893,221 |

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:

| | SCRHITF |
|----------------------|----------------------|
| Year ending June 30: | |
| 2022 | \$ 2,228,831 |
| 2023 | 2,162,084 |
| 2024 | 2,056,316 |
| 2025 | 3,891,654 |
| 2026 | 4,838,976 |
| Thereafter | 4,215,760 |
| | \$ 19,393,621 |
| | |
| | SCLTDITF |
| Year ending June 30: | |
| 2022 | \$ (3,460) |
| 2023 | (5,037) |
| 2024 | (7,064) |
| 2025 | (4,850) |
| 2026 | (540) |
| Thereafter | (927) |
| | \$ (21,878) |

Actuarial Assumptions and Methods

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

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

Additional information as of the latest actuarial valuation for SCRHITF:

| | |
|----------------------------|--|
| Valuation Date: | June 30, 2019 |
| Actuarial Cost Method: | Individual 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: | 2.45 percent as of June 30, 2020 |
| Demographic Assumptions: | Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015 |
| Mortality: | For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type. |
| Health Care Trend Rate: | Initial trend starting at 6.40 percent and gradually decreasing to an ultimate trend rate of 4.00 percent over a period of 15 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: | The discount rate changed from 3.13 percent as of June 30, 2019 to 2.45 percent as of June 30, 2020; updates were also made to the healthcare trend rate assumption, including an adjustment to reflect the repeal of the “Cadillac Tax”. |

Additional information as of the latest actuarial valuation for SCLTDITF:

| | |
|------------------------|-------------------------------|
| Valuation Date: | June 30, 2019 |
| Actuarial Cost Method: | Individual Entry – Age Normal |
| Inflation: | 2.25 percent |

| | |
|--|---|
| Investment Rate of Return: | 3.00 percent, net of Plan investment expense, including inflation |
| Single Discount Rate: | 2.83 percent as of June 30, 2020 |
| Salary, Termination, and Retirement Rates: | Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015 |
| Disability Incidence: | The disability rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans |
| Disability Recovery: | For participants in payment, 1987 CGDT Group Disability; for active employees, 60 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 3.04 percent as of June 30, 2019 to 2.83 percent as of June 30, 2020 |

Single Discount Rate

The Single Discount Rate of 2.45 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).

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 2.45 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 2041. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2041, and the municipal bond rate was applied to all benefit payments after that date.

Long-Term Expected Rate of Return

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

South Carolina Retiree Health Insurance Trust Fund

| <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% | 0.35% | 0.07% |
| Total | <u>100.00%</u> | | <u>0.55%</u> |
| Expected Inflation | | | <u>2.25%</u> |
| Total Return | | | <u>2.80%</u> |
| Investment Return Assumption | | | <u>2.75%</u> |

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% | 0.35% | 0.07% |
| Total | <u>100.00%</u> | | <u>0.83%</u> |
| Expected Inflation | | | <u>2.25%</u> |
| Total Return | | | <u>3.08%</u> |
| Investment Return Assumption | | | <u>3.00%</u> |

Sensitivity Analysis

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 2.45 percent, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

| | 1% Decrease 1.45% | Current Discount Rate 2.45% | 1% Increase 3.45% |
|----------------------------|------------------------------|--|------------------------------|
| SCRHITF Net OPEB Liability | \$247,084,844 | \$207,077,349 | \$175,108,368 |

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

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|----------------------------|--------------------|---|--------------------|
| SCRHITF Net OPEB Liability | \$167,609,238 | \$207,077,349 | \$258,910,338 |

The following table presents the College's proportionate share of the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 2.83 percent, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

| | 1% Decrease 1.83% | Current Discount Rate 2.83% | 1% Increase 3.83% |
|-----------------------------|------------------------------|--|------------------------------|
| SCLTDITF Net OPEB Liability | \$12,903 | \$2,190 | (\$8,449) |

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, 2020 (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, 2020.

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, would not materially affect the College's financial position.

Project Commitments

The College had outstanding project commitments under contracts of approximately \$3,483,000 on June 30, 2021. Of this total, approximately \$2,708,000 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 \$19,405 of proceeds available to draw on June 30, 2021.

In August 2021, the College entered into a contract for the renovation of the Simons Center. The contract has a guaranteed maximum price of \$37,319,719. Renovations are expected to commence in the fall of 2021.

Subsequent Events

The College evaluated subsequent events through September 30, 2021, which is the date the financial statements were available to be issued. In September 2021, the College issued Series 2021B bonds in the amount of \$43,190,000. The proceeds from the bonds will be used for the renovation of the Albert Simons Center for the Arts.

In May 2021, the College was awarded \$20,931,554 in Higher Education Emergency Relief III funds, authorized by the American Rescue Plan. The award included \$10,479,385 to be used to provide emergency grants to students (half were disbursed in September 2021 and half will be disbursed in the Spring of 2022), and \$10,452,169 of institutional funds to be used to defray expenses associated with COVID-19. The first draw for the institutional portion was made in August 2021, and the remaining funds will be drawn as needed in fiscal year 2022.

In July 2021, the College entered into an equipment master lease/purchase agreement (the Agreement) with a financial institution for approximately \$21,500,000. The equipment will be used to maximize energy savings on the College's campus through technology upgrades, equipment replacement, and updates/upgrades to the existing energy management system and building control systems. The Agreement calls for annual escalating lease payments beginning June 1, 2022 through December 1, 2036, bearing interest at 1.067 percent. Interest payments of approximately \$300,000 are due in the first two years of the Agreement, with payments of principal and interest ranging from approximately \$1,317,000 in June 2024 to approximately \$1,835,000 in June 2036, and final payment of approximately \$1,133,000 million due in December 2036.

In June 2021, the College entered into an Energy, Water, and Wastewater Services Contract with Siemens Industry, Inc. to perform the project. The project consists of (i) the acquisition and construction of various items of equipment at a cost not to exceed \$22,350,000, and (ii) certain improvements to real property at a cost not to exceed \$1,600,000. It is expected that the project will reduce energy consumption and costs, as well as reduce greenhouse gas emissions, with estimated savings to the College of approximately \$1,900,000 over the term of the Agreement.

NOTE 9 – LEASE OBLIGATIONS

Future commitments for operating leases with remaining noncancelable terms more than one year as of June 30, 2021 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> |
| 2022 | \$ 42,743 | \$ 4,329,046 | \$ 174,652 | \$ 695,491 | \$ 5,241,932 |
| 2023 | 42,743 | 4,199,416 | 174,652 | 537,811 | 4,954,622 |
| 2024 | 42,743 | 2,212,830 | 174,652 | 537,811 | 2,968,036 |
| 2025 | 17,809 | 1,798,392 | 174,652 | 537,811 | 2,528,664 |
| 2026 | - | 899,196 | 174,652 | 537,811 | 1,611,659 |
| 2027-2031 | - | - | 873,260 | 500,000 | 1,373,260 |
| 2032-2036 | - | - | 873,260 | 500,000 | 1,373,260 |
| 2037-2041 | - | - | 873,260 | 300,000 | 1,173,260 |
| 2042-2046 | - | - | 873,260 | - | 873,260 |
| 2047-2051 | - | - | 873,260 | - | 873,260 |
| 2052-2056 | - | - | 873,260 | - | 873,260 |
| 2057-2061 | - | - | 873,260 | - | 873,260 |
| 2062 | - | - | 130,989 | - | 130,989 |
| Total | <u>\$ 146,038</u> | <u>\$ 13,438,880</u> | <u>\$ 7,117,069</u> | <u>\$ 4,146,735</u> | <u>\$ 24,848,722</u> |

Operating Leases

The College's operating leases having remaining terms of more than one year expire in various fiscal years from 2022 through 2062. 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. In June 2021, the College executed a second amendment to extend these leases through June 2026, with the exception of two leases which were extended through June 2022. These triple net leases cover office space, student housing, and two parking lots. Other leases with the Foundation that are not triple net include 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 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 fiscal year 2024. The current year lease payments totaled \$1,452,643.

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 on June 30, 2021 is \$313,462. Amortization of the prepaid rent balance for fiscal year 2021 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 \$174,652 in rent in fiscal year 2021. The College also subleases dock space at Charleston Harbor Marina located near the sports complex at Patriots Point. The College entered a new lease for the dock space on July 1, 2018 which ends June 30, 2023. Rent for fiscal year 2021 was \$58,500.

The College leases a golf practice facility from The Links at Stono Ferry. The College entered 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 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 2021 was \$237,286. The College entered a ten-year lease for a fitness center beginning October 7, 2013 with two renewal options of ten years each. Rent for fiscal year 2021 was \$537,194. The College entered a five-year lease for 52,894 square feet of office and classroom space at Harbor Walk beginning January 1, 2021 and ending December 31, 2025. Rent for fiscal year 2021 was \$1,726,748.

The College entered a one-year lease with Clemson University for 292 Meeting Street with lease terms from January 1, 2020 through December 31, 2020. Upon expiration, the lease was not renewed. Rent for fiscal year 2021 was \$42,000. The College also entered a lease for School of the Arts studio swing space at 136 St. Phillip Street. Rent for fiscal year 2021 was \$24,000.

Finally, the total operating lease expenditures for fiscal year 2021 were \$5,145,295. The College reports all these operating lease costs in operating expenses.

NOTE 10 – BONDS AND NOTES PAYABLE

Bonds consisted of the following on June 30, 2021:

| | Original Balance | Fixed Interest Rates | Maturity Dates | Outstanding Balance | Debt Retired FY 2021 |
|---|---------------------|----------------------------|-------------------|------------------------------|-----------------------------|
| Revenue Bonds | | | | | |
| Higher Education Facilities Revenue Bonds | | | | | |
| Bond, Series 2012A | \$ 25,630,000 | 2.00-4.00% | 2032 | \$ 15,795,000 | \$ 1,190,000 |
| Bond, Series 2013A | 12,510,000 | 3.00-4.00% | 2033 | 6,405,000 | 435,000 |
| Bond, Series 2017A | 42,705,000 | 3.00-5.00% | 2037 | 36,950,000 | 1,545,000 |
| Academic/Administrative Facilities Revenue Bonds | | | | | |
| Bond, Series 2011A | 33,745,000 | 2.00-5.00% | 2037 | - | 26,590,000 |
| Bond, Series 2013B | 24,835,000 | 2.00-5.00% | 2034 | 19,415,000 | 1,155,000 |
| Bond, Series 2014A | 54,255,000 | 3.00-5.00% | 2044 | 48,555,000 | 1,255,000 |
| Bond, Series 2017B | 31,345,000 | 3.00-5.00% | 2037 | 27,120,000 | 1,135,000 |
| Bond, Series 2021A | 24,075,000 | 2.00-5.00% | 2037 | <u>24,075,000</u> | <u>-</u> |
| Total Revenue Bonds | | | | <u>178,315,000</u> | <u>33,305,000</u> |
| Unamortized Bond Premiums/(Discounts) | | | | <u>10,364,111</u> | |
| Total Bonds and Notes Payable | | | | <u>\$ 188,679,111</u> | <u>\$ 33,305,000</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) are capitalized and amortized over the life of the bonds. Deferred losses on refunding are capitalized and amortized over the remaining life of the old or new debt, whichever is shorter. The amount amortized for bond premiums/(discounts) was \$511,553 and the amount amortized for deferred losses on refunding was \$37,321.

Total interest and amortization expense incurred for fiscal year 2021 was \$6,859,464.

In March 2021, The College issued Series 2021A bonds in the amount of \$24,075,000. The proceeds from the new bonds were used to refund Series 2011A bonds. As a result of the Series 2021A refunding, the College achieved net present value savings of \$6,020,505.

Amounts including interest required to complete payment of the Revenue Bonds as of June 30, 2021 are as follows:

| Revenue Bonds Year Ending June 30, | Principal | Interest | Total |
|---------------------------------------|------------------------------|-----------------------------|------------------------------|
| 2022 | \$ 8,055,000 | \$ 6,817,840 | \$ 14,872,840 |
| 2023 | 8,410,000 | 6,446,006 | 14,856,006 |
| 2024 | 8,795,000 | 6,072,506 | 14,867,506 |
| 2025 | 9,195,000 | 5,668,356 | 14,863,356 |
| 2026 | 9,585,000 | 5,272,406 | 14,857,406 |
| 2027-2031 | 54,135,000 | 20,069,156 | 74,204,156 |
| 2032-2036 | 51,275,000 | 10,280,531 | 61,555,531 |
| 2037-2041 | 19,900,000 | 3,598,600 | 23,498,600 |
| 2042-2044 | <u>8,965,000</u> | <u>726,400</u> | <u>9,691,400</u> |
| Total Revenue Bonds | <u>\$ 178,315,000</u> | <u>\$ 64,951,801</u> | <u>\$ 243,266,801</u> |

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, 2021, no bonds outstanding were considered defeased. Management believes the College was in compliance with all applicable bond covenants as of June 30, 2021.



Historic buildings nestle beside the state-of-the-art Rita Hollings Science Center at the corner of College Way and George Street.



Student volunteers work at a dig site on the College of Charleston campus.

NOTE 11 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2021 was as follows:

| | <u>6/30/2020</u> | <u>Additions</u> | <u>Reductions</u> | <u>6/30/2021</u> | <u>Due Within One Year</u> |
|--------------------------------------|-----------------------|-----------------------|----------------------|-----------------------|----------------------------|
| Bonds Payable | | | | | |
| Revenue Bonds | \$ 187,545,000 | \$ 24,075,000 | \$ 33,305,000 | \$ 178,315,000 | \$ 8,055,000 |
| Unamortized Premiums/ (Discounts) | <u>7,811,658</u> | <u>3,374,698</u> | <u>822,245</u> | <u>10,364,111</u> | <u>654,908</u> |
| Total Revenue Bonds | <u>\$ 195,356,658</u> | <u>\$ 27,449,698</u> | <u>\$ 34,127,245</u> | <u>\$ 188,679,111</u> | <u>\$ 8,709,908</u> |
| Notes Payable | | | | | |
| Notes Payable | \$ 184,536 | \$ - | \$ 184,536 | \$ - | \$ - |
| Total Bonds and Note Payable | <u>\$ 195,541,194</u> | <u>\$ 27,449,698</u> | <u>\$ 34,311,781</u> | <u>\$ 188,679,111</u> | <u>\$ 8,709,908</u> |
| Other Liabilities | | | | | |
| Net Pension Liability | \$ 179,983,759 | \$ 33,132,059 | \$ 13,618,176 | \$ 199,497,642 | \$ - |
| Net OPEB Liability | 177,721,653 | 37,938,732 | 8,580,846 | 207,079,539 | - |
| Federal Capital Contribution | 1,414,474 | - | 167,700 | 1,246,774 | - |
| Accrued Compensated Absences | <u>5,493,202</u> | <u>2,782,918</u> | <u>2,497,961</u> | <u>5,778,159</u> | <u>2,881,563</u> |
| Total Other Liabilities | <u>\$ 364,613,088</u> | <u>\$ 73,853,709</u> | <u>\$ 24,864,683</u> | <u>\$ 413,602,114</u> | <u>\$ 2,881,563</u> |
| Total Long-Term Liabilities | <u>\$ 560,154,282</u> | <u>\$ 101,303,407</u> | <u>\$ 59,176,464</u> | <u>\$ 602,281,225</u> | <u>\$ 11,591,471</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, 2021, interest income of \$3,808 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, 2021, cumulative net appreciation on these funds was \$658,433, and the total endowed balance of \$1,658,433 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 enrichment, 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 specific cost of acquisition to proceeds at the time of disposal. Unrealized gains or losses are calculated by comparing cost to market values at the Consolidated Statements of Financial Position date.

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 Federal Deposit Insurance Corporation (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, 2021, promises to give from two donors accounted for approximately 42 percent of the total unconditional promises to give balance.

Investments – Nongovernmental Discretely Presented Component Units

The Foundation investments as of June 30, 2021, were as follows:

| Investments Carried at Fair Value | Cost | Fair value |
|--|------------------------------|------------------------------|
| Cash and cash equivalents | \$ 1,461,249 | \$ 1,461,249 |
| Equity securities | 236,920 | 326,035 |
| Fixed income | 107,427 | 97,830 |
| Multi-strategy limited partnerships | 104,025,539 | 150,140,007 |
| Total | <u>\$ 105,831,135</u> | <u>\$ 152,025,121</u> |

The following schedule details transactions between the College and the Foundation during the year ended June 30, 2021.

Transactions between the College and the Foundation for Fiscal Year 2021

| | |
|---|--------------|
| 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. | \$ 3,675,682 |
| The Foundation reimbursed the College for certain expenditures that were paid for by the College. | \$ 2,376,544 |

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 \$1,553,495 in scholarships and other support from the Cougar Club for the year ended June 30, 2021.

The College has receivables totaling \$2,178,942 with the component units. The details of the component unit receivables follow.

Component Units Receivable as of June 30, 2021

| | |
|--|----------------------------|
| The Foundation | |
| Capital projects and operating expenses receivable | \$ 488,954 |
| Marine Genomics endowment receivable | 1,658,433 |
| Total Foundation receivable | <u>\$ 2,147,387</u> |
| | |
| The Cougar Club | |
| Operating expenses receivable | \$ 31,555 |
| Total Cougar Club receivable | <u>\$ 31,555</u> |
| Total Component Units Receivable | <u>\$ 2,178,942</u> |

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases. ASU 2016-02 requires that lease arrangements longer than 12 months result in an entity recognizing an asset and a liability. The standard requires use of the modified retrospective transition approach. The Cougar Club expects this standard will have a significant impact on the Cougar Club's financial statements from the recognition of right of use assets and related liabilities. The FASB issued ASU 2020-05 which delays the effective date of ASU 2016-02. The delayed guidance is effective for the Cougar Club for fiscal years beginning after December 15, 2021.

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. ASU 2020-07 was issued to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for nonprofit organizations. The main provisions of ASU 2020-07 require an organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The guidance should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and early application is permitted.

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 five 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, 2021 are summarized as follows:

| | Personnel Costs and Benefits | Supplies and Services | Utilities | Scholarships and Fellowships | Depreciation | Total |
|--|------------------------------------|--------------------------|---------------------|------------------------------------|----------------------|-----------------------|
| Instruction | \$ 86,361,611 | \$ 2,723,872 | \$ - | \$ - | \$ - | \$ 89,085,483 |
| Research | 2,857,198 | 2,763,221 | - | - | - | 5,620,419 |
| Public Service | 1,042,198 | 346,202 | - | - | - | 1,388,400 |
| Academic Support | 13,394,957 | 4,141,231 | - | - | - | 17,536,188 |
| Student Services | 12,787,362 | 2,532,291 | - | - | - | 15,319,653 |
| Institutional Support | 26,977,683 | 11,072,377 | - | - | - | 38,050,060 |
| Operation and Maintenance of Plant | 10,067,524 | 18,417,214 | 3,795,485 | - | - | 32,280,223 |
| Scholarships and Fellowships (net of discounts and allowances) | - | 166,197 | - | 16,764,183 | - | 16,930,380 |
| Auxiliary Enterprises | 12,812,518 | 18,968,080 | 2,997,650 | 5,085,342 | - | 39,863,590 |
| Depreciation | - | - | - | - | 17,361,130 | 17,361,130 |
| Total Operating Expenses | \$ 166,301,051 | \$ 61,130,685 | \$ 6,793,135 | \$ 21,849,525 | \$ 17,361,130 | \$ 273,435,526 |

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 2020-2021 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, 2021.

State Appropriations**Noncapital Appropriations**

| | | |
|---|-----------|--------------------------|
| Original appropriations per annual Appropriations Act | \$ | 30,029,408 |
| Academic Endowment Incentive | | 6,393 |
| Lowcountry Graduate Center | | <u>785,099</u> |
| Total State noncapital appropriations recorded as current year revenue | \$ | <u>30,820,900</u> |

Capital Appropriations

| | | |
|--|-----------|-----------------------|
| From South Carolina Education Lottery Fund | \$ | 607,631 |
| From Capital Reserve Fund | | <u>148,941</u> |
| Total State capital appropriations recorded as current year revenue | \$ | <u>756,572</u> |

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, 2021.

Other Amounts Received from State Agencies

| | Operating Revenue |
|---------------------------------------|-----------------------------|
| Received from CHE: | |
| Hope Scholarships | \$ 484,400 |
| LIFE Scholarships | 12,135,376 |
| Palmetto Scholarships | 4,376,170 |
| Need Based Grants | 1,507,793 |
| SC National Guard Program | 45,562 |
| Various other CHE amounts | 37,500 |
| Received from Department of Education | 5,366 |
| Received from Winthrop University | 456,718 |
| Received from Various State Agencies | <u>138,000</u> |
| Total | \$ <u>19,186,885</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.

NOTE 17 – SUMMARY FINANCIAL INFORMATION

Summarized financial activity for the year ended June 30, 2021 was as follows:

| | 2021 | 2020 | Increase/ (Decrease) |
|---------------------------------------|-------------------------------|-------------------------------|------------------------------|
| Charges for services | \$ 214,412,429 | \$ 225,664,261 | \$ (11,251,832) |
| Nonoperating grants and contributions | 31,758,775 | 26,957,159 | 4,801,616 |
| Less: Program expenses | <u>(280,294,990)</u> | <u>(285,535,632)</u> | <u>5,240,642</u> |
| Net program expenses | <u>\$ (34,123,786)</u> | <u>\$ (32,914,212)</u> | <u>\$ (1,209,574)</u> |
| Transfers: | | | |
| State appropriations | \$ 30,820,900 | \$ 30,964,520 | \$ (143,620) |
| State capital appropriations | <u>756,572</u> | <u>774,183</u> | <u>(17,611)</u> |
| Total transfers | <u>\$ 31,577,472</u> | <u>\$ 31,738,703</u> | <u>\$ (161,231)</u> |
| Change in net position | \$ (2,546,314) | \$ (1,175,509) | \$ (1,370,805) |
| Net position – Beginning | <u>20,058,245</u> | <u>21,233,754</u> | <u>(1,175,509)</u> |
| Net position – Ending | <u>\$ 17,511,931</u> | <u>\$ 20,058,245</u> | <u>\$ (2,546,314)</u> |



A student attends a remote class among fossils on display at School of Science and Math Building, College of Charleston.

COLLEGE OF CHARLESTON
ANNUAL COMPREHENSIVE FINANCIAL REPORT



Students walk past one of many historic buildings on the College of Charleston campus.

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 | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| College's proportion of the net pension liability | 0.76% | 0.77% | 0.75% | 0.74% | 0.76% | 0.77% | 0.75% | 0.75% |
| College's proportionate share of the net pension liability | \$ 195,223,802 | \$ 176,324,659 | \$ 168,069,526 | \$ 166,290,549 | \$ 162,045,025 | \$ 145,433,196 | \$ 129,272,338 | \$ 134,676,602 |
| College's covered payroll for the measurement period | \$ 103,772,179 | \$ 100,915,553 | \$ 97,948,936 | \$ 97,777,837 | \$ 96,875,236 | \$ 95,239,404 | \$ 90,548,229 | \$ 85,152,558 |
| College's proportionate share of the net pension liability as a percentage of its covered payroll | 188.13% | 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 | 50.70% | 54.40% | 54.10% | 53.34% | 52.91% | 56.99% | 59.92% | 56.39% |
| | PORS | | | | | | | |
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| College's proportion of the net pension liability | 0.13% | 0.13% | 0.13% | 0.14% | 0.16% | 0.18% | 0.16% | 0.16% |
| College's proportionate share of the net pension liability | \$ 4,273,840 | \$ 3,659,100 | \$ 3,621,759 | \$ 3,771,471 | \$ 3,959,082 | \$ 3,848,162 | \$ 3,157,810 | \$ 3,419,327 |
| College's covered payroll for the measurement period | \$ 1,505,416 | \$ 1,853,985 | \$ 1,752,590 | \$ 1,897,447 | \$ 1,989,891 | \$ 2,188,201 | \$ 2,028,611 | \$ 1,854,929 |
| College's proportionate share of the net pension liability as a percentage of its covered payroll | 283.90% | 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 | 58.80% | 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 | | | | | | | | | |
|--|---------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Contractually required contribution | \$ 11,700,269 | \$ 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 |
| Contributions in relation to the contractually required contribution | 11,700,269 | 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 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| College's covered payroll | \$ 99,303,325 | \$ 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 |
| Contributions as a percentage of covered payroll | 11.78% | 12.78% | 11.77% | 10.76% | 8.81% | 8.39% | 8.23% | 7.97% | 7.98% | 7.00% |

| | PORS | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Contractually required contribution | \$ 311,476 | \$ 355,111 | \$ 319,627 | \$ 284,620 | \$ 270,197 | \$ 273,412 | \$ 293,437 | \$ 260,473 | \$ 228,157 | \$ 206,098 |
| Contributions in relation to the contractually required contribution | 311,476 | 355,111 | 319,627 | 284,620 | 270,197 | 273,412 | 293,437 | 260,473 | 228,157 | 206,098 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| College's covered payroll | \$ 1,819,814 | \$ 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 |
| Contributions as a percentage of covered payroll | 17.12% | 23.59% | 17.24% | 16.24% | 14.24% | 13.74% | 13.41% | 12.84% | 12.30% | 11.76% |

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

| | SCRHITF | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| College's proportion of the net OPEB liability | 1.147151% | 1.175193% | 1.156554% | 1.181919% | 1.181919% |
| College's proportionate share of the net OPEB liability | \$ 207,077,349 | \$ 177,707,098 | \$ 163,890,467 | \$ 160,088,993 | \$ 171,007,498 |
| College's covered-employee payroll for the measurement period | \$ 89,798,037 | \$ 84,770,981 | \$ 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** | 230.60% | 209.63% | 199.00% | 194.40% | 208.39% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 8.39% | 8.44% | 7.91% | 7.60% | 7.07% |
| | SCLTDITF | | | | |
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| College's proportion of the net OPEB liability | 0.722181% | 0.739483% | 0.732777% | 0.746663% | 0.746664% |
| College's proportionate share of the net OPEB liability | \$ 2,190 | \$ 14,555 | \$ 22,432 | \$ 13,537 | \$ 5,183 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 99.29% | 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 | | | | | | | | | |
|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Contractually required contribution | \$ 6,204,881 | \$ 5,890,260 | \$ 6,199,406 | \$ 5,356,324 | \$ 4,864,791 | \$ 5,269,511 | \$ 4,871,380 | \$ 4,554,881 | \$ 3,958,176 | \$ 3,535,901 |
| Contributions in relation to the contractually required contribution | 6,204,881 | 5,890,260 | 6,199,406 | 5,356,324 | 4,864,791 | 5,269,511 | 4,871,380 | 4,554,881 | 3,958,176 | 3,535,901 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| College's covered-employee payroll* | \$ 84,488,401 | \$ 89,798,037 | \$ 84,770,981 | \$ 82,358,598 | \$ 82,351,801 | \$ 82,059,970 | \$ 77,834,601 | \$ 74,936,503 | \$ 70,003,191 | \$ 68,865,781 |
| Contributions as a percentage of covered-employee payroll* | 7.34% | 6.56% | 7.31% | 6.50% | 5.91% | 6.42% | 6.26% | 6.08% | 5.65% | 5.13% |

| | SCLTDITF | | | | | | | | | |
|--|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Contractually required contribution | \$ 51,958 | \$ 45,450 | \$ 54,647 | \$ 53,404 | \$ 54,048 | \$ 52,985 | \$ 50,976 | \$ 50,789 | \$ 49,272 | \$ 49,047 |
| Contributions in relation to the contractually required contribution | 51,958 | 45,450 | 54,647 | 53,404 | 54,048 | 52,985 | 50,976 | 50,789 | 49,272 | 49,047 |
| 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
ANNUAL COMPREHENSIVE FINANCIAL REPORT



President Andrew Hsu speaks at the class of 2021 Commencement for the College of Charleston.

STATISTICAL SECTION

COLLEGE OF CHARLESTON
STATISTICAL SECTION
FISCAL YEAR ENDED JUNE 30, 2021

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

| CONTENTS | Page |
|---|-------------|
| Financial Trends These schedules contain trend information to help the reader understand how the College’s financial performance has changed over time. | 94-98 |
| Revenue Capacity This schedule contains information to help the reader assess the factors affecting the College’s ability to generate tuition income. | 99 |
| 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. | 100 |
| 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 College of Charleston Annual Comprehensive 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) | | | | | | | | | |
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Operating Revenues: | | | | | | | | | | | | | | | | | | | | |
| Tuition and related fees | | | | | | | | | | | | | | | | | | | | |
| (net of scholarship allowance) | \$ 149,803 | \$ 152,606 | \$ 150,548 | \$ 145,609 | \$ 146,297 | \$ 143,541 | \$ 141,682 | \$ 139,892 | \$ 133,936 | \$ 128,093 | 54.07% | 53.81% | 53.55% | 54.01% | 53.65% | 54.53% | 54.74% | 55.49% | 55.19% | 54.30% |
| Federal grants and contracts | 5,933 | 4,760 | 6,350 | 6,304 | 7,929 | 9,075 | 8,390 | 8,151 | 9,278 | 8,939 | 2.14% | 1.68% | 2.26% | 2.34% | 2.91% | 3.45% | 3.24% | 3.23% | 3.82% | 3.79% |
| State grants and contracts | 21,701 | 21,641 | 22,536 | 21,391 | 20,665 | 20,115 | 19,681 | 18,810 | 18,671 | 18,140 | 7.83% | 7.63% | 8.02% | 7.93% | 7.58% | 7.64% | 7.60% | 7.46% | 7.69% | 7.69% |
| Local grants and contracts | 45 | 197 | 239 | 208 | 183 | 221 | 327 | 241 | 176 | 176 | 0.02% | 0.07% | 0.09% | 0.08% | 0.07% | 0.08% | 0.13% | 0.10% | 0.07% | 0.07% |
| Nongovernmental grants and contracts | 572 | 735 | 686 | 599 | 681 | 1,126 | 1,292 | 1,334 | 541 | 165 | 0.21% | 0.26% | 0.24% | 0.22% | 0.25% | 0.43% | 0.50% | 0.53% | 0.22% | 0.07% |
| Sales and services of educational and other activities | 1,951 | 2,019 | 2,159 | 2,047 | 2,038 | 2,052 | 2,052 | 1,940 | 1,949 | 1,950 | 0.70% | 0.71% | 0.77% | 0.76% | 0.75% | 0.78% | 0.79% | 0.77% | 0.80% | 0.83% |
| Sales and services of auxiliary enterprises (net of scholarship allowance) | 34,079 | 42,846 | 51,249 | 50,068 | 52,123 | 48,189 | 47,276 | 45,072 | 43,532 | 43,517 | 12.30% | 15.11% | 18.23% | 18.57% | 19.11% | 18.31% | 18.27% | 17.88% | 17.94% | 18.45% |
| Other sources | 328 | 860 | 805 | 1,056 | 689 | 487 | 549 | 860 | 474 | 1,116 | 0.12% | 0.29% | 0.29% | 0.39% | 0.23% | 0.19% | 0.21% | 0.34% | 0.20% | 0.47% |
| Total Operating Revenues | \$ 214,412 | \$ 225,664 | \$ 234,572 | \$ 227,282 | \$ 230,605 | \$ 224,806 | \$ 221,249 | \$ 216,300 | \$ 208,557 | \$ 202,096 | 77.39% | 79.56% | 83.45% | 84.30% | 84.55% | 85.41% | 85.48% | 85.80% | 85.93% | 85.67% |
| Nonoperating Revenues: | | | | | | | | | | | | | | | | | | | | |
| State appropriations | \$ 30,821 | \$ 30,965 | \$ 27,156 | \$ 25,664 | \$ 26,209 | \$ 22,597 | \$ 21,843 | \$ 20,881 | \$ 19,810 | \$ 18,872 | 11.12% | 10.92% | 9.66% | 9.52% | 9.61% | 8.58% | 8.44% | 8.28% | 8.16% | 8.00% |
| Federal grants and contracts | 27,009 | 17,879 | 11,765 | 11,760 | 10,902 | 10,691 | 10,583 | 10,560 | 10,298 | 10,216 | 9.75% | 6.30% | 4.19% | 4.36% | 4.00% | 4.06% | 4.09% | 4.19% | 4.24% | 4.33% |
| Gifts | 4,383 | 4,874 | 4,014 | 4,094 | 4,054 | 3,957 | 3,772 | 3,498 | 3,230 | 3,008 | 1.58% | 1.72% | 1.43% | 1.52% | 1.49% | 1.50% | 1.46% | 1.39% | 1.33% | 1.28% |
| Interest and investment income | 88 | 3,364 | 3,030 | 614 | 724 | 992 | 1,130 | 678 | 417 | 1,169 | 0.03% | 1.19% | 1.08% | 0.23% | 0.27% | 0.38% | 0.44% | 0.27% | 0.17% | 0.50% |
| Other nonoperating revenue | 336 | 875 | 579 | 181 | 218 | 195 | 231 | 165 | 391 | 525 | 0.13% | 0.31% | 0.19% | 0.07% | 0.08% | 0.07% | 0.09% | 0.07% | 0.17% | 0.22% |
| Total Nonoperating Revenues | \$ 62,637 | \$ 57,957 | \$ 46,544 | \$ 42,313 | \$ 42,107 | \$ 38,432 | \$ 37,559 | \$ 35,782 | \$ 34,146 | \$ 33,790 | 22.61% | 20.44% | 16.55% | 15.70% | 15.45% | 14.59% | 14.52% | 14.20% | 14.07% | 14.33% |
| Total Operating and Nonoperating Revenues | \$ 277,049 | \$ 283,621 | \$ 281,116 | \$ 269,595 | \$ 272,712 | \$ 263,238 | \$ 258,808 | \$ 252,082 | \$ 242,703 | \$ 235,886 | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Source: College of Charleston Annual Comprehensive 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) | | | | | | | | | |
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Operating Expenses: | | | | | | | | | | | | | | | | | | | | |
| Instruction | \$ 89,086 | \$ 92,041 | \$ 89,467 | \$ 87,933 | \$ 85,556 | \$ 82,831 | \$ 79,060 | \$ 74,723 | \$ 70,055 | \$ 67,426 | 31.78% | 32.23% | 31.82% | 32.88% | 32.48% | 32.37% | 31.06% | 30.20% | 29.92% | 30.54% |
| Research | 5,620 | 5,349 | 6,795 | 6,325 | 7,938 | 8,744 | 8,503 | 7,860 | 8,515 | 7,959 | 2.00% | 1.87% | 2.42% | 2.37% | 3.01% | 3.42% | 3.34% | 3.18% | 3.64% | 3.61% |
| Public service | 1,389 | 1,531 | 1,617 | 1,745 | 1,632 | 1,852 | 1,684 | 1,661 | 1,400 | 1,382 | 0.50% | 0.54% | 0.58% | 0.65% | 0.62% | 0.72% | 0.66% | 0.67% | 0.60% | 0.63% |
| Academic support | 17,536 | 17,504 | 16,978 | 15,684 | 15,190 | 15,575 | 15,093 | 14,972 | 13,591 | 13,267 | 6.25% | 6.13% | 6.04% | 5.87% | 5.77% | 6.09% | 5.93% | 6.05% | 5.80% | 6.01% |
| Student services | 15,320 | 16,459 | 15,603 | 15,230 | 13,845 | 13,543 | 13,546 | 12,911 | 12,116 | 11,385 | 5.46% | 5.76% | 5.55% | 5.70% | 5.26% | 5.29% | 5.32% | 5.22% | 5.17% | 5.16% |
| Institutional support | 38,050 | 33,809 | 31,654 | 31,793 | 31,334 | 29,306 | 30,423 | 28,768 | 28,492 | 23,917 | 13.57% | 11.84% | 11.26% | 11.89% | 11.90% | 11.45% | 11.95% | 11.63% | 12.17% | 10.84% |
| Operation and maintenance of plant | 32,280 | 34,001 | 34,652 | 29,649 | 26,792 | 28,440 | 31,236 | 32,897 | 25,919 | 22,514 | 11.51% | 11.91% | 12.32% | 11.09% | 10.17% | 11.12% | 12.27% | 13.29% | 11.07% | 10.20% |
| Scholarships and fellowships (net of discounts and allowances) | 16,930 | 15,111 | 10,567 | 10,858 | 10,746 | 11,016 | 10,086 | 10,233 | 10,799 | 11,935 | 6.04% | 5.29% | 3.76% | 4.06% | 4.08% | 4.31% | 3.96% | 4.14% | 4.61% | 5.41% |
| Auxiliary enterprises | 39,864 | 44,962 | 48,929 | 46,396 | 44,286 | 41,965 | 42,068 | 42,169 | 41,018 | 37,455 | 14.22% | 15.74% | 17.40% | 17.35% | 16.81% | 16.40% | 16.52% | 17.04% | 17.51% | 16.96% |
| Depreciation | 17,361 | 17,622 | 17,328 | 15,778 | 15,658 | 14,924 | 14,611 | 13,555 | 12,858 | 14,725 | 6.19% | 6.17% | 6.16% | 5.90% | 5.94% | 5.83% | 5.74% | 5.47% | 5.49% | 6.67% |
| Total Operating Expenses | \$ 273,436 | \$ 278,389 | \$ 273,590 | \$ 261,391 | \$ 252,977 | \$ 248,196 | \$ 246,310 | \$ 239,749 | \$ 224,763 | \$ 211,965 | 97.52% | 97.48% | 97.31% | 97.76% | 96.04% | 97.00% | 96.75% | 96.89% | 95.98% | 96.03% |
| Nonoperating Expenses: | | | | | | | | | | | | | | | | | | | | |
| Interest and amortization expense on capital assets and related debt | \$ 6,859 | \$ 7,147 | \$ 7,507 | \$ 5,883 | \$ 10,423 | \$ 7,663 | \$ 8,150 | \$ 7,532 | \$ 9,367 | \$ 8,690 | 2.46% | 2.51% | 2.66% | 2.20% | 3.96% | 3.00% | 3.20% | 3.04% | 4.00% | 3.94% |
| Loss on sale or disposal of capital assets | 57 | 34 | 108 | 135 | - | 4 | 115 | 162 | 43 | 73 | 0.02% | 0.01% | 0.03% | 0.04% | 0.00% | 0.00% | 0.05% | 0.07% | 0.02% | 0.03% |
| Total Nonoperating Expenses | \$ 6,916 | \$ 7,181 | \$ 7,615 | \$ 6,018 | \$ 10,423 | \$ 7,667 | \$ 8,265 | \$ 7,694 | \$ 9,410 | \$ 8,763 | 2.48% | 2.52% | 2.69% | 2.24% | 3.96% | 3.00% | 3.25% | 3.11% | 4.02% | 3.97% |
| Total Operating and Nonoperating Expenses | \$ 280,352 | \$ 285,570 | \$ 281,205 | \$ 267,409 | \$ 263,400 | \$ 255,863 | \$ 254,575 | \$ 247,443 | \$ 234,173 | \$ 220,728 | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

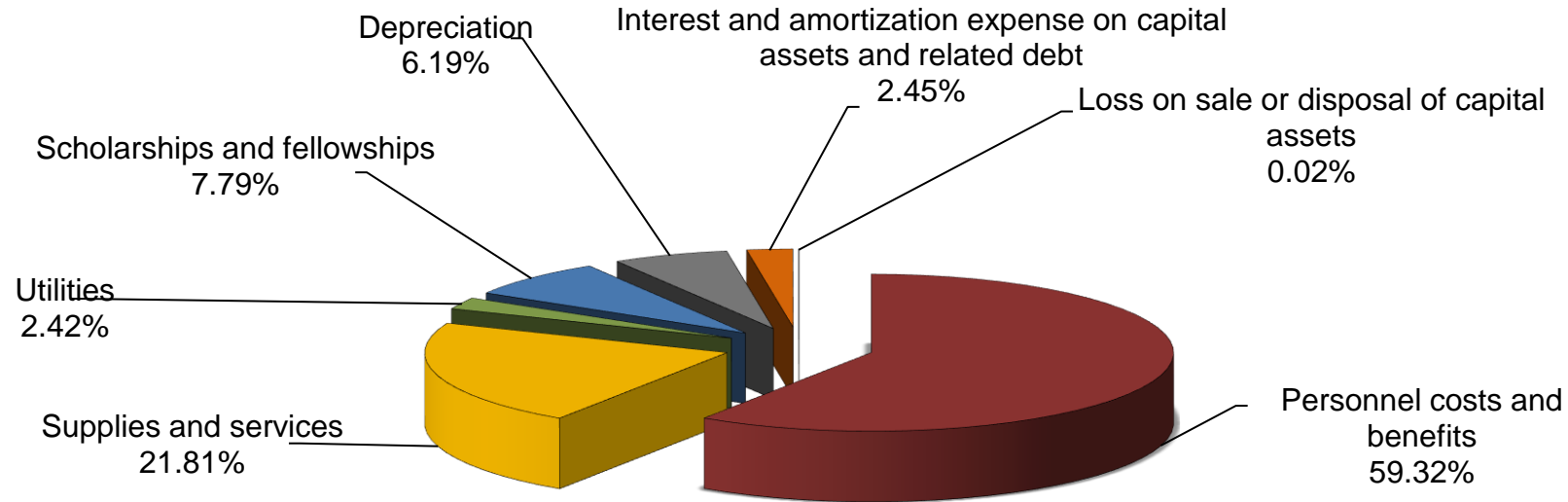
Source: College of Charleston Annual Comprehensive Financial Reports.

SCHEDULE OF OPERATING AND NONOPERATING EXPENSES BY USE

For the Fiscal Year Ended June 30,

| | (amounts expressed in thousands) | | | | | | | | | | (percent of total expenses) | | | | | | | | | | |
|--|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | |
| Operating Expenses: | | | | | | | | | | | | | | | | | | | | | |
| Personnel costs and benefits | \$ 166,301 | \$ 167,037 | \$ 157,364 | \$ 154,588 | \$ 148,112 | \$ 146,156 | \$ 141,587 | \$ 134,171 | \$ 126,016 | \$ 120,436 | 59.32% | 58.49% | 55.98% | 57.81% | 56.24% | 57.12% | 55.61% | 54.22% | 53.81% | 54.57% | |
| Supplies and services | 61,131 | 66,095 | 75,549 | 66,156 | 64,546 | 62,609 | 66,247 | 68,659 | 61,625 | 52,849 | 21.81% | 23.14% | 26.87% | 24.75% | 24.50% | 24.47% | 26.02% | 27.75% | 26.32% | 23.94% | |
| Utilities | 6,793 | 7,269 | 7,572 | 9,068 | 8,802 | 8,678 | 8,774 | 8,273 | 8,807 | 7,990 | 2.42% | 2.55% | 2.69% | 3.39% | 3.34% | 3.39% | 3.45% | 3.34% | 3.76% | 3.62% | |
| Scholarships and fellowships | 21,850 | 20,366 | 15,777 | 15,801 | 15,859 | 15,829 | 15,091 | 15,091 | 15,457 | 15,965 | 7.79% | 7.13% | 5.61% | 5.91% | 6.02% | 6.19% | 5.93% | 6.10% | 6.60% | 7.23% | |
| Depreciation | 17,361 | 17,622 | 17,328 | 15,778 | 15,658 | 14,924 | 14,611 | 13,555 | 12,858 | 14,725 | 6.19% | 6.17% | 6.16% | 5.90% | 5.94% | 5.83% | 5.74% | 5.48% | 5.49% | 6.67% | |
| Total Operating Expenses | \$ 273,436 | \$ 278,389 | \$ 273,590 | \$ 261,391 | \$ 252,977 | \$ 248,196 | \$ 246,310 | \$ 239,749 | \$ 224,763 | \$ 211,965 | 97.53% | 97.48% | 97.31% | 97.76% | 96.04% | 97.00% | 96.75% | 96.89% | 95.98% | 96.03% | |
| Nonoperating Expenses: | | | | | | | | | | | | | | | | | | | | | |
| Interest and amortization expense on capital assets and related debt | \$ 6,859 | \$ 7,147 | \$ 7,507 | \$ 5,822 | \$ 10,423 | \$ 7,663 | \$ 8,104 | \$ 7,532 | \$ 9,367 | \$ 8,690 | 2.45% | 2.51% | 2.66% | 2.18% | 3.96% | 3.00% | 3.18% | 3.04% | 4.00% | 3.94% | |
| Investment loss | - | - | - | 61 | - | - | 46 | - | - | - | 0.00% | 0.00% | 0.00% | 0.02% | 0.00% | 0.00% | 0.02% | 0.00% | 0.00% | 0.00% | |
| Loss on sale or disposal of capital assets | 57 | 34 | 108 | 135 | - | 4 | 115 | 162 | 43 | 73 | 0.02% | 0.01% | 0.03% | 0.04% | 0.00% | 0.00% | 0.05% | 0.07% | 0.02% | 0.03% | |
| Total Nonoperating Expenses | \$ 6,916 | \$ 7,181 | \$ 7,615 | \$ 6,018 | \$ 10,423 | \$ 7,667 | \$ 8,265 | \$ 7,694 | \$ 9,410 | \$ 8,763 | 2.47% | 2.52% | 2.69% | 2.24% | 3.96% | 3.00% | 3.25% | 3.11% | 4.02% | 3.97% | |
| Expenses | \$ 280,352 | \$ 285,570 | \$ 281,205 | \$ 267,409 | \$ 263,400 | \$ 255,863 | \$ 254,575 | \$ 247,443 | \$ 234,173 | \$ 220,728 | 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 2021



Source: College of Charleston Annual Comprehensive Financial Reports.

SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total revenues (from schedule of revenues by source) | \$ 277,049 | \$ 283,621 | \$ 281,116 | \$ 269,595 | \$ 272,712 | \$ 263,238 | \$ 258,808 | \$ 252,082 | \$ 242,703 | \$ 235,886 |
| Total expenses (from schedule of expenses by use and function) | (280,352) | (285,570) | (281,205) | (267,409) | (263,400) | (255,863) | (254,575) | (247,443) | (234,173) | (220,728) |
| Net income before other revenues, expenses, gains or losses | \$ (3,303) | \$ (1,949) | \$ (89) | \$ 2,186 | \$ 9,312 | \$ 7,375 | \$ 4,233 | \$ 4,639 | \$ 8,530 | \$ 15,158 |
| Capital improvement bond proceeds | - | - | - | - | - | - | - | - | - | - |
| Capital gifts | - | - | - | 1,500 | 658 | 178 | 125 | 1,500 | 982 | 460 |
| State capital appropriations | 757 | 774 | 607 | 555 | 643 | 864 | 3,609 | 3,766 | 3,753 | 3,431 |
| Prior period adjustment | - | - | - | (166,094) | - | - | (130,610) | - | - | - |
| Net Position, beginning | 20,058 | 21,233 | 20,715 | 182,568 | 171,955 | 163,538 | 286,181 | 276,276 | 263,011 | 243,962 |
| Net Position, ending | \$ 17,512 | \$ 20,058 | \$ 21,233 | \$ 20,715 | \$ 182,568 | \$ 171,955 | \$ 163,538 | \$ 286,181 | \$ 276,276 | \$ 263,011 |
| Net investment in capital assets | \$ 195,063 | \$ 198,753 | \$ 199,807 | \$ 200,554 | \$ 195,634 | \$ 197,774 | \$ 192,937 | \$ 176,597 | \$ 164,856 | \$ 159,379 |
| Restricted - expendable | 71,510 | 73,090 | 68,826 | 66,866 | 67,156 | 72,255 | 69,293 | 62,993 | 53,289 | 50,544 |
| Restricted - nonexpendable | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,124 | 1,203 | 1,163 | 1,110 |
| Unrestricted | (250,161) | (252,885) | (248,500) | (247,805) | (81,322) | (99,174) | (99,816) | 45,388 | 56,968 | 51,978 |
| Total Net Position | \$ 17,512 | \$ 20,058 | \$ 21,233 | \$ 20,715 | \$ 182,568 | \$ 171,955 | \$ 163,538 | \$ 286,181 | \$ 276,276 | \$ 263,011 |

Source: College of Charleston Annual Comprehensive 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)

| | <u>2021</u> | <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> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue bonds | \$ 188,679 | \$ 195,357 | \$ 203,365 | \$ 211,082 | \$ 219,169 | \$ 221,687 | \$ 227,953 | \$ 178,741 | \$ 184,572 | \$ 188,901 |
| State institution bonds | - | - | - | 2,501 | 2,931 | 3,346 | 3,736 | 4,105 | 4,461 | 4,802 |
| Notes Payable | - | 184 | 366 | 544 | - | - | - | - | - | - |
| Bond anticipation note | - | - | - | - | - | - | - | - | - | - |
| Capital lease obligations | - | - | - | - | - | - | - | - | - | - |
| Total Outstanding Debt | <u>\$ 188,679</u> | <u>\$ 195,541</u> | <u>\$ 203,731</u> | <u>\$ 214,127</u> | <u>\$ 222,100</u> | <u>\$ 225,033</u> | <u>\$ 231,689</u> | <u>\$ 182,846</u> | <u>\$ 189,033</u> | <u>\$ 193,703</u> |
| | | | | | | | | | | |
| Full time equivalent students (fiscal year) | 9,402 | 9,575 | 9,855 | 9,824 | 10,257 | 10,365 | 10,354 | 10,538 | 10,558 | 10,548 |
| | | | | | | | | | | |
| Outstanding debt per student | \$ 20,068 | \$ 20,422 | \$ 20,673 | \$ 21,796 | \$ 21,654 | \$ 21,711 | \$ 22,377 | \$ 17,351 | \$ 17,904 | \$ 18,364 |

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

Source:

College of Charleston Annual Comprehensive 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 |
| 2020 | \$ 12,518 | \$ 32,848 | \$ 522 | \$ 1,369 |
| 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 |

| | Graduate (1) | | Graduate (2) | |
|------|--------------|-------------|--------------|-------------|
| | Resident | Nonresident | Resident | Nonresident |
| 2020 | \$ 13,770 | \$ 36,132 | \$ 574 | \$ 1,506 |
| 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 |

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.

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 | | | | | | |
| 2021 | \$ 29,564 | \$ 37,601 | \$ 6,715 | \$ 7,205 | \$ 13,920 | 2.70 |
| 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 |
| State Institutional Bonds | | | | | | |
| 2021 | A \$ - | \$ - | \$ - | \$ - | \$ - | - |
| 2020 | - | - | - | - | - | - |
| 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 |

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

Source: College of Charleston Controller's Office.

ADMISSIONS, ENROLLMENT, AND DEGREE STATISTICS

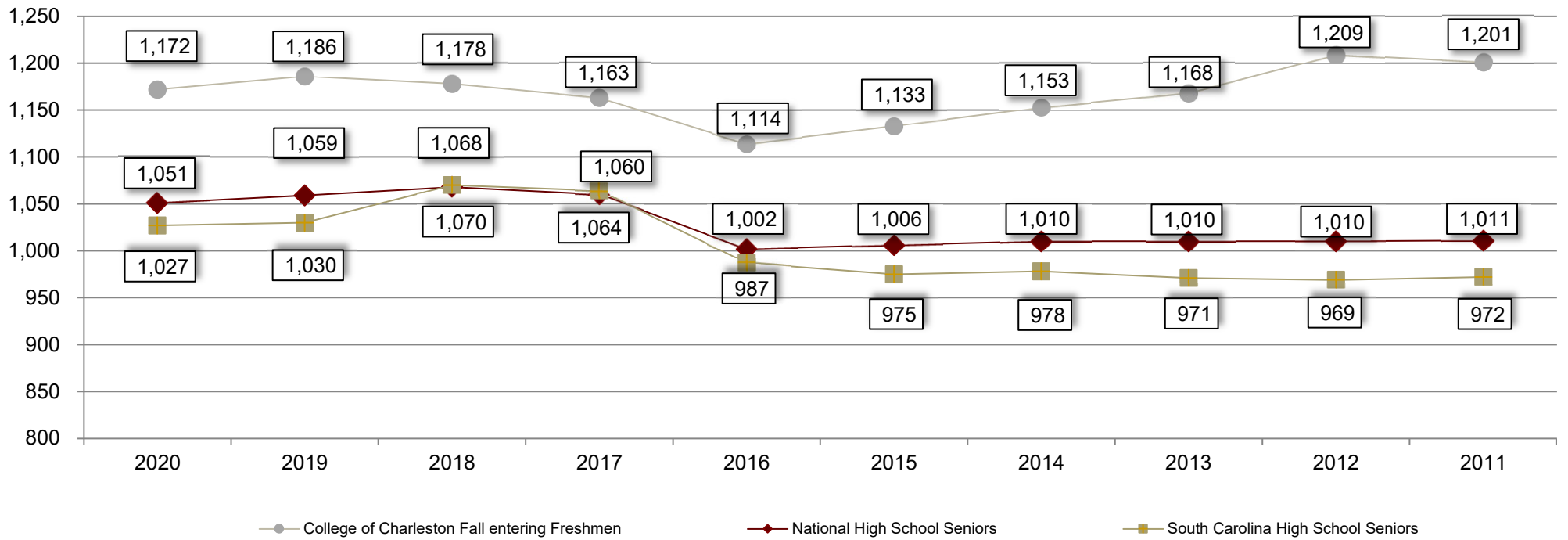
Last Ten Years - Fall

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Admissions - Freshman | | | | | | | | | | |
| Applications | 15,214 | 11,783 | 11,675 | 11,900 | 10,828 | 11,722 | 11,179 | 11,533 | 11,510 | 11,086 |
| Applications accepted | 11,307 | 9,230 | 9,254 | 9,574 | 9,110 | 9,043 | 8,722 | 8,331 | 8,098 | 8,149 |
| Accepted as a percentage of applications | 74.3% | 78.3% | 79.3% | 80.5% | 84.1% | 77.1% | 78.0% | 72.2% | 70.4% | 73.5% |
| Students enrolled | 2,052 | 2,051 | 2,199 | 1,840 | 2,349 | 2,237 | 2,166 | 2,116 | 2,138 | 2,334 |
| Enrolled as a percentage of accepted | 18.1% | 22.2% | 23.8% | 19.2% | 25.8% | 24.7% | 24.8% | 25.4% | 26.4% | 28.6% |
| SAT scores - total* | 1,172 | 1,186 | 1,178 | 1,163 | 1,114 | 1,133 | 1,153 | 1,168 | 1,209 | 1,201 |
| Verbal* | 599 | 605 | 600 | 596 | 561 | 573 | 581 | 589 | 606 | 605 |
| Math* | 573 | 581 | 578 | 567 | 553 | 560 | 571 | 579 | 603 | 596 |
| South Carolina average SAT score - total | 1,027 | 1,030 | 1,070 | 1,064 | 987 | 975 | 978 | 971 | 969 | 972 |
| U.S. average SAT score - total | 1,051 | 1,059 | 1,068 | 1,060 | 1,002 | 1,006 | 1,010 | 1,010 | 1,010 | 1,011 |
| Enrollment | | | | | | | | | | |
| Undergraduate and graduate FTE | 9,402 | 9,575 | 9,855 | 9,824 | 10,257 | 10,365 | 10,354 | 10,538 | 10,558 | 10,548 |
| Undergraduate and graduate headcount | 10,384 | 10,545 | 10,783 | 10,863 | 11,294 | 11,531 | 11,456 | 11,619 | 11,723 | 11,649 |
| Percentage of Men | 35.4% | 34.8% | 34.8% | 35.7% | 35.6% | 35.5% | 36.0% | 36.4% | 36.0% | 36.4% |
| Percentage of Women | 66.2% | 65.2% | 65.2% | 64.3% | 64.4% | 64.5% | 64.0% | 63.6% | 64.0% | 63.6% |
| Percentage of African American | 7.8% | 7.7% | 7.9% | 8.1% | 8.1% | 7.8% | 7.2% | 6.4% | 6.2% | 5.8% |
| Percentage of White | 78.6% | 77.4% | 77.3% | 77.3% | 78.7% | 79.6% | 80.5% | 81.8% | 82.6% | 83.4% |
| Percentage of Other | 15.2% | 15.0% | 14.8% | 14.6% | 13.2% | 12.6% | 12.3% | 11.8% | 11.2% | 10.8% |
| Degrees Earned | | | | | | | | | | |
| Undergraduate | 2,357 | 2,399 | 2,380 | 2,304 | 2,613 | 2,507 | 2,375 | 2,402 | 2,333 | 2,327 |
| Graduate | 192 | 238 | 246 | 270 | 244 | 254 | 283 | 246 | 237 | 216 |

Source: College of Charleston Office of Institutional Research.

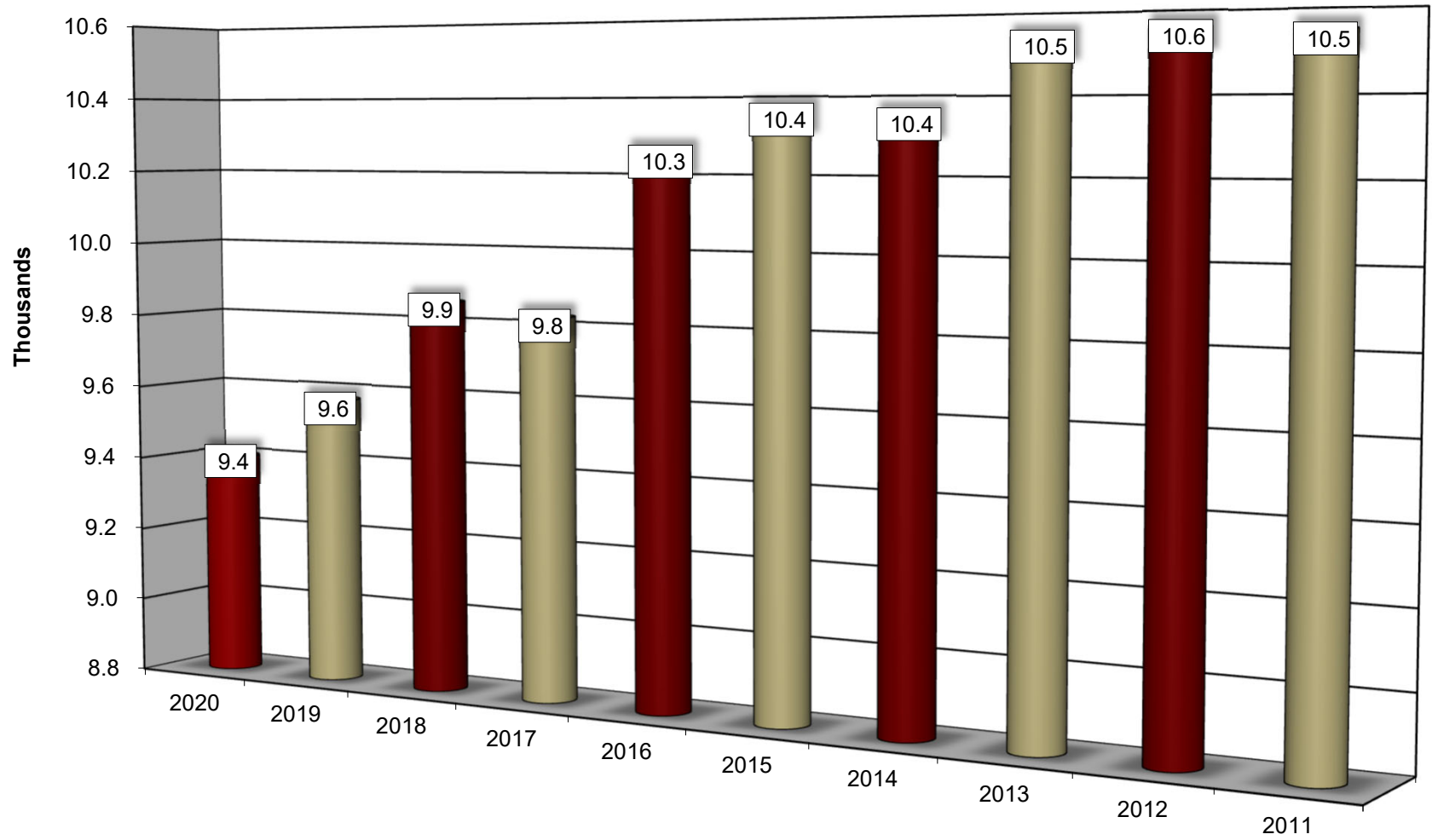
* The College Board made scoring changes to the SAT in March 2016. Per IPEDS reporting requirements, averages reported for the Fall 2016 and earlier classes are based on an older SAT scale. The averages reported beginning Fall 2017 are based on the new scale. Comparisons of SAT data between earlier years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

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



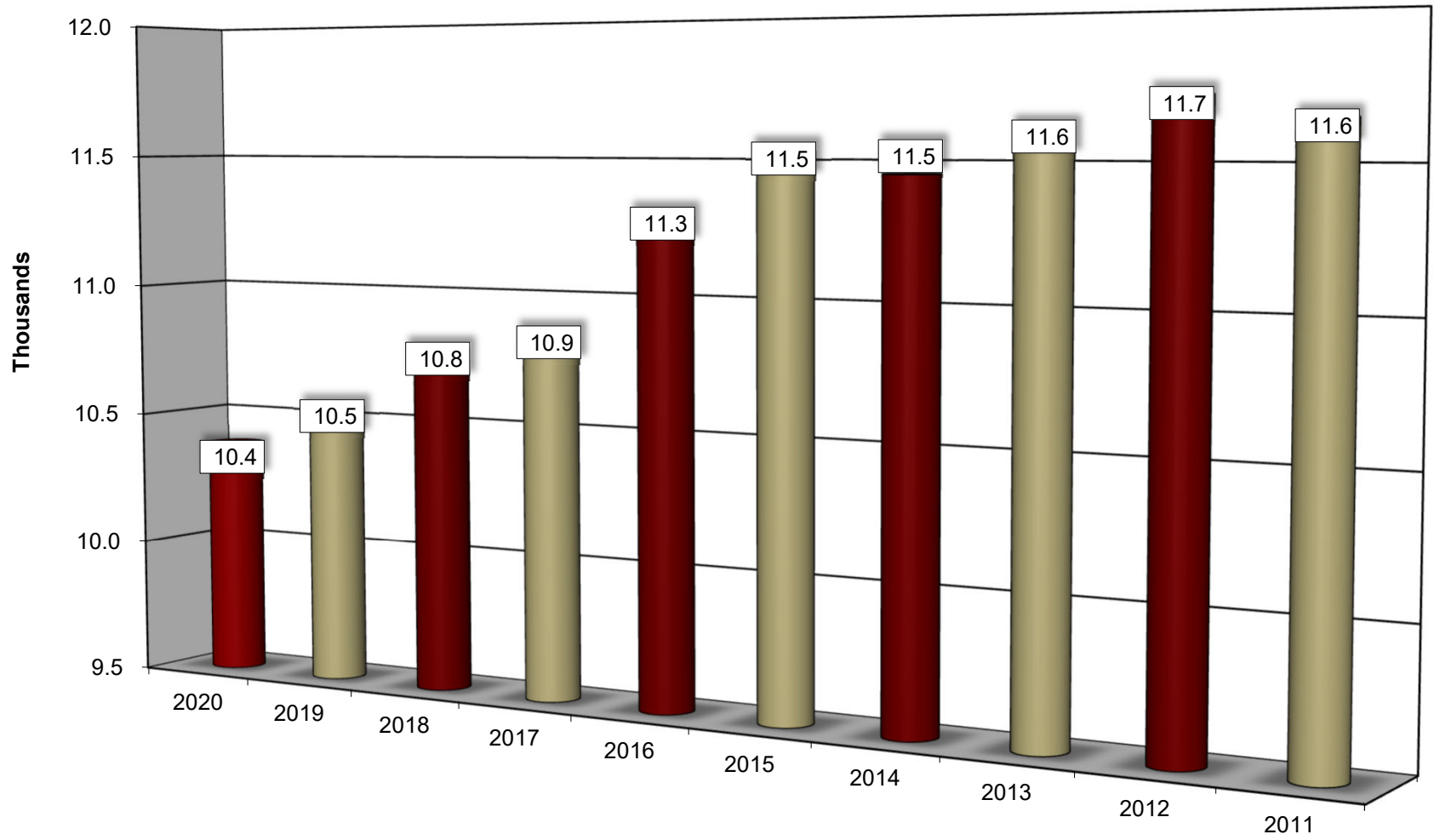
Source: College of Charleston Office of Institutional Research.

**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) |
|-------------|---|--|----------------------------------|---|
| 2020 | \$ 247,867,336 | 5,218,040 | \$ 47,502 | 6.2% |
| 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% |

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)

2020

Amazon.com Services Inc.
BMW Manufacturing Corp.
Department of Defense
Food Lion LLC
Michelin North America, Inc.
PRISMA Health Midlands
School District of Greenville County
Spartanburg Regional Medical Center
University of South Carolina
Wal-Mart Associates, Inc.

2010

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Instructional Faculty | | | | | | | | | | |
| Part time | 298 | 353 | 355 | 356 | 364 | 367 | 368 | 338 | 373 | 354 |
| Full time | 511 | 526 | 534 | 522 | 531 | 548 | 542 | 535 | 519 | 521 |
| Percentage tenured | 68% | 67% | 65% | 66% | 65% | 63% | 63% | 64% | 63% | 62% |
| Staff and administrators with faculty rank | | | | | | | | | | |
| Full time | 940 | 1,013 | 993 | 983 | 994 | 1,014 | 1,024 | 1,009 | 971 | 967 |
| Full time permanent | 879 | 916 | 876 | 864 | 856 | 897 | 899 | 902 | 868 | 858 |
| Full time temporary* | 61 | 97 | 117 | 119 | 138 | 117 | 125 | 107 | 103 | 109 |
| Other employees | | | | | | | | | | |
| Part time temporary | 109 | 166 | 160 | 183 | 168 | 198 | 214 | 220 | 220 | 178 |
| Graduate assistants | 154 | 156 | 171 | 169 | 173 | 165 | 175 | 141 | 109 | 140 |
| Total employees | | | | | | | | | | |
| Part time | 561 | 675 | 686 | 708 | 705 | 730 | 757 | 699 | 702 | 672 |
| Full time* | 1,451 | 1,539 | 1,527 | 1,505 | 1,525 | 1,562 | 1,566 | 1,544 | 1,490 | 1,488 |
| FTE Students per full time | | | | | | | | | | |
| Instructional Faculty | 18.4 | 18.2 | 18.5 | 18.8 | 19.3 | 18.9 | 19.1 | 19.7 | 20.3 | 20.2 |
| Staff member | 10.0 | 9.5 | 9.9 | 10.0 | 10.3 | 10.2 | 10.1 | 10.4 | 10.9 | 10.9 |
| Average annual faculty salary | \$ 79,440 | \$ 79,414 | \$ 76,664 | \$ 77,350 | \$ 77,145 | \$ 74,564 | \$ 73,641 | \$ 69,719 | \$ 68,807 | \$ 65,965 |

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

SCHEDULE OF CAPITAL ASSET INFORMATION

| Fall | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Academic buildings | | | | | | | | | | |
| Net assignable square feet (in thousands) | 803 | 803 | 751 | 751 | 728 | 734 | 757 | 765 | 758 | 751 |
| Administrative and support buildings | | | | | | | | | | |
| Net assignable square feet (in thousands) | 275 | 275 | 281 | 281 | 286 | 245 | 189 | 173 | 171 | 168 |
| Laboratories | | | | | | | | | | |
| Net assignable square feet (in thousands) | 203 | 203 | 190 | 190 | 175 | 178 | 176 | 189 | 176 | 173 |
| Auxiliary and independent operations buildings | | | | | | | | | | |
| Net assignable square feet (in thousands) | 1,126 | 1,126 | 994 | 994 | 994 | 962 | 980 | 1,001 | 1,029 | 1,019 |
| Libraries | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of volumes (in thousands) | 1,965 | 1,681 | 1,626 | 1,521 | 1,495 | 1,355 | 1,178 | 1,087 | 1,071 | 939 |
| Volumes per student | 189 | 159 | 151 | 140 | 132 | 118 | 103 | 94 | 91 | 81 |
| Student Housing: | | | | | | | | | | |
| Residence Halls | 8 | 8 | 8 | 8 | 8 | 7 | 7 | 8 | 8 | 8 |
| Apartments | 3 | 3 | 3 | 4 ** | 3 | 3 | 3 | 3 | 3 | 3 |
| Other housing options | 23 ***** | 23 ***** | 22 *** | 24 | 24 | 27 | 27 | 26 | 30 | 30 |
| Units available | 3,311 ***** | 2,286 ***** | 3,375 | 3,424 | 3,409 | 3,404 | 3,374 | 3,230 | 3,284 | 3,235 |
| Units in use | 3,274 | 2,067 | 3,247 | 3,358 | 3,261 | 3,325 | 3,218 | 3,287 | 3,183 | 3,115 |
| Percent occupancy | 98.9% | 90.4% | 96.2% | 98.1% | 95.7% | 97.7% | 95.4% | 101.8% | 96.9% | 96.3% |
| Dining facilities: | | | | | | | | | | |
| Locations | 10 ***** | 10 ***** | 11 | 11 | 11 | 11 * | 10 | 8 | 8 | 6 |
| Average daily customers | 5,164 | 2,146 | 7,283 | 7,875 | 6,913 | 7,221 | 6,627 | 6,227 | 6,165 | 5,404 |
| Parking facilities: | | | | | | | | | | |
| Parking spaces available | 1,701 | 1,691 | 1,691 **** | 1,792 | 1,719 | 1,806 | 1,974 | 2,174 | 2,224 | 2,224 |
| Parking permits issued to students | 577 | 422 | 615 | 693 | 702 | 723 | 666 | 835 | 991 | 989 |
| Parking permits issued to faculty/staff | 990 | 811 | 1,105 | 1,047 | 972 | 981 | 1,030 | 980 | 966 | 938 |

* 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.

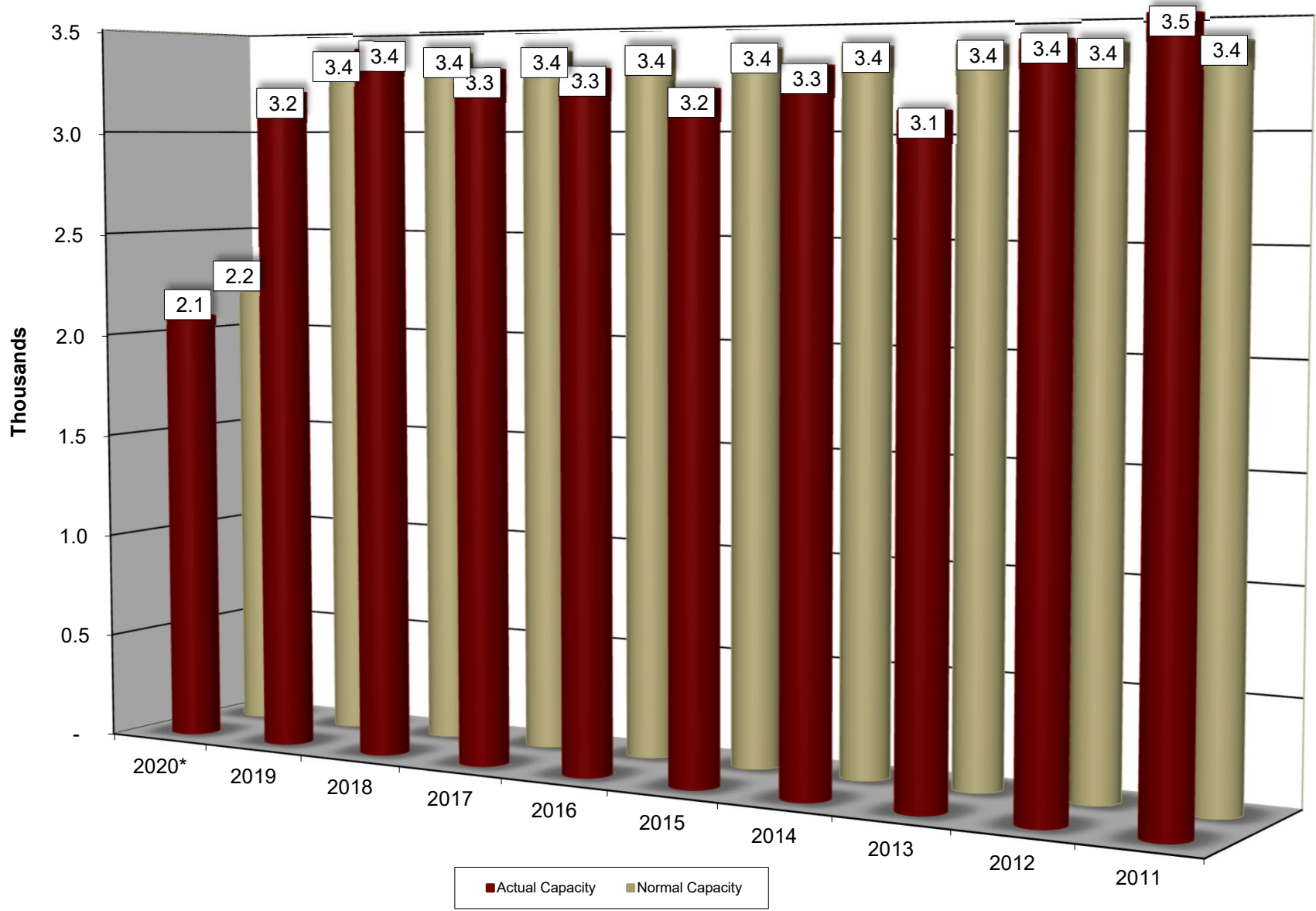
Sources:

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

Libraries: College of Charleston Library.

Student Housing, Dining and Parking facilities: College of Charleston Campus Services.

**College of Charleston
Residence Hall Occupancy
Fall**



Source: College of Charleston Office of Institutional Research.

*Occupancy and Normal Capacity were restricted during Fall 2020 due to COVID-19. If not for COVID-19, Normal Capacity would have been 3.4.

ACADEMIC SUBJECT AREAS AND DEGREES OFFERED

Fall 2021

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

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
ANNUAL COMPREHENSIVE FINANCIAL REPORT



Students attend the Class of 2021 Commencement ceremony in Cistern Yard.