



SOUTH CAROLINA STATE UNIVERSITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Included in the Higher Education Fund an Enterprise Fund of the State of South Carolina

For The Year Ended June 30, 2016

South Carolina State University

Comprehensive Annual Financial Report
Included in the Higher Education Fund, an Enterprise Fund
of the State of South Carolina
For the Year Ended June 30, 2016

South Carolina State University

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Introductory Section (unaudited)



South Carolina State University

POST OFFICE BOX 7008
300 COLLEGE STREET, NORTHEAST
ORANGEBURG, SOUTH CAROLINA 29117-0001
(803) 536-7013

OFFICE OF THE PRESIDENT

FAX: (803) 533-3622

Dear Alumni, Advocates, and Friends of South Carolina State University:

South Carolina State University is pleased to submit the financial statements reflecting the 2015-2016 financial results. During the 2015-2016 year, the University was faced with many challenges, including the potential loss of its accreditation. Given the longstanding financial and operating issues, a seven member Interim Board of Trustees was appointed by the legislature to ensure fiscal stability and to select new leadership. With that in place, the University was poised for change and transition.

With less than a year of hard work, the University made significant progress. SC State ended FY2015 with a balanced budget for the first time in a number of years. In addition, the University was challenged with declining enrollment which had an adverse effect on the University's finances. The board worked along with the administration to ensure an improvement against original plan. In 2016 the enrollment goal was not only met but was exceeded. The most critical of issues was the potential loss of accreditation which could have led to the closing of the institution. We are proud to report that the University, with the assistance of the SC Carolina Governor and Legislature, was removed from its probationary status to remain fully accredited.

With the tone set for the University's operation moving forward, the Board then sought permanent leadership to continue the turnaround momentum of the University. I was appointed as the 12th President of SC State effective July 1, 2016. At that time, I was charged with continuing to ensure a positive and successful turnaround of the institution. With the accreditation restored, the major focus of the University has become improving the fiscal management, enhancing the academic stature, and revising the brand of the University.

As can be ascertained from the attached report, SC State is poised for success. We have regained confidence from the community and our peers. We are developing partnerships with higher education institutions across the state to strengthen our academic prowess. We are currently ranked in the top 25 Best Nuclear Engineering Bachelor's among MIT, Georgia Institute of Technology and UC Berkeley.

SC State University's recent accomplishments have been realized due to the collective efforts of the Board, administration, faculty, staff, students, alumni, various stakeholders, and the State of South Carolina. The support we have received over the last year has been remarkable, however, we still have much more work to do. We thank you for your support and hope that you will find that this report reflects our commitment to a healthier and enhanced SC State University.

Sincerely,

James E. Clark
President

South Carolina State University

300 COLLEGE STREET, NE
ORANGEBURG, SOUTH CAROLINA 29117-0001
(803) 536-8998

January 1, 2017

LETTER OF TRANSMITTAL

To the President and Members of the Board of Trustees:

Management is pleased to present to you the Comprehensive Annual Financial Report of South Carolina State University for the fiscal year ended June 30, 2016.

Management asserts that this financial report is complete and reliable in all material respects, and accepts full responsibility for the completeness and reliability of all the information presented in this report. Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The University's MD&A can be found immediately following the report of the independent auditor.

Profile of the University

South Carolina State University (SC State), a senior comprehensive teaching and 1890 land-grant institution, is committed to providing affordable and accessible quality undergraduate and graduate programs. SC State is a public university, with a student population of approximately 3,000 located in Orangeburg, SC. Orangeburg is a small rural/agricultural city in the middle of the state that has evolved to include businesses and industries that are national and international in scope. The university currently offers 48 undergraduate degree programs through three academic colleges and one school and sixteen graduate degree programs and 1 doctoral degree.

SC State's 1890 land-grant legacy of service to citizens of the local community, the state, nation, and global society is ensured through its collaborative efforts with businesses, secondary education, colleges and industries. This symbiotic relationship provides a catalyst that spurs reciprocal economic and social growth for all.

Economic Environment

State appropriations for fiscal year 2017 are projected to be higher based on SC State's base state appropriations being increased for a 3.25% increase state mandated cost of living increase, increase in health insurance allocation, anticipated funds for deferred and required maintenance, and additional of state funding to address aged vendor payables.

In regards to tuition revenue, SC State's resident mandatory tuition and fees is in the lower range compared to other in-state peer institutions. The Board of Trustees continues to express concerns over the burden tuition and fee increases are having on families. Tuition and fees were increased by 3% for fiscal year 2017 and the University continued with a zero-budget process for fiscal year 2017 in order to maintain a balanced budget and maintain program quality.

SC State is situated in a rural county. As a result, the operations of the institution have a substantial economic impact on the surrounding communities. To document this fact, the results of an economic impact study of SC State revealed the following:

"There are many facets to the economic impact of an institution of higher education, including both the short-term impacts on the local economy via local spending by the University and its faculty, staff, students and visitors, and the longer-term impact on the economy based on higher education levels, increased productivity and improvements in the quality of life in the area. The purpose of this economic impact research has been to quantify the first set of impacts (e.g. those impacts on economic activity that can accurately be estimated using the standard tools of economic impact analysis)."

Consequently, the research focused on the economic impact of the following specific activities associated with SC State:

1. The regular, ongoing operations of the university itself – including the cost of faculty, staff, and other non-labor expenditures.
2. University construction projects from recent years, as well as planned projects for the future.
3. SC State University student expenditures in the local economy, excluding payments made directly to the university.
4. Visitor spending at SC State University Homecoming football games.

The elements of this economic impact are summarized below. These elements will change in the future with respect to the University's plans to expand academic programs, increase enrollment, and replace and renew its facilities and physical plant.

SC State's economic impact for fiscal year 2013 is projected to contribute in excess of \$187 million into the state and local economy, an impact on household income in excess of \$99 million, and support over 2,189 jobs in the Orangeburg area.

FINANCIAL INFORMATION

Internal Controls

Management maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Legislature. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. An internal control structure has been implemented to accomplish two primary objectives: (1) ensure that the University's assets are protected from loss, theft, or misuse, and (2) ensure that adequate accounting data is compiled to allow for the preparation of financial statements in accordance with legal requirements and Generally Accepted Accounting Principles (GAAP).

The concept of reasonable assurance recognizes that, the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits require estimates and judgments by management. Because the cost of internal controls should not outweigh their benefits, the University's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Budgetary Controls

SC State prepares, on an annual basis, a budget that provides reasonable estimates of revenues and expenditures. The budgetary process encompasses all operating budgets of the university to include educational and general activities (both General Fund and Earmarked), athletic operations, and the operations of auxiliary enterprises. The budget preparation is based on programmatic planning by the university through department heads, academic offices, the president's cabinet, representative from critical areas identified by the President and the President. The budget is then presented to the Board of Trustees for approval. Budget versus actual reports are prepared quarterly for review and presentation to the President, the Board of Trustees' Finance Committee, and the full Board of Trustees.

Debt Management

SC State follows a debt management strategy to ensure the university stays within the framework of an acceptable level of debt. Management monitors the debt service level and the associated interest rates to remain apprised of the effects of long-term debt on the University's credit rating, and to identify opportunities to reduce the annual debt service payout. This strategy acknowledges that, although all University revenues are generally available to meet any need, debt issued for one operational segment should be repaid from the resources generated by that segment.

Cash Management

State law requires that substantially all of the University's receipts and disbursements be made using bank accounts in the name of the South Carolina State Treasurer. The State Treasurer performs almost all cash management activities for the University's cash balances on deposit with in-state bank accounts. As a participant in the state's cash management pool, the University receives investment income allocations for certain qualifying cash balances.

Risk Management

SC State participates in the state of South Carolina's state-wide risk management program. The state's program assumes substantially all risks for unemployment and workers' compensation benefits and claims of covered employees for health, dental, and group-life insurance benefits.

SC State pays premiums to the state's insurance reserve fund to cover the risk of loss related to buildings (including contents) and property, general tort liability, medical professional liability, blanket accident trip coverage, automobile liability, and automobile physical damage.

Relevant Financial Policies

In addition to being guided by its own strategic plan, SC State is a part of the state government in South Carolina, and as such, follows state law and policies regarding procurement, construction, human resource practices, contract and grant funding, and other operating practices. A budget, which is built on a robust internal budget process, is submitted annually to the Governor's Office.

SC State uses a decentralized methodology for budgeting. The process is managed by the Division of Finance & Management Office and begins by soliciting from all department heads, deans, and vice presidents any unfunded requirements (UFRs) that cannot be paid by their existing budget (both personnel services and operational requirements). The Division of Finance & Management reviews all inputs and prioritizes them based on the needs of the university. The Division of Finance & Management also factors in the strategic budgeting priorities with the UFRs to determine multiple budgeting options, based on varying availability of resources, to present to the President, and in turn, to the Board of Trustees for approval.

OTHER INFORMATION

Independent Audit

State law, federal guidelines, and certain bond covenants require that the University's accounting and financial records be audited each year. Under the terms of this contract, BDO will perform an audit of the University's financial statements and the University's federal financial assistance programs through fiscal year 2016.

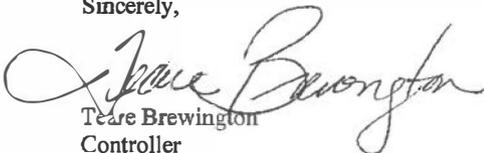
The goal of the independent audit was to provide reasonable assurance that the financial statements of the University for the fiscal year ended June 30, 2016, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used, and significant estimates made by management; and evaluating the overall financial statement presentation.

In addition to an independent audit, SC State is audited on a periodic basis by the SC Department of Administration to ensure compliance with provisions of the South Carolina Procurement Code.

Acknowledgments

Management thanks the President of the University and members of the Board of Trustees for their continued support and dedication to excellence and integrity in fiscal affairs of the South Carolina State University. We would also like to extend our appreciation to all of our colleagues across campus whose dedication and hard work resulted in a successful closure of the fiscal year.

Sincerely,



Teare Brewington
Controller



Tel: 919-754-9370
Fax: 919-754-9369
www.bdo.com

421 Fayetteville Street
Suite 300
Raleigh, NC 27601

Independent Auditor's Report

The Board of Trustees
South Carolina State University

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of South Carolina State University (the "University"), a non-major discretely presented component unit of the State of South Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the South Carolina State University Foundation, Inc. (the "Foundation"), which represent 100 percent, 100 percent, and 100 percent, respectively, of the assets, net assets, and revenues of the University's aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report 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 Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 unit of the University, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the University's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and statistical section 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 *Governmental Auditing Standards*, we have also issued our report dated January 30, 2017 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 University's internal control over financial reporting and compliance.

BDO USA, LLP
January 30, 2017

South Carolina State University

Management's Discussion and Analysis (unaudited)

Introduction

We are pleased to submit the annual financial statements for South Carolina State University ("SCSU" or the "University") for the fiscal year ended June 30, 2016. The following discussion and analysis have been prepared by the management of SCSU to provide an overview of the financial activities of the University for the fiscal year ended June 30, 2016. Please read this section in conjunction with the accompanying financial statements and the notes to the financial statements. The financial presentation for the University has been prepared to meet the requirements of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB Statement 34"), and GASB Statement No. 35, *Basic Financial Statement's and Management's Discussion and Analysis for Public Colleges and Universities*. The University has incorporated one non-governmental component unit, South Carolina State University Foundation, Inc. (the "Foundation"). The Foundation's (1) statement of financial position and (2) statement of activities are presented separately in the University's report. Management's discussion and analysis addresses the activity of the University and does not include financial activity of the Foundation. Information presented in the financial statements is designed to aid a wide variety of readers in assessing the effectiveness of the University's management in using its resources to meet its primary mission of instruction, research, and public service, as well as to provide a comprehensive picture of the University's financial activities and soundness.

Using this Annual Report

This annual report consists of the following financial statements: statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows. These financial statements illustrate the financial condition of the University, the results of the University's operations and the cash flows (sources and uses of funds) of the University as a whole. As a result of the implementation of GASB Statement 34, public colleges and universities of South Carolina elected to report as business-type activities ("BTAs"). These statements, therefore, are intended to provide a view of the University's financial position similar to that presented by most private sector companies. The financial statements are presented using the accrual basis of accounting. The accrual basis of accounting takes into consideration all of the University's revenue and expenses regardless of when cash is received or payments are made. Significant revenues of the University such as state appropriations, gifts, Pell grants, and investment income are considered nonoperating.

Statement of Net Position

The statement of net position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the end of the fiscal year. This statement is a point-of-time financial statement that provides the reader with a fiscal snapshot of South Carolina State University. The statement of net position consists of assets (current and noncurrent), deferred outflows of resources, liabilities (current and non-current), deferred inflows of resources, and net position (assets minus liabilities). Current assets consist primarily of cash and receivables. The current portion of the assets will be converted to cash within one year to be used to pay the current portion of the liabilities. Current liabilities consist principally of accounts payables and accrued compensation. These liabilities will be settled within one year. Noncurrent assets consist primarily of capital assets, net of accumulated depreciation. Noncurrent assets will not be converted to cash within one year. Noncurrent liabilities consist primarily of notes and bonds payables, net of the current portion, and accrued compensation, net

South Carolina State University

Management's Discussion and Analysis (unaudited)

of the current portion. Noncurrent liabilities will not be settled within one year. Deferred outflows of resources represents the consumption of net position that is applicable to a future reporting period. Deferred inflows of resources represents the acquisition of net position that is applicable to a future reporting period. net position is divided into three major categories. The first category, net investment in capital assets, provides the University's equity in property, plant, and equipment owned by the University. The next category is restricted net position, which is further divided into two categories, nonexpendable and expendable. The corpus of the nonexpendable restricted resources is for investment purposes only and therefore not available for expenditure. The expendable restricted net position is available for expenditure by the University, but is restricted for specific purposes based on defined restrictions by donors and/or external entities. The third category of net assets is unrestricted net position. These assets include balances from operations of education and general ("E&G") activities, auxiliary enterprises, quasi-endowments and unexpended plant funds and may be expended for any lawful purpose of the University.

Certain reclassifications have been made for presentation purposes.

The "Condensed Statement of Net Position" as shown below, presents a comparison of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position between June 30, 2016 and June 30, 2015:

Condensed Statement of Net Position

<i>June 30,</i>	2016	2015	Increase (Decrease)	Percent Change
Assets				
Current assets	\$ 19,793,509	\$ 14,846,992	\$ 4,946,517	33.32%
Noncurrent assets	11,811,100	11,548,429	262,671	2.27%
Capital assets, net	115,774,581	119,788,169	(4,013,588)	-3.35%
Total Assets	\$ 147,379,190	\$ 145,183,590	\$ 1,195,600	0.82%
Deferred Outflows of Resources	\$ 3,984,993	\$ 4,946,679	\$ (961,686)	-19.44%
Liabilities				
Current liabilities	\$ 19,269,255	\$ 23,680,040	\$ (4,410,785)	-18.63%
Noncurrent liabilities	133,358,127	134,092,115	(733,988)	-0.55%
Total Liabilities	\$ 152,627,382	\$ 157,772,155	\$ (5,144,773)	-3.26%
Deferred Inflows of Resources	\$ 3,984,993	\$ 4,946,679	\$ (961,686)	-19.44%
Net Position				
Net investment in capital assets	\$ 58,329,255	\$ 55,986,858	\$ 2,342,397	4.18%
Restricted - Nonexpendable	863,192	1,017,846	(154,654)	-15.19%
Restricted - Expendable	14,979,691	17,848,662	(2,868,971)	-16.07%
Unrestricted	(79,420,330)	(86,441,931)	7,021,601	8.12%
Total Net Position	\$ (5,248,192)	\$ (11,588,565)	\$ 6,340,373	54.71%

South Carolina State University

Management's Discussion and Analysis (unaudited)

The vast majority of current assets (59%) are composed of cash and cash equivalents, along with student and grant accounts receivables, net of allowance for doubtful accounts. Current liabilities consist primarily of accounts payable and accrual expenses, unearned revenues and the current portion of notes and bonds payable (84%).

The 33% increase in current assets is attributable to a \$2.5 million increase in cash and cash equivalents as a result of controlled cash management to in order to realized an improvement in the current ratio at the end of the year, and an increase in student account receivable of \$1.9 million as a result of decreased collections of outstanding balances. Current liabilities decreased by \$4.4 million (18.6%) from the prior year. The decrease is the net result of the receipt of a \$4 million special one-time appropriation State of South Carolina legislature, and a decrease in unearned revenue of \$1.0 million largely related to amounts earned during 2011. In addition, the repayments terms on the noncapital recovery loan from the State of South Carolina Budget Control Board was extended from 5 years to 18 years effective July 2016. The statewide bond refinancing that was completed in February 2016 resulting in the retiring of prior bonds, issued in 2003 and 2006, and the issuance of a new bond 2016 resulted in a decrease in noncurrent liabilities of \$0.7 million or 0.6%.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position are a presentation of the revenues earned and expenses incurred during the fiscal year. Revenues and expenses are reported as either operating or non-operating. The financial reporting model selected by public institutions classifies state appropriations, Pell grants, and gifts as non-operating revenues. Since the University is a public institution and depends upon state aid and gifts, the University's statement will result in an operating deficit, all things being equal. This statement will reflect the utilization of long-lived or capital assets in the form of depreciation expense. Depreciation expense amortizes the cost of a capital asset over its expected useful life.

Generally speaking, operating revenues are earned for providing goods and services to the various customers or students and constituencies of the University. Operating expenses are those expenses incurred to acquire or produce the goods and services provided. Operating revenues and expenses are a result of implementation of the University's mission. Nonoperating revenues are revenues received for which there is not a reciprocal agreement - no goods and services are provided.

South Carolina State University

Management's Discussion and Analysis (unaudited)

Condensed Statement of Revenues, Expenses, and Change in Net Position

<i>Year Ended June 30,</i>	2016	2015	(Decrease) Increase	Percent Change
Revenues				
Operating Revenues				
Student tuition and fees (net of allowance)	\$ 25,219,372	\$ 28,835,570	\$ (3,616,198)	-12.54%
Grants and contracts	17,500,059	18,846,207	(1,346,148)	-7.14%
Sales and services (net of allowance)	11,673,661	13,827,078	(2,153,417)	-15.57%
Other operating revenues	753,882	948,760	(194,878)	-20.54%
Total Operating Revenues	\$ 55,146,974	\$ 62,457,615	\$ (7,310,641)	-11.70%
Expenses				
Operating Expenses				
Salaries, wages and related employee benefits	\$ 41,193,437	\$ 48,527,397	\$ (7,333,960)	-15.11%
Services, supplies, and others	21,828,396	23,606,883	(1,778,487)	-7.53%
Utilities	2,669,440	3,551,093	(881,653)	-24.83%
Scholarships	10,928,342	16,344,600	(5,416,258)	-33.14%
Depreciation and amortization	4,940,852	5,014,154	(73,302)	-1.46%
Total Operating Expenses	\$ 81,560,467	\$ 97,044,127	\$ (15,483,660)	-15.96%
Net Operating Loss	\$ (26,413,493)	\$ (34,586,512)	\$ 8,173,019	23.63%
Nonoperating Revenues				
State appropriations	\$ 24,806,063	\$ 19,895,148	\$ 4,910,915	24.68%
Federal grants	9,763,969	11,082,230	(1,318,261)	-11.90%
Gifts	592,403	1,094,912	(502,509)	-45.89%
Interest, other investment income, and interest expense	(2,757,422)	(3,194,583)	437,161	-13.68%
Other nonoperating revenue	5,448	-	5,488	-
Net Nonoperating Revenues	\$ 32,410,461	\$ 28,877,707	\$ 3,532,754	12.23%
Net Income (Loss) Before Other Revenues, Expense, Gains or Losses	5,996,968	(5,708,805)	11,705,773	205.05%
Capital Grants, Gifts	343,405	159,746	183,659	114.97%
Change in Net Position	\$ 6,340,373	\$ (5,549,059)	\$ 11,889,432	214.26%
Net Position, beginning of year	\$ (11,588,565)	\$ (6,039,506)	\$ (5,549,059)	-91.88%
Net Position, end of year	\$ (5,248,192)	\$ (11,588,565)	\$ 6,340,373	54.71%

Operating revenues for student tuition and fees and the auxiliary enterprises have been presented net of scholarship allowances. A scholarship allowance is defined as the difference between the stated charge for goods and services provided by the institution and the amount that is billed to the student and/or third parties making payments on behalf of the student. The University's

South Carolina State University

Management's Discussion and Analysis (unaudited)

enrollment decreased by 277 students, or 52 full-time equivalents, which resulted in a 12.5% decrease in tuition and fees net of scholarship allowance. In addition, sales and services net of allowance decreased by 16% due to the decrease in enrollment as well as a re-allocation of revenue. Overall operating revenues decreased by \$7.3 million or 11.7% and nonoperating revenues (expenses) increased by approximately \$3.5 million or 12.2% largely as a result of increased state appropriations.

Overall operating expenses decreased by \$15.5 million or 16%, resulting from decreases of \$7.5 million in salaries & benefits and 19.6% related to staff reductions and retirements. Scholarships decreased by \$5.4 million or 33% as a result of a strict adherence to policy that institutional scholarships were nonrefundable which reduced the scholarship award once the students financial obligations was met.

The University's change in net position was \$6.3 million compared to (\$5.5) million in fiscal year 2015, which is an improvement of \$11.9 million or 214.3%. This is the net result of the decreases in operating revenues as well as operating expenditures and increase in net nonoperating revenues as described above.

Statement of Cash Flows

The final statement presented is the statement of cash flows. The statement of cash flows presents detailed information about the cash activity of the institution during the year. The statement is divided into five sections. The first section details operating cash flows and presents the net cash used by the operating activities of the University. The second section details cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third section details cash flows from capital and related financing activities. This section reflects cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and presents purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net operating loss on the statement of revenues, expenses, and changes in net position to the cash used by operating activities. This section is detailed in the financial statements of the University and is not included in this analysis.

South Carolina State University

Management's Discussion and Analysis (unaudited)

A synopsis of the statement of cash flows follows:

Condensed Statement of Cash Flows

<i>Year Ended June 30,</i>	2016	2015	(Decrease) Increase	Percent Change
Cash used by operating activities	\$ (30,256,758)	\$ (28,429,999)	\$ (1,826,559)	-6.43%
Cash provided by noncapital financing activities	38,162,435	38,072,290	90,145	0.24%
Cash used by capital debt and related financing activities	(5,776,055)	(6,916,141)	1,140,086	16.48%
Cash provided by investing activities	272,962	215,962	57,000	26.39%
Net Change in Cash and Cash Equivalents	\$ 2,402,584	\$ 2,942,112	\$ (539,528)	-18.34%
Cash and Cash Equivalents, beginning of year	18,437,962	15,495,850	2,942,112	18.99%
Cash and Cash Equivalents, end of year	\$ 20,840,546	\$ 18,437,962	\$ 2,402,583	13.03%

Cash and cash equivalents increased by \$2.4 million or 13% from the prior year. This is due in large part to the receipt of restricted cash for the 1890 Research program.

Capital Asset and Debt Administration

The University's statement of net position reflects total capital assets, net of accumulated depreciation, as of June 30, 2016 of \$115.8 million. This amount is presented net of accumulated depreciation and includes land, plant (facilities), equipment, and construction in progress.

The University's financial statements reflect \$76.0 million in notes and bonds payable. The University's bonded indebtedness consisted of: State institution bonds of \$24.1 million, student residential life building revenue notes of \$34.3 million, State Treasurer's Office Master Loan Program of \$2.5 million, State Budget Control Board Recovery loan of \$6 million and State of SC Blue Ribbon Committee loan of \$9 million. Revenue bonds for state institution bonds and student housing notes are paid with pledged net revenues. For additional information on debt administration, see Notes 8, 9, and 10 in the notes to the financial statements.

Capital assets, with an individual cost of \$5,000 per item, increased during the fiscal year by \$0.6 million. See Note 5 for further detail of the capital assets.

Economic Outlook

South Carolina State University for the second year in row experienced an increase in state appropriations (general, special and capital fund for deferred maintenance) after experiencing several years of dramatic declines (these significant decreases were experienced by all public institutions in South Carolina and throughout the country). State funds are allocated through the South Carolina General Assembly appropriations process. In order to meet the challenges of possible appropriation reductions the administration meets continually, reviews all programs and decisions are made that are in the best interest of the students and the University. The University has also strengthened and heightened its recruitment and fundraising efforts to assist in addressing the financial needs and increasing enrollment. Increasing enrollment will be the key to

South Carolina State University

Management's Discussion and Analysis (unaudited)

reducing and eliminating operating deficits and increasing unrestricted cash resources. One major cost to the University is deferred maintenance, which the University funds through general revenues as well as through state appropriations.

More Information

This financial report is designed to provide a general overview of the University's finances and to demonstrate the University's accountability for the funds it receives. Any questions regarding this report or requests for information may be addressed to the Acting Vice President for Finance and Management, Teare Brewington; 300 College Street, N.E. PO Box 7007; Orangeburg, South Carolina 29117-0001.

Financial Statements

South Carolina State University

Statement of Net Position

<i>June 30,</i>	2016
Assets	
Current Assets	
Cash and cash equivalents	\$ 4,818,154
Restricted cash and cash equivalents	7,300,056
Student accounts receivable (net of allowance for doubtful accounts of \$2,100,754)	2,973,950
Grants and contracts receivable	2,535,310
Other receivables	1,446,732
Prepaid expenses and other assets	719,307
Total Current Assets	19,793,509
Noncurrent Assets	
Restricted cash and cash equivalents	8,722,336
Student loans receivable (net of allowance for doubtful accounts of \$1,526,270)	2,976,144
Investments	112,620
Capital assets (net of accumulated depreciation of \$80,036,980)	115,774,581
Total Noncurrent Assets	127,585,681
Total Assets	147,379,190
Deferred Outflows of Resources	
Recovery of advanced disbursement of funds	(148,834)
Amounts related to net pension liability	4,133,827
Total Deferred Outflows of Resources	\$ 3,984,993

South Carolina State University

Statement of Net Position

<i>June 30,</i>	2016
Liabilities	
Current Liabilities	
Accounts payable and accrued expenses	\$ 9,228,827
Accrued payroll and related liabilities	1,676,251
Unearned revenues	836,818
Student deposits	1,958
Funds held for others	238,264
Accrued interest payable	1,726,163
Compensated absences payable, current portion	1,203,259
Notes and bonds payable, current portion	4,357,715
Total Current Liabilities	19,269,255
Noncurrent Liabilities	
Compensated absences payable, long-term portion	1,567,908
Notes and bonds payable, long-term portion	71,594,463
Net pension liability	58,954,383
Federal loan fund contributions	1,241,373
Total Noncurrent Liabilities	133,358,127
Total Liabilities	152,627,382
Deferred Inflows of Resources	
Amounts related to net pension liability	3,984,993
Total Deferred Inflows of Resources	3,984,993
Net Position	
Net investment in capital assets	58,329,255
Restricted for:	
Nonexpendable:	
Endowed professorships and scholarships	863,192
Expendable:	
Student loans	3,173,333
Debt service	1,707,887
Capital project	433,304
Research and other specific programs	9,665,167
Unrestricted	(79,420,330)
Total Net Position	\$ (5,248,192)

See accompanying notes to financial statements.

South Carolina State University

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30,	2016
Revenues	
Operating Revenues	
Student tuition and fees (net of scholarship allowances of \$7,097,593)	\$ 22,222,459
Student tuition and fees pledged for debt service	2,996,913
Federal grants and contracts	13,361,685
State grants and contracts	3,840,382
Nongovernmental grants and contracts	297,992
Sales and services of educational and other activities	2,478,043
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,422,473)	4,797,769
Sales and services of auxiliary enterprises pledged for debt service	4,397,849
Other operating revenues	753,882
Total Operating Revenues	55,146,974
Expenses	
Operating Expenses	
Salaries and wages	33,140,842
Employee benefits	8,052,595
Services and supplies	21,828,396
Utilities	2,669,440
Scholarships	10,928,342
Depreciation and amortization	4,940,852
Total Operating Expenses	81,560,467
Net Operating Loss	(26,413,493)
Nonoperating Revenues	
State appropriations	24,806,063
Federal grants	9,763,969
Gifts	592,403
Interest and other investment income	268,703
Interest expense	(3,026,125)
Other nonoperating revenues	5,448
Net Nonoperating Revenues	32,410,461
Net Income Before Other Revenues, Expenses, Gains or Losses	5,996,968
Capital Grants and Gifts	343,405
Change in Net Position	6,340,373
Net Position, beginning of year	(11,588,565)
Net Position, end of year	\$ (5,248,192)

See accompanying notes to financial statements.

South Carolina State University

Statement of Cash Flows

<i>Year Ended June 30,</i>		2016
Operating Activities		
Student tuition and fees	\$	23,492,569
Grants and contracts		16,437,132
Sales and services of educational and other activities		2,308,182
Sales and services of auxiliary enterprises		8,565,290
Receipts from other operating revenues		(103,728)
Payments to employees for salaries and benefits		(40,940,873)
Payments to suppliers for goods and service		(28,904,908)
Payments to students		(10,928,342)
Inflows from Federal direct loans		33,867,082
Outflows from Federal direct loans		(33,577,245)
Loans issued to students		(270,850)
Collection of loans issued to students		(412,299)
Receipts of funds held for others		2,763,697
Payments of funds held for others		(2,552,465)
Net Cash Used by Operating Activities		(30,256,758)
Noncapital Financing Activities		
State appropriations		24,806,063
Federal grants and contracts		9,763,969
Gifts		592,403
Proceeds from noncapital debt		3,000,000
Net Cash Provided by Noncapital Financing Activities		38,162,435
Capital Debt and Related Financing Activities		
Proceeds from federal capital grant		343,405
Purchases of capital assets		(910,685)
Loss on disposal of capital assets		(16,579)
Issuance costs paid on capital related debt		(106,126)
Proceeds from capital related debt		22,945,645
Principal paid on capital debt		(25,519,546)
Interest paid on capital related debt		(2,512,169)
Net Cash Used by Capital Debt and Related Financing Activities		(5,776,055)
Investing Activities		
Interest on deposits and investments		272,337
Purchase of investments		625
Net Cash Provided by Investing Activities		272,962
Net Change in Cash and Cash Equivalents		2,402,584
Cash and Cash Equivalents, beginning of year		18,437,962
Cash and Cash Equivalents, end of year	\$	20,840,546

South Carolina State University

Statement of Cash Flows

Year Ended June 30,

2016

Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities

Net operating loss	\$	(26,413,493)
Adjustments to reconcile net operating loss to net cash used by operating activities:		
Depreciation expense		4,940,852
Changes in assets and liabilities:		
Accounts receivable, net		(1,867,726)
Grants and contracts receivables		(405,900)
Other receivables		(567,773)
Prepaid expenses and other assets		(494,432)
Student loans receivable, net		111,082
Accounts payable and accrued expenses		(4,256,045)
Accrued payroll and related liabilities		(204,025)
Unearned revenues		(974,788)
Student deposits		1,900
Funds held for others		211,232
Compensated absences payable		(181,820)
Net pension liability		638,409
Federal loan fund contributions		(794,231)

Net Cash Used by Operating Activities	\$	(30,256,758)
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Noncash Transactions:

Decrease in fair value of deposits and investments	\$	(98,710)
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Reconciliation of Cash and Cash Equivalent Balances

Current Assets		
Cash and cash equivalents	\$	4,818,154
Restricted cash and cash equivalents		7,300,056
Noncurrent Assets		
Restricted cash and equivalents		8,722,336

Total Cash and Cash Equivalents	\$	20,840,546
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See accompanying notes to financial statements.

Discretely Presented Component Unit

South Carolina State University Foundation, Inc.

Statement of Financial Position

December 31,	2015
Assets	
Cash and cash equivalents	\$ 1,086,666
Pledges receivable, net	101,208
Investments	6,253,589
Art collections	539,409
Activity bus	123,200
Land	23,700
Total Assets	\$ 8,127,772
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	\$ 319,783
Total Liabilities	\$ 319,783
Net (Deficit) Assets	
Unrestricted	\$ (467,023)
Temporarily restricted	3,847,533
Permanently restricted	4,427,479
Total Net Assets	7,807,989
Total Liabilities and Net Assets	\$ 8,127,772

See accompanying notes to financial statements.

South Carolina State University Foundation, Inc.

Statement of Activities

<i>Year ended December 31, 2015</i>	Unrestricted	Temporarily Restricted	Permanent Restricted	Total
Revenues				
Contributions	\$ 324,074	\$ 2,569,307	\$ 141,849	\$ 3,035,230
Investment income	-	(45,731)	-	(45,731)
Administrative fee income	130,177	-	-	130,177
Net assets released from restrictions	1,597,228	(1,597,228)	-	-
Total Revenues	2,051,479	926,348	141,849	3,119,676
Expenses				
Program				
Scholarships	566,217	-	-	566,217
Educational programs and development	1,295,463	-	-	1,295,463
Total Program expenses	1,861,680	-	-	1,861,680
Management and general	175,938	-	-	175,938
Fund-raising	38,409	-	-	38,409
Total Expenses	2,076,027	-	-	2,076,027
Operating (Loss) Income	(24,548)	926,348	141,849	1,043,649
Donor reclassifications	284,063	(299,563)	15,500	-
Change in Net Assets	259,515	626,785	157,349	1,043,649
Net Assets, at beginning of year prior				
to adjustment	(726,538)	3,257,664	4,498,099	7,029,225
Prior period adjustment	-	(36,916)	(227,969)	(264,885)
Net Assets, beginning of year				
after adjustment	(726,538)	3,220,748	4,270,130	6,764,340
Net Assets, end of year	\$ (467,023)	\$ 3,847,533	\$ 4,427,479	\$ 7,807,989

See accompanying notes to financial statements.

South Carolina State University

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Operations

South Carolina State University (the "University") is a coeducational institution of higher education supported by the State of South Carolina (the "State"). The University serves local, regional, state, national, and international communities by providing academic instruction, conducting research and other activities that advance fundamental knowledge, and by disseminating knowledge to the public.

Reporting Entity

The financial reporting entity, as defined by Governmental Accounting Standards Board ("GASB") Codification Section 2600, *Reporting Entity and Component Unit Presentation and Disclosure*, 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 relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. The accompanying financial statements present only that portion of the funds of the State of South Carolina that is attributable to the transactions of the University and its component units unless otherwise unavailable as discussed below.

South Carolina State University Foundation, Inc. (the "Foundation") is a legally separate, tax-exempt component unit of the University. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University, and is discretely presented in the University's financial statements. Copies of the separately issued financial statements of the Foundation can be obtained by sending a request to South Carolina University Foundation, Post Office Box 7187, Orangeburg, South Carolina 29117.

The University is part of the primary government of the State of South Carolina.

Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

South Carolina State University

Notes to Financial Statements

The Foundations are private nonprofit organizations that report under Financial Accounting Standards Board (“FASB”), reporting requirements, including FASB Accounting Standards Codification Topics relevant to not-for-profit entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundations’ financial information in the University’s financial reporting entity for these differences. The Foundations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the financial statements, the University 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 University accounts for its investments at fair value in accordance with GASB Codification Section 150, *Investments*. 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. The Foundation’s investment in securities and donated negotiable assets are stated at market value. Investment income is reported net of investment fees and service charges.

Receivables

Student accounts receivable consists of tuition and fees charged to students, and auxiliary enterprise sales and services provided to students, faculty and staff. Student accounts receivable are recorded net of estimated uncollectible amounts.

Grants and contracts receivable include amounts due from the federal, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University’s grants and contracts and for reimbursements of other expenses.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. The University follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The University capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense is incurred.

South Carolina State University

Notes to Financial Statements

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements, and 2 to 25 years for machinery, equipment, and vehicles. Depreciation is calculated based on the number of months the item is in use during the year.

The University capitalizes as a component of construction in progress interest costs in excess of earnings on debt associated with the capital projects; therefore asset values in capital assets include such interest costs.

Unearned Revenues

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, and the unamortized portion of the unearned capital contributions from outside contributors.

Student Deposits

Deposits include dormitory room deposits, advance tuition payments, and other miscellaneous deposits. Student deposits are recognized as revenue during the semester for which the fee is applicable and earned when the deposit is non-refundable to the student under the forfeit terms of the agreement.

Compensated Absences Payable

Employee vacation pay expense is accrued at year end for financial statement purposes. The liability and expense incurred are recorded at year end as compensated absences payable in the statement of net position, and as components of compensation expenses in the statement of revenues, expenses, and changes in net position.

Federal Perkins Loans Receivable and Related Federal Loan Fund Contributions

Certain student loans receivable on the statement of net position are due to the University under the Federal Perkins Loan Program. This program is funded primarily by the federal government with the University providing a required match. The amount reported as federal loan fund contributions is the amount of cumulative federal contributions and a pro-rata share of net earnings on the loans under this program that would have to be repaid to the federal government if the University ceases to participate in the program. The University recognizes as revenue and expenses only the portion attributable to its matching contribution.

Net Position

The University's Net Position is classified as follows:

Net investment in capital assets: This represents the University'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.

South Carolina State University

Notes to Financial Statements

Restricted net position - nonexpendable: Nonexpendable restricted net position consist of endowment and similar type funds in 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 include resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted net position: Unrestricted net position represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources may be used at the discretion of the governing board to meet current expenses. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff. The University's policy for applying expenses that can use both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources then to unrestricted resources.

Income Taxes

The University, as a political subdivision of the State of South Carolina, is generally excluded from federal and state income taxes under the applicable federal and state statutes and regulations on income. Certain transactions and activities of the University may be subject to taxation as unrelated business income.

The Foundation is a private not-for-profit foundation within the definition of Section 509(a) of the Internal Revenue Code and are exempt from taxes under Section 501(c)(3).

Classification of Revenues and Expenses

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

Operating revenues and expenses: Operating revenues generally result from exchange transactions to provide goods or services related to the University's principal on-going operations. These revenues include (1) student tuition and fees received in exchange for providing educational services, housing, and other related services to students; (2) receipts for scholarships where the provider has identified the student recipients; (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the University; and (4) grants and contracts that are essentially the same as contracts for services that finance programs the University would not otherwise undertake. 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 nonexchange 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 paid on capital asset related debt, losses on disposal of capital assets, and refunds to grantor.

South Carolina State University

Notes to Financial Statements

Sales and Services of Educational and Other Activities

Revenues from sales and services of educational and other activities generally consist of amounts received from athletic programs, laboratory school and other activities that incidentally create goods and services which may be sold to students, faculty, staff, and the general public.

Auxiliary Enterprises and Internal Service Activities

Auxiliary enterprise revenues are primarily generated by the dormitories, dining services, bookstore and health center.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenditures and affect disclosure of contingent amounts as of the date of the financial statements. Actual results could differ from those estimates.

Donor Restricted Assets

The University policy for the treatment of net appreciation (depreciation) on investments of donor restricted endowments increases or decreases the principal. These amounts are not authorized for expenditure.

2. Cash and Cash Equivalents, Deposits and Investments

Most deposits and investments of the University are under the control of the State Treasurer who, by law, has sole authority of investing State funds. Certain restricted deposits and investments are held by financial institutions.

South Carolina State University

Notes to Financial Statements

The following are cash and cash equivalents, deposits and investments (at cost) as of:

<i>Statement of Net Position</i>	South Carolina State University June 30, 2016	South Carolina State University Foundation, Inc. December 31, 2015
Current - cash and cash equivalents	\$ 4,818,154	\$ 1,086,666
Current - restricted cash and cash equivalents		
Loan funds	1,105,068	-
Research and other specific programs	6,194,988	-
Total current restricted cash and cash equivalents	7,300,056	-
Noncurrent restricted cash and cash equivalents		
Debt service	7,161,695	-
Capital projects	860,069	-
Endowments	750,572	-
Total noncurrent restricted cash and cash equivalents	8,772,336	-
Investments	112,620	6,253,589
Total	\$ 21,003,166	\$ 7,340,255
 <i>Deposits</i>		
Cash on hand	\$ 280	\$ -
Deposits held by financial institutions	3,103,442	7,340,255
Deposits held by State Treasurer	17,899,444	-
Total	\$ 21,003,166	\$ 7,340,255

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the University's deposits may not be returned to it. 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. Information pertaining to the reported amounts, fair values, and credit risk of the State Treasurer's deposits is disclosed in the Comprehensive Annual Financial Report of the State of South Carolina.

South Carolina State University

Notes to Financial Statements

With respect to investments in the State's internal cash management pool, all of the State Treasurer's investments are insured or registered or are investments for which the securities are held by the State or its agents in the State's name. Information pertaining to the reported amounts, fair values, and credit risk of the State Treasurer's investments is disclosed in the Comprehensive Annual Financial Report of the State of South Carolina.

The University's and the Foundation's other deposits are entirely insured or collateralized with securities held by the entity or by its agent in the entities name, or collateralized with securities held by the pledging financial institution's Trust Department or Agent in the entity's name.

Investments Held by State Treasurer

At June 30, 2016, the University's investments held by State Treasurer are as follows:

<i>Investment Type</i>	<i>Fair Value</i>	<i>Maturity</i>
Common Stock	\$ 16,700	NA
Series 1984 Agricultural College Stock	95,900	2035
Total	\$ 112,600	

Investments Held by State Treasurer

These investments consist of Series 1984 Agricultural College stock with a carrying amount of \$95,900 held by the State Treasurer until they mature in 2035. While outstanding, the State is required to pay the University 6% per year.

The investment types listed above include all investment types in which monies were held throughout the fiscal year and the balances therein fluctuated minimally in excess of the fiscal year end balances.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk is the risk of loss attributed to the magnitude of the University investment in a single issuer. The University does not have a formal investment policy that requires investments to be spread among more than a single issuer.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University does not have a formal policy for handling investment credit risk.

Custodial credit risk occurs in the event that investment securities are uninsured and are not registered in the name of the University, and there is a failure of the counterparty. At year end, the University was not exposed to custodial credit risk. The U.S. Government securities are on deposit with the University's fiduciary agent, which holds these securities by book entry in its fiduciary Federal Reserve accounts. The University's ownership of these securities is identified through the internal records of the fiduciary agent.

South Carolina State University

Notes to Financial Statements

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The University is not at risk for foreign currency risk.

Investments - Nongovernmental Discretely Presented Component Unit

South Carolina State University Foundation, Inc.

Investment earnings in pooled or common investments in which multiple funds are invested are allocated among the funds in a proportion of each fund's beginning fair value total.

At December 31, 2015, South Carolina State University Foundation, Inc.'s investments are as follows:

<i>Investments carried at fair value</i>		Fair Value
Money market funds	\$	437,320
Equities		3,171,512
Mutual funds		266,537
Fixed income		1,212,240
Real estate investment trust		287,623
Hedge funds		711,105
Commodities		114,665
Certificates of deposit		52,587
Total investments carried at fair value	\$	6,253,589

3. Student Accounts and Loans Receivable

Student accounts receivable as of June 30, 2016, are summarized as follows:

	Tuition and Fees	Auxiliary Services	Total
Student accounts receivable	\$ 3,206,784	\$ 1,867,920	\$ 5,074,704
Less allowance for doubtful accounts	(1,327,499)	(773,255)	(2,100,754)
Net student accounts receivable	\$ 1,879,285	\$ 1,094,665	\$ 2,973,950

South Carolina State University

Notes to Financial Statements

Student loans receivable consisted of the following:

<i>June 30,</i>	2016
Federal Perkins Loan Program	\$ 1,261,126
African American Loan Fund	1,227,959
Education Improvement Act	2,013,329
Gross student loans receivable	4,502,414
Less allowance for doubtful accounts	(1,526,270)
Net student loans receivable	\$ 2,976,144

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

4. Grants and Contracts Receivable

Grants and contracts receivable consisted of the following:

<i>June 30,</i>	2016
Federal	\$ 2,279,789
State	210,419
Nongovernmental	45,102
Total grants and contracts receivable	\$ 2,535,310

South Carolina State University

Notes to Financial Statements

5. Capital Assets

Capital assets activity for the year ended June 30, 2016 is summarized as follows:

	Beginning Balance July 1, 2015	Increases	Decreases	Ending Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 2,573,180	\$ -	\$ -	\$ 2,573,180
Construction in-progress	215,588	343,405	-	558,993
Total capital assets not being depreciated	2,788,768	343,405	-	3,132,173
Depreciable capital assets:				
Land improvements	2,824,186	-	-	2,824,186
Buildings and improvements	174,335,966	-	1,882,228	172,453,738
Machinery, equipment, and other	15,552,030	515,462	-	16,067,492
Vehicles	1,504,522	51,818	222,368	1,333,972
Total capital assets being depreciated	194,216,704	567,280	2,104,596	192,679,388
Less accumulated depreciation for:				
Land improvements	(864,193)	(127,755)	-	(991,948)
Buildings	(62,697,819)	(3,762,365)	1,898,808	(64,561,376)
Machinery, equipment, and other	(12,212,319)	(1,016,350)	-	(13,228,669)
Vehicles	(1,442,972)	(34,382)	222,367	(1,254,987)
Total accumulated depreciation	(77,217,303)	(4,940,852)	2,121,175	(80,036,980)
Total capital assets being depreciated, net	116,999,401	(4,373,572)	16,579	112,642,408
Capital assets, net	\$ 119,788,169	\$ (4,030,167)	\$ 16,579	\$ 115,774,581

South Carolina State University

Notes to Financial Statements

6. Unearned Revenues

Unearned revenues consisted of the following:

<i>June 30,</i>		2016
Academic and other fees - second summer session	\$	443,437
Sponsored research and other programs		51,983
Bond premium deferred interest		3,506,853
Donated capital gift		275,238
Athletic event receipts - fall semester		66,160
Total unearned revenues	\$	4,343,671

7. Lease Obligations

The University has noncancelable operating leases having remaining terms of more than one year and expiring in various fiscal years from 2017 to 2018. Certain operating leases provide for renewal options for periods three to five years at their fair rental value at the end of their lease term. Total operating lease payments were \$404,288 for fiscal year 2016.

During fiscal year end June 30, 2016, the University negotiated a settlement agreement with Ontario Investments, Inc. that provided a lump-sum payout of \$275,000 which terminated the lease with the final payment. The final payment was made on April 13, 2016.

The future minimum lease payments for noncancelable operating leases at June 30, 2016 are as follows:

<i>Year Ending June 30,</i>		Operating Leases
2017	\$	3,242
Total minimum lease payments	\$	3,242

South Carolina State University

Notes to Financial Statements

8. Bonds and Notes Payable

Bonds and notes payable consisted of the following at June 30, 2016:

	Interest Rates	Maturity Dates	Balance
General Obligation Bonds, Series 2006D	4.00-5.00%	2007-2017	\$ 1,485,000
General Obligation Bonds, Series 2016A	4.00%	2016-2028	19,140,000
Plus unamortized bond premiums	n/a	n/a	3,506,853
Total Bonds Payable			24,131,853
Note Payable - Student Housing Part 2	5.830%	2013-2035	34,303,334
Note Payable - Master Lease Note 1	3.890%	2013-2017	73,992
Note Payable - Master Lease Note 2	3.836%	2013-2017	51,546
Note Payable - Master Lease Note 3	3.613%	2013-2019	238,027
Note Payable - Master Lease Note 4	5.079%	2013-2019	583,914
Note Payable - Master Lease Note 5	4.130%	2013-2019	1,569,512
Note Payable - Recovery Loan	1.000%	2015-2020	6,000,000
Note Payable - Blue Ribbon Loan	0.000%	n/a	9,000,000
Total Notes Payable			51,820,325
Total Bonds and Notes Payable			\$ 75,952,178
Current			4,357,715
Noncurrent			71,594,463
Total Bonds and Notes Payable			\$ 75,952,178

General Obligation Bonds

The General Obligation Bonds, Series 2003G mature serially and after June 1, 2014 are subject to redemption in whole or if in part on June 1, 2013 and all subsequent payment dates in inverse chronological order of maturity, at the option of the State of South Carolina, at the following redemption prices: June 1, 2013 and December 1, 2013 at 101%; June 1, 2014 and thereafter at par. State of South Carolina did not redeem the bonds on June 1, 2013. Interest is payable semi-annually at rates from 3.00% to 4.125%. The General Obligation Bonds, Series 2003G were retired as part of a statewide bond refinancing project initiated by the South Carolina State Treasurer's Office. The refinancing was finalized February 2016 and resulted in the retiring of the General Obligation Bonds, Series 2003G bond in June 2016.

South Carolina State University

Notes to Financial Statements

The General Obligation Bonds, Series 2006D mature serially each October beginning in 2007 with final maturity in 2027. Bonds maturing on or after October 2017 may be redeemed by the State in any order determined by the State after that date, at par plus accrued interest. Interest is payable each April and October 1, beginning in 2007 at rates from 4.00% to 5.00%. The General Obligation Bonds, Series 2006D were retired as part of a statewide bond refinancing project initiated by the South Carolina State Treasurer's Office. The refinancing was finalized February 2016 and resulted in the retiring of \$20.2 million of the General Obligation Bonds, Series 2006 bond in June 2016. The remaining balance will be retired October 2016.

The General Obligation Bonds, Series 20016A was issued as part of a statewide bond refinancing project initiated by the South Carolina State Treasurer's Office. The bonds mature serially each April beginning in 2017 with final maturity in 2028. Bonds maturing on or after October 2017 may be redeemed by the State in any order determined by the State after that date, at par plus accrued interest. Interest is payable each April and October 1, beginning in October 2016 at rate of 4.00%.

The Constitution of the State of South Carolina requires that the amount of the University's required debt service does not exceed 90% of pledged tuition revenues received for the preceding year. Tuition revenue is pledged up to the amount of the annual debt requirements for the payment of principal and interest on General Obligation Bonds. Tuition fees used to calculate the University's debt service limit on bonded indebtedness for the preceding year were \$2,991,326 which results in a legal annual debt service at June 30, 2016 of \$2,692,194. The annual debt service payments for the fiscal year ended June 30, 2016 were \$2,862,832. Tuition revenue pledged in fiscal year 2015 was \$3,012,052 which results in a legal debt limit of \$2,710,847.

Scheduled maturities of General Obligation Bonds at June 30, 2016 are as follows:

*General Obligation Bonds Series 2006D
and 2016A*

	Principal	Interest	Total
2017	\$ 1,485,000	\$ 866,525	\$ 2,351,525
2018	1,420,000	765,600	2,185,600
2019	1,475,000	708,800	2,183,800
2020	1,535,000	649,800	2,184,800
2021-2025	8,645,000	2,277,800	10,922,800
2026-2028	6,065,000	491,400	6,556,400
Total	\$ 20,625,000	\$ 5,759,925	\$ 26,384,925

Notes Payable - Student Housing

Notes payable to construct housing facilities in 2006 were financed in two parts from the proceeds of two tax-exempt bond issues made by the lending private financial institution through Capital Loan Agreement ("Agreement") under the Historically Black Colleges and Universities ("HBCU") Capital Financing Program. The first part was fully retired in 2012. The second part is payable in semi-annual installments of approximately \$1,431,416 beginning in 2013 until it matures in 2035. The loan is secured by the revenues from the housing facility.

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Notes to Financial Statements

The University established an escrow account in accordance with the Agreement and assigned all of its rights and interests to the trustee for the lending financial institution. The use of the escrow funds are governed, in part, by a trust indenture which provides for claims against the escrow account for a share of defaulted loans of other borrowers participating in the HBCU Capital Financing Program. The balance of escrow account in the amount of \$3,103,442 is included in noncurrent restricted cash and cash equivalents for debt service at June 30, 2016.

The Agreement contains various performance covenants and limits the incurrence of new debt by the University. Certain covenant requires the net housing revenues are equal to at least 125% of maximum annual debt service and such that revenues are equal to at least 100% of operating expenses, maximum annual debt service and escrow account payments. As of June 30, 2016, the University was compliant with its financial metric loan covenants. In January 2017, the University obtained an extension through February 15, 2016 for its financial reporting submission loan covenants that required the University to submit its audited 2016 financial statements within 180 days from June 30, 2016.

Scheduled maturities of notes payable - student housing part II at June 30, 2016 are as follows:

*Notes Payable - Student Housing
Part II*

	Principal	Interest	Total
2017	\$ 1,096,085	\$ 1,766,747	\$ 2,862,832
2018	1,153,605	1,709,228	2,862,833
2019	1,213,555	1,649,278	2,862,833
2020	1,268,863	1,593,969	2,862,832
2021-2025	7,461,399	6,852,762	14,314,161
2026-2030	9,648,687	4,663,474	14,312,161
2031-2035	12,461,140	1,863,015	14,324,155
Total	\$ 34,303,334	\$ 20,098,473	\$ 54,401,807

Notes Payable - Master Lease

The University issued two notes payable in 2007 in order to acquire certain equipment. The first note requires annual payments of \$76,868 at annual interest of 3.89% and matures in March 2017. The second note requires annual payments of \$53,523 at annual interest of 3.8355% and matures in May 2017.

In fiscal year 2009, the University issued two additional notes payable in order to acquire certain equipment. The note in the amount of \$925,000 was issued on September 25, 2008 which requires a quarterly payment of \$27,656 at annual interest of 3.6125% and matures in September 2018. The other note in the amount of \$1,647,000 was issued on June 24, 2009 which requires a quarterly payment of \$52,769 at annual interest of 5.079% and matures in June 2019.

In fiscal year 2010, the University issued an additional note payable in order to acquire additional equipment. The note in the amount of \$4,700,960 was issued on June 25, 2010 which requires a quarterly payment of \$176,556 until 2015 and \$107,471 thereafter at annual interest of 4.3788%. The note matures in June 2020.

South Carolina State University

Notes to Financial Statements

Scheduled maturities of notes payable - master lease at June 30, 2016 are as follows:

<i>Note Payable - Master Lease Note 1</i>	Principal	Interest	Total
2017	\$ 73,992	\$ 2,876	\$ 76,868

<i>Note Payable - Master Lease Note 2</i>	Principal	Interest	Total
2017	\$ 51,546	\$ 1,977	\$ 53,523

<i>Note Payable - Master Lease Note 3</i>	Principal	Interest	Total
2017	\$ 103,416	\$ 7,208	\$ 110,624
2018	107,203	3,421	110,624
2019	27,408	248	27,656
Total	\$ 238,027	\$ 10,877	\$ 248,904

<i>Note Payable - Master Lease Note 4</i>	Principal	Interest	Total
2017	\$ 184,901	\$ 26,173	\$ 211,074
2018	194,473	16,601	211,074
2019	204,540	6,534	211,074
Total	\$ 583,914	\$ 49,308	\$ 633,222

<i>Note Payable - Master Lease Note 5</i>	Principal	Interest	Total
2017	\$ 367,129	\$ 62,754	\$ 429,883
2018	383,471	46,412	429,883
2019	400,541	29,342	429,883
2020	418,371	11,512	429,883
Total	\$1,569,512	\$ 150,020	\$1,719,532

South Carolina State University

Notes to Financial Statements

Notes Payable SC Budget Control Board Operating Loan

The University obtained a loan from South Carolina Budget Control Board in the amount of \$6 million that was issued June 30, 2014. Required annual payments began in 2015 and has an annual interest rate of 1.0%. The note matures in June 2035.

<i>Note Payable - SC BCB Operating Loan</i>	Principal	Interest	Total
2017	\$ 702,402	\$ 7,671	\$ 710,073
2018	351,548	3,488	355,036
2019	351,780	3,257	355,037
2020	351,011	3,025	354,036
2021-2025	1,762,536	11,647	1,774,183
2026-2030	1,768,350	5,832	1,774,182
2031-2032	712,373	1,635	714,008
Total	\$ 6,000,000	\$ 36,555	\$ 6,036,555

Notes Payable SC Blue Ribbon Loan

In fiscal year 2015, the Blue Ribbon Committee, appointed by the South Carolina State Legislature, awarded the University a \$12 million loan to be provided to the University over three years in annual installments of \$6 million, \$4 million and \$2 million, in fiscal 2015, 2016 and 2017, respectively. The University received the initial installment of \$6 million during the fiscal year 2015. The University received an installment of \$3 million during fiscal year 2016 and the remaining \$3 million subsequent to fiscal year 2016. See Note 18 for further information.

The South Carolina State Legislature passed a Joint Resolution, 2016 Act 286 (S. 1166) the provided for forgiveness of the SC Blue Ribbon Loan over a period of three years effective fiscal year 2017. The loan will be forgiven in increments of \$8 million in fiscal 2017, and \$2 million fiscal years 2018 and 2019.

South Carolina State University

Notes to Financial Statements

The University reported principal payments and interest expense related to the bonds and notes payable for the year ended June 30, 2016 as follows:

<i>Bond and Note</i>	Principal	Interest
General Obligation Bonds, Series 2003G	\$ 2,075,000	\$ 67,257
General Obligation Bonds, Series 2006D	21,655,000	972,563
Note Payable - Student Housing Part 2	1,041,635	1,821,197
Note Payable - Master Lease Note 1	71,223	9,526
Note Payable - Master Lease Note 2	49,642	-
Note Payable - Master Lease Note 3	99,763	10,861
Note Payable - Master Lease Note 4	175,800	35,274
Note Payable - Master Lease Note 5	351,483	78,400
Total	\$ 25,519,546	\$ 2,995,078

9. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2016 was as follows:

	June 30, 2015	Additions	Reductions	June 30, 2016	Due within one year
Compensated absences payable	\$ 2,952,987	\$ 186,194	\$ 368,014	\$ 2,771,167	\$ 1,203,259
General obligation bonds payable	25,215,000	19,140,000	23,730,000	20,625,000	1,485,000
Unamortized bond premiums	-	3,805,645	298,792	3,506,853	293,244
Notes payable	50,609,871	3,000,000	1,789,546	51,820,325	2,579,471
Total	\$ 78,777,858	\$26,131,839	\$ 26,186,352	\$ 78,723,345	\$ 5,560,974

Additional information regarding bonds payable is included in Note 8.

10. Contingencies, Litigation, and Project Commitments

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

The University participates in certain federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

South Carolina State University

Notes to Financial Statements

The University had outstanding commitments under construction contracts of approximately \$9,750 for capital projects. The University anticipates funding these projects out of General Obligation Bonds.

The University is contingently liable, under the Capital Project Loan Agreement described in Note 8, for a portion of certain notes payable of other HBCU's under the HBCU Capital Financing program. The liability is limited to 5% of the cumulative advances under the Capital Project Loan Agreement. The contingent liability is secured by the South Carolina State University Escrow Account, also described in Note 8. As of June 30, 2016, total charges of \$22,849 have been made against the Escrow Account pursuant to the default of another borrower in the HBCU Capital Finance Program

11. Pension Plan

The South Carolina Public Employee Benefit Authority ("PEBA"), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11 member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of 5 elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. PEBA issues a comprehensive annual financial report ("CAFR") containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. A copy of PEBA's CAFR is publicly available on the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective 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 allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

The State Optional Retirement Program ("ORP") is a defined contribution plan that is offered as an alternative to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by 1 of 4 investment providers.

The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective 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 allowances and other benefits for police officers and firemen of the state and its political subdivisions.

South Carolina State University

Notes to Financial Statements

Membership

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

SCRS - Generally, all employees of covered employers, such as the University, 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 II member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class III member.

State ORP - As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program ("State ORP"), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by 1 of 4 investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the retirement systems for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (8.16%) and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (5.91%) and an incidental death benefit contribution (0.15%), 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; or to serve as 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 II member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class III member.

South Carolina State University

Notes to Financial Statements

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. A brief summary of benefit terms for each system is presented below:

SCRS - A Class II member who has separated from service with at least 5 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 III member who has separated from service with at least 8 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 II and Class III members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the 5 or 8 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 benefit formula for full benefits effective since July 1, 1989 for the SCRS is 1.82% of an employee's average final compensation ("AFC") multiplied by the number of years of credited service. For Class II members, AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave. For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. An incidental death benefit is also available to beneficiaries of active and retired members.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 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 II member who has separated from service with at least 5 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 III member who has separated from service with at least 8 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 II and Class III members are eligible to receive a deferred annuity at age 55 with 5 or 8 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 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

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Notes to Financial Statements

Disability annuity benefits are available to Class II members if they have permanent incapacity to perform regular duties of the member's job and they have at least 5 years of earned service (this requirement does not apply if the disability is a result of a job related injury). Class III members can apply for disability annuity benefits provided they have a permanent incapacity to perform the regular duties of the member's job and they have a minimum of eight years of credited service. For disability applications received after December 31, 2013, a member of SCRS will have to be approved for disability benefits from the Social Security Administration in order to be eligible for SCRS disability retirement benefits. An incidental death benefit equal to an employee's annual rate of compensation is payable upon the death of an active employee with a minimum of one year of credited service or to a working retired contributing member. There is no service requirement for death resulting from actual performance of duties for an active member. For eligible retired members, a lump-sum payment is made to the retiree's beneficiary of up to \$6,000 based on years of service at retirement.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 % of earnable compensation for SCRS and 5 % for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than 0.5% in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a 30 year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the 30 year amortization period; and, this increase is not limited to 0.5% per year.

Required employee contribution rates for fiscal year 2015-2016 are as follows:

SCRS

Employee Class II	8.16% of earnable compensation
Employee Class III	8.16% of earnable compensation

State ORP Employee

8.16% of earnable compensation

PORS

Employee Class II	8.74% of earnable compensation
Employee Class III	8.74% of earnable compensation

South Carolina State University

Notes to Financial Statements

Required employer contributions for fiscal year 2015-2016 are as follows:

SCRS

Employer Class II	10.91% of earnable compensation
Employer Class III	10.91% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

State ORP

Employer Contribution	5.91% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

PORS

Employer Class II	13.34% of earnable compensation
Employer Class III	13.34% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

Of the ORP contribution of 10.91% of earnable compensation, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to SCRS.

Contributions to the SCRS, ORP, and PORS pension plans from the University were \$3,422,719, \$659,245 and \$94,036, respectively, for the year ended June 30, 2016.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive ("TERI") Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to 5 years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any benefit adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit, and are ineligible for disability retirement benefits. The TERI program will end effective June 30, 2018 and a member's participation may not continue after this date. TERI participants and retired contributing members are eligible for the increased death benefit equal to their annual salary in lieu of the standard retired member benefit.

Net Pension Liability

At June 30, 2016, the University reported liabilities of \$58,063,013 and \$891,370 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively. The net pension liabilities were measured as of June 30, 2014, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2013 projected forward to June 30, 2014. The University's proportionate shares of the net pension liabilities were based on a projection of the University's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the University's proportionate shares of the SCRS and PORS plans were 0.306151% and 0.04090%, which was the same as its proportionate shares of the net pension liabilities measured as of June 30, 2013, respectively.

South Carolina State University

Notes to Financial Statements

Pension Expense

For the year ended June 30, 2016, the University recognized pension expense for the SCRS and PORS plans of \$3,041,476 and \$37,316, respectively.

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2016, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each of the respective plans:

	SCRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,420,227	\$ -
Net difference between projected and actual earnings on pension plan investments	-	3,825,386
University contributions subsequent to the measurement date	2,660,416	-
Total	\$ 4,080,643	\$ 3,825,386

	PORS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,420	\$ -
Net difference between projected and actual earnings on pension plan investments	-	159,607
University contributions subsequent to the measurement date	67,753	-
Total	\$ 95,173	\$ 159,607

The \$2,660,416 and \$67,753 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2016 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2016.

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Notes to Financial Statements

As of June 30, 2016, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS and PORS plans, respectively:

<i>Year Ending June 30,</i>	SCRS	PORS
2017	\$ (930,366)	\$ (19,426)
2018	(930,366)	(19,426)
2019	(930,366)	(19,426)
Total	\$ (2,791,098)	\$ (58,278)

Actuarial Assumptions and Methods

Actuarial valuations 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 during the valuation process 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 5 year period. The last experience study was performed in 2011, and the next experience study is scheduled to be conducted in 2016.

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2014. The net pension liability of each defined benefit pension plan was therefore determined by PEBA's consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") based on the July 1, 2014 actuarial valuations, using membership data as of July 1, 2014, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2015, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by GRS.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2014 valuations for the SCRS and PORS plans administered by PEBA:

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases (varies by service)	3.5% to 12.5%	4.0% to 10.0%
Includes inflation at	2.75%	2.75%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

South Carolina State University

Notes to Financial Statements

The post-retiree mortality assumption is dependent upon the member’s job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 95%
Public Safety, Firefighters and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2013. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (“RSIC”) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds’ assets. As cofiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.50 % assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 % real rate of return and a 2.75 % inflation component.

South Carolina State University

Notes to Financial Statements

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Short Term:			
Cash	2.0%	1.9%	0.04%
Short Duration	3.0%	2.0%	0.06%
Domestic Fixed Income:			
Core Fixed Income	7.0%	2.7%	0.19%
High Yield	6.0%	3.8%	0.23%
Global Fixed Income:			
Global Fixed Income	3.0%	2.8%	0.08%
Emerging Markets Debt	6.0%	5.1%	0.31%
Global Public Equity	31.0%	7.1%	2.20%
Global Tactical Asset Allocation	10.0%	4.9%	0.49%
Alternatives:			
Hedge Funds (Low Beta)	8.0%	4.3%	0.34%
Private Debt	7.0%	9.9%	0.69%
Private Equity	9.0%	9.9%	0.89%
Real Estate (Broad Market)	5.0%	6.0%	0.30%
Commodities	3.0%	5.9%	0.18%
Total Expected Real Return	100.0%		6.00%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			8.75%

Discount Rate

The discount rate used to measure the total pension liability was 7.5 %. 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 State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all 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 total pension liability.

South Carolina State University

Notes to Financial Statements

Sensitivity Analysis

The following table presents the University's proportionate share of the net pension liabilities of the respective plans calculated using the discount rate of 7.50 %, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00 % lower (6.50 %) or 1.00 % higher (8.50 %) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$ 73,200,869	\$ 58,063,013	\$ 45,375,566
PORS	\$ 1,214,314	\$ 891,414	\$ 602,759

Pension Plan Fiduciary Net Position

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans*, ("GASB 67") less that System's fiduciary net position. As of June 30, 2015, net pension liability amounts for SCRS and PORS are as follows (amounts expressed in thousands):

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Position Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$44,097,310,230	\$25,131,828,101	\$ 18,965,482,129	57.0%
PORS	\$ 6,151,321,222	\$ 3,971,824,838	\$ 2,179,496,384	64.6%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the System's notes to the financial statements and required supplementary information.

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS which can be accessed via the South Carolina PEBA Retirement Benefits' website.

South Carolina State University

Notes to Financial Statements

12. Post-employment Benefits Other Than Pensions

a. Plan Description

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. "Agency" contributes to the Retiree Medical Plan ("RMP") and the Long-term Disability Plan ("LTDP"), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program ("EIP"), a part of the State Budget and Control Board ("SBCB"). 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 May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability ("BLTD") benefits are provided to active state, public school district and participating local government employees approved for disability.

b. Funding Policies

Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 5.33% and 5.00% of annual covered payroll for 2016 and 2015, respectively. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The University paid \$1,419,920 and \$1,675,831 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2016 and 2015, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium for BLTD and group life insurance per active employee paid to EIP was \$3.22 for the fiscal years ended June 30, 2016 and 2015.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions.

13. Related Parties

Certain separately chartered legal entities whose activities are related to those of the University exist primarily to provide financial assistance and other support to the University and its educational programs. They include the SCSU Foundation, Advancement Foundation and South Carolina State University Real Estate Foundation ("Real Estate Foundation").

South Carolina State University

Notes to Financial Statements

In conjunction with GASB Codification Section 2600, *Reporting Entity and Component Unit Presentation and Disclosure*, management annually reviews its relationships with the related parties described in this note. The University recognizes the SCSU Foundation and Advancement Foundation as component units and has discretely presented the SCSU Foundation and Advancement Foundation herein. The University excluded the Real Estate Foundation from the reporting entity because it is not financially accountable for this entity.

In fiscal year 2016, the SCSU Foundation contributed \$235,000 to the University for scholarships and other supporting activities of the University. The University also received \$93,067 as reimbursement for salaries and office space. Included in other receivable in statement of net position is amount due from the SCSU Foundation totaling \$48,684 as of June 30, 2016.

The Real Estate Foundation, through its wholly owned South Carolina State University Housing, LLC, operates a student housing facility to be used exclusively for the University students. The University entered an agreement with South Carolina State University Housing, LLC. Under the agreement, the University provides management services to the Real Estate Foundation. These services include, among others, general management of the operations, marketing, occupancy and student resident selection as well as collection of dormitory fees charged to students. The management agreement with the University was amended in July 2015 to waive the management fee of 2% in order to ensure the renewal of the line of credit for the Real Estate Foundation. In fiscal year 2016, the University paid the Real Estate Foundation \$1.8 million for dormitory fees collected from students. The University charged and billed the Real Estate Foundation a total of \$79,767 in fiscal year 2016 for reimbursement for telephone, copying equipment, salaries and benefits costs.

At June 30, 2016, amounts due to and due from the Real Estate Foundation are as follows:

Due from the Real Estate Foundation	\$	508,466
Due to the Real Estate Foundation	\$	192,525

South Carolina State University

Notes to Financial Statements

14. State Appropriations and Contracts

The following are the appropriations as enacted by the General Assembly and reported in the accompanying financial statements for the year ended June 30, 2016:

	Educational and General	Public Service	Total
Noncapital Appropriations:			
Original appropriations per Annual Appropriations Act	\$ 17,290,711	\$ 4,155,578	\$ 21,446,289
Appropriation allocation from SC Education Lottery Fund	2,500,000	-	2,500,000
Appropriation allocations from the State Commission on Higher Education:			
For technology funds	280,673	-	280,673
Total state noncapital appropriations recorded as current year revenue	\$ 20,071,384	\$ 4,155,578	\$ 24,226,962
Capital Appropriations:			
From SC Education Lottery Fund	\$ 579,101	\$ -	\$ 579,101
Total state capital appropriations recorded as current year revenue	\$ 579,101	\$ -	\$ 579,101

South Carolina State University

Notes to Financial Statements

State Grants and Contracts

Received from SC Commission on Higher Education:

HOPE Scholarships	\$	239,640
Life Scholarships		1,027,326
Palmetto Scholarships		7,500
Teaching Fellows		2,850
Need Based Grants		992,500
Education Improvement Act Loan		339,482
African American Teacher Loans		87,924
College of Business		279,504
SC National Guard CAP Scholarship		123,750
Higher Education Excellence Enhancement Program		574,719
SC VA Waiver Reimbursement		15,030

Received from other agencies 150,157

Total state grants and contracts \$ 3,840,382

15. Operating Expenses by Function

Operating expenses by functional classification for the year ended June 30, 2016 are summarized as follows:

	Compensation And Employee Benefits	Service and Supplies	Utilities	Scholarships And Fellowships	Depreciation and Amortization	Grand Total
Instruction	\$ 16,993,053	\$ 1,187,742	\$ 11,729	\$ 262,660	\$ -	\$ 18,455,184
Research	2,613,740	1,520,344	-	359,968	-	4,494,052
Public Service	3,264,489	1,223,500	22,229	26,364	-	4,536,582
Academic Support	2,399,850	820,001	-	102,552	-	3,322,403
Student Services	6,294,853	2,901,933	111,621	3,818,182	-	13,126,589
Institutional Support	8,973,459	5,048,493	8,021	3,880	-	14,033,853
Operations and Maintenance	-	3,271,714	1,696,991	-	-	4,968,705
Scholarships	-	-	-	6,354,736	-	6,354,736
Auxiliaries	653,993	5,854,669	818,849	-	-	7,327,511
Depreciation and Amortization	-	-	-	-	4,940,852	4,940,852
Total Operating Expenses	\$ 41,193,437	\$ 21,828,396	\$ 2,669,440	\$ 10,928,342	\$ 4,940,852	\$ 81,560,467

South Carolina State University

Notes to Financial Statements

16. Statement of Activities

The following information is provided for incorporation in the State of South Carolina Comprehensive Annual Financial Report:

<i>Year Ended June 30,</i>	2016	2015	(Decrease) Increase
Charges for services	\$ 37,646,915	\$ 43,611,408	\$ (5,964,493)
Operating grants, contributions and investment income	28,130,582	31,243,129	(3,112,547)
Capital grants and contributions	343,405	159,746	183,659
Less expenses	(84,586,592)	(100,458,490)	15,871,898
Net program expenses	(18,465,690)	(25,444,207)	6,978,517
Transfers:			
State appropriations	24,806,063	19,895,148	4,910,915
Total transfers	24,806,063	19,895,148	4,910,915
Change in net position	6,340,373	(5,549,059)	11,889,432
Net position, beginning of year	(11,588,565)	(6,039,506)	(5,549,059)
Net position, end of year	\$ (5,248,192)	\$ (11,588,565)	\$ 6,340,373

17. Risk Management

The University is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several state funds accumulate assets and the State itself assumes substantially all the risk for the following claims of covered employees: unemployment compensation benefits; worker's compensation benefits for job-related illnesses or injuries; health and dental insurance benefit; long-term disability and group-life insurance benefits. Employees can elect health insurance coverage through either a health maintenance organization or through the State's self-insured plan.

South Carolina State University

Notes to Financial Statements

The University and other entities pay premiums to the State's Insurance Reserve Fund ("IRF"), which issues policies, accumulates assets to cover the risk of loss, and pays claims incurred for covered losses relating to the following activities: theft, damage to, or destruction of assets; real property, its contents, and other equipment; motor vehicles and watercraft; torts; business interruptions; Natural disaster; and Medical malpractice claims against covered employees. The IRF is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The IRF's rates are determined actuarially.

The University obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation and for health insurance for its student-athletes.

18. Subsequent Events

The University has evaluated subsequent events from June 30, 2016 (date of the most recent statement of net position presented) through January 30, 2017 (the date of the audit report and the date the financial statements were available to be issued). In September 2016, the note payable obtained in 2006 to construct housing facilities was refinanced from the proceeds of tax-exempt bond issues made by the lending private financial institution through Capital Loan Agreement ("Agreement") under the Historically Black Colleges and Universities ("HBCU") Capital Financing Program. The refinancing of the note payable will reduce the University's annual debt service by approximately \$500,000 resulting in savings in excess of \$9 million over the remaining life of the note.

Statistical Section (unaudited)

South Carolina State University

Statistical Section (unaudited)

Overview

This section of the Comprehensive Annual Financial Report provides additional information as a context for understanding what the information in the financial statements and note disclosures says about the University's and the State of South Carolina's overall financial health.

Financial Trends

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

Revenue Capacity

These schedules help the reader assess the factors affecting the University's ability to generate its operating revenues from tuition and fees.

Debt Capacity

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

Operating Information

These schedules contain service and capital asset data to help the reader understand how the University's financial information relates to the services it provides.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the Environment within which the University's and the State's financial activities take place.

South Carolina State University

Statistical Section (unaudited)

Schedule of Revenues by Source

<i>Year Ended June 30,</i>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(amounts expressed in thousands)									
Revenues										
Operating Revenues:										
Student Tuition and Fees										
(net of scholarship allowance)										
	\$ 25,219	\$ 28,836	\$ 30,099	\$ 32,345	\$ 38,751	\$ 35,822	\$ 34,568	\$ 34,502	\$ 31,714	\$ 28,602
Federal Grants and										
Contracts	13,362	13,995	15,623	20,324	24,304	26,997	20,945	31,702	29,779	14,408
State Grants and Contracts	3,840	4,636	4,852	5,173	5,259	6,484	6,497	7,993	6,117	5,030
Non-Government										
Grants and Contracts	298	215	134	136	238	275	223	230	94	48
Sales and Services of										
Educational and										
Other Activities	2,478	2,799	3,262	4,100	3,753	2,967	3,157	2,547	2,436	1,779
Sales and Services of										
Auxiliary Enterprises										
(net of scholarship allowance)										
	9,196	11,028	9,879	11,433	14,172	13,594	12,075	12,066	10,615	9,120
Other Operating Revenue	754	949	977	1,427	2,072	2,624	1,500	1,109	3,442	5,520
Total Operating Revenue	55,147	62,457	64,826	74,938	88,549	88,763	78,965	90,149	84,197	64,507
Non-Operating Revenues:										
State Appropriations	24,806	19,895	18,921	19,145	17,083	16,922	21,950	24,975	34,773	30,347
Federal grants	9,764	11,082	11,107	10,793	12,943	18,212	17,750	807	834	14,173
Interest Income	269	220	230	162	156	183	1,500	2,552	2,194	1,263
Other Non-Operating										
Revenue	941	1,255	99	196	2,960	4,617	7,449	8,406	3,451	2,500
Total Non-Operating Revenue	35,780	32,452	30,357	30,296	33,142	39,934	48,649	36,740	41,252	48,283
Total Revenues	\$ 90,927	\$ 94,909	\$ 95,183	\$ 105,234	\$ 121,691	\$ 128,697	\$ 127,614	\$ 126,889	\$ 125,449	\$ 112,790

South Carolina State University

Statistical Section (unaudited)

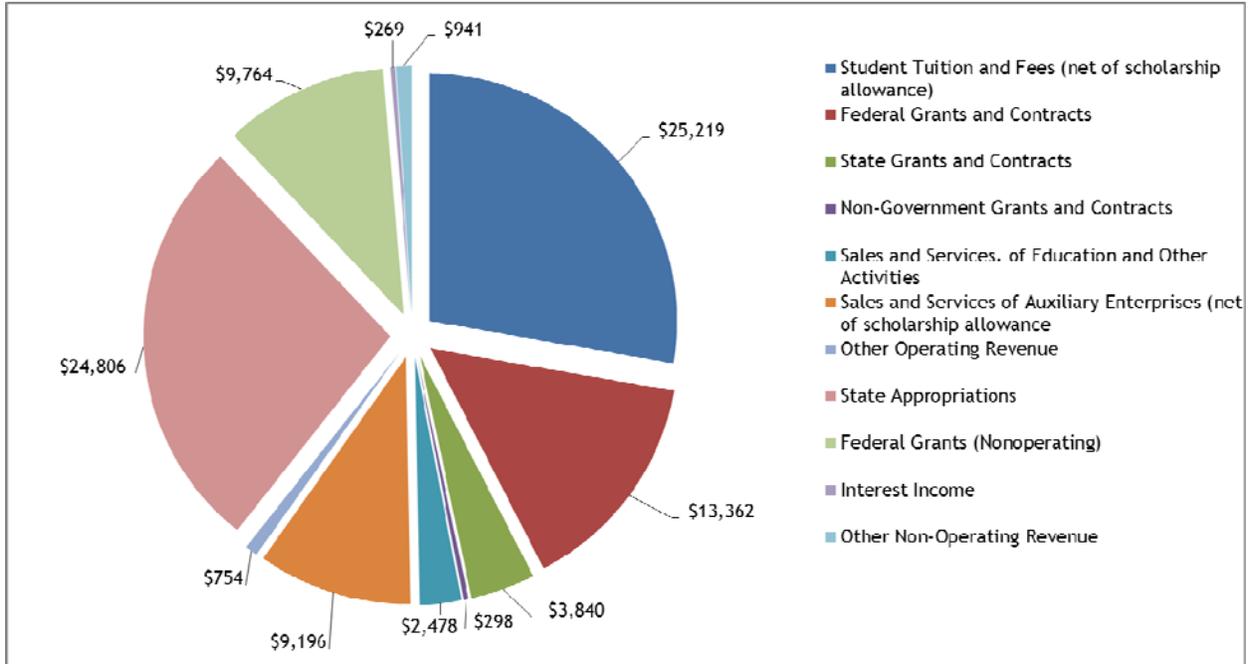
Schedule of Revenues by Source (continued)

<i>Year Ended June 30,</i>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(percent of total revenue)									
Revenues										
Operating Revenues:										
Student Tuition and Fees										
(net of scholarship allowance)										
	27.74%	30.38%	31.62%	30.74%	31.84%	27.83%	27.09%	27.19%	25.28%	25.36%
Federal Grants and										
Contracts										
	14.70%	14.74%	16.41%	19.31%	19.97%	20.98%	16.41%	24.98%	23.74%	12.77%
State Grants and										
Contracts										
	4.22%	4.88%	5.10%	4.92%	4.32%	5.04%	5.09%	6.30%	4.88%	4.46%
Non-Government										
Grants and Contracts										
	0.33%	0.23%	0.14%	0.13%	0.20%	0.21%	0.17%	0.18%	0.07%	0.04%
Sales and Services of										
Educational and										
Other Activities										
	2.73%	2.95%	3.43%	3.90%	3.08%	2.31%	2.47%	2.01%	1.94%	1.58%
Sales and Services of										
Auxiliary Enterprises										
(net of scholarship allowance)										
	10.11%	11.62%	10.38%	10.86%	11.65%	10.56%	9.46%	9.51%	8.46%	8.09%
Other Operating Revenue										
	0.82%	1.00%	1.03%	1.36%	1.70%	2.04%	1.18%	0.87%	2.74%	4.89%
Total Operating										
Revenue										
	60.65%	65.81%	68.11%	71.21%	72.77%	68.97%	61.88%	71.05%	67.12%	57.19%
Non-Operating										
Revenues:										
State Appropriations										
	27.28%	20.96%	19.88%	18.19%	14.04%	13.15%	17.20%	19.68%	27.72%	26.91%
Federal grants										
	10.74%	11.68%	11.67%	10.26%	10.64%	14.15%	13.91%	0.64%	0.66%	12.57%
Interest Income										
	0.30%	0.23%	0.24%	0.15%	0.13%	0.14%	1.18%	2.01%	1.75%	1.12%
Other Non-Operating										
Revenue										
	1.03%	1.32%	0.10%	0.19%	2.43%	3.59%	5.84%	6.62%	2.75%	2.22%
Total Non-Operating										
Revenue										
	39.35%	34.19%	31.89%	28.79%	27.23%	31.03%	38.12%	28.95%	32.88%	42.81%
Total Revenues										
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

South Carolina State University

Statistical Section (unaudited)

Schedule of Revenues by Source - Fiscal Year 2016 - Pie Chart



Amounts expressed in thousands

Source: South Carolina State University audited financial statements.

South Carolina State University

Statistical Section (unaudited)

Schedule of Expenses by Use

<i>Year Ended June 30,</i>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(amounts expressed in thousands)									
Expenses:										
Operating Expenses:										
Compensation and										
Employee Benefits	\$ 41,194	\$ 48,527	\$ 51,501	\$ 54,293	\$ 56,477	\$ 59,062	\$ 59,240	\$ 61,266	\$ 61,554	\$ 54,802
Service and Supplies	21,828	23,607	26,648	29,441	34,878	37,083	31,844	36,402	42,250	39,481
Utilities	2,669	3,551	3,599	3,333	3,501	3,514	2,883	3,505	3,626	3,893
Depreciation	10,928	5,014	5,638	5,633	5,350	5,372	5,183	4,316	3,085	2,516
Scholarships	4,941	16,345	14,070	14,837	18,280	15,913	16,772	15,409	11,818	10,929
Total Operating Expenses	\$ 81,561	\$ 97,044	\$ 101,456	\$ 107,537	\$ 118,486	\$ 120,944	\$ 115,922	\$ 120,898	\$ 122,333	\$ 111,621
Non-operating Expenses:										
Interest and Other	\$ 3,026	\$ 3,414	\$ 4,051	\$ 3,489	\$ 3,936	\$ 3,836	\$ 3,647	\$ 3,463	\$ 4,490	\$ 2,160
Total Expenses	\$ 84,586	\$ 100,458	\$ 105,507	\$ 111,026	\$ 122,422	\$ 124,780	\$ 119,569	\$ 124,361	\$ 126,823	\$ 113,781

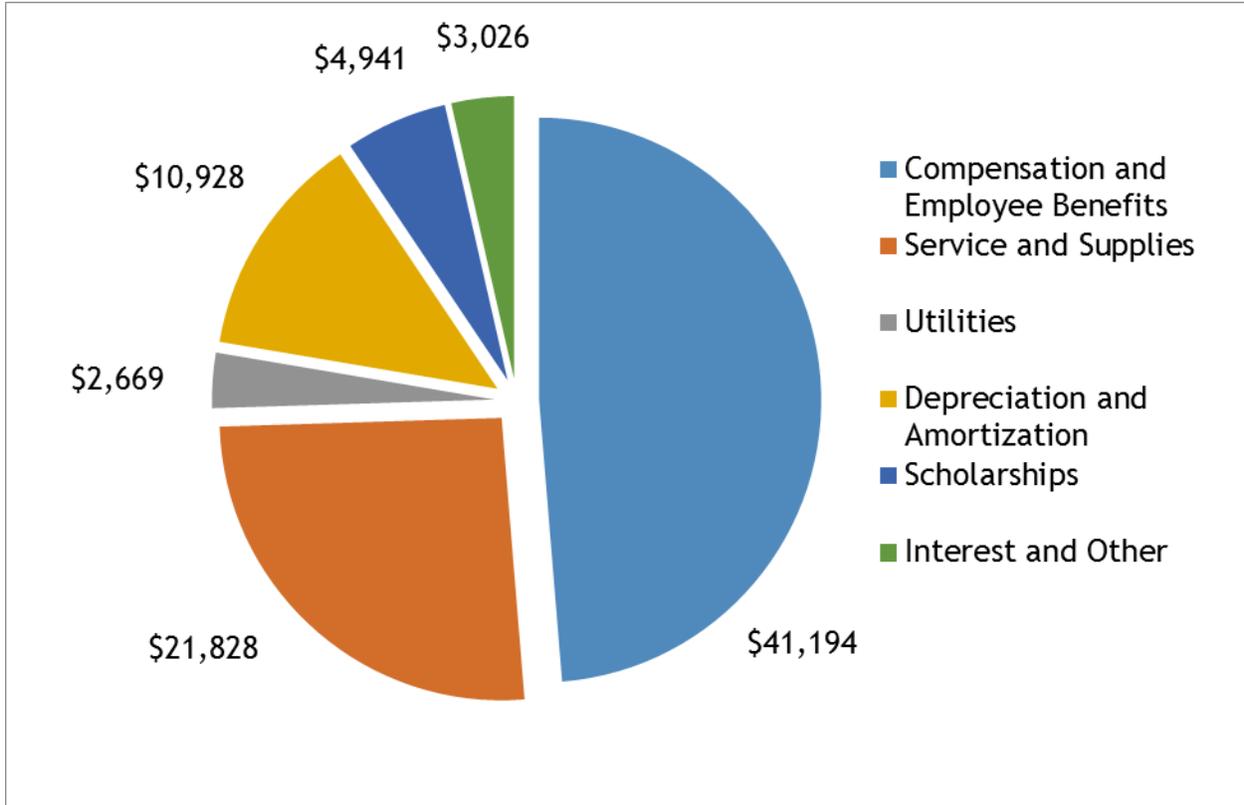
<i>Year Ended June 30,</i>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(percent of total expenses)									
Expenses:										
Operating Expenses:										
Compensation and										
Employee Benefits	48.70%	48.31%	48.81%	48.90%	46.13%	47.33%	49.54%	49.26%	48.54%	48.16%
Service and Supplies	25.81%	23.50%	25.26%	26.52%	28.49%	29.72%	26.63%	29.27%	33.31%	34.70%
Utilities	3.15%	3.53%	3.41%	3.00%	2.86%	2.82%	2.41%	2.82%	2.86%	3.42%
Depreciation	12.92%	4.99%	5.34%	5.07%	4.37%	4.31%	4.33%	3.47%	2.43%	2.21%
Scholarships	5.84%	23.50%	25.26%	26.52%	28.49%	29.72%	26.63%	29.27%	33.31%	34.70%
Total Operating Expenses	96.42%	96.60%	96.16%	96.86%	96.78%	96.93%	96.95%	97.22%	96.46%	98.10%
Non-operating Expenses:										
Interest and Other	3.58%	3.40%	3.84%	3.14%	3.22%	3.07%	3.05%	2.78%	3.54%	1.90%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: South Carolina State University audited financial statements.

South Carolina State University

Statistical Section (unaudited)

Schedule of Expenses by Use - Fiscal Year 2016 - Pie Chart



Amounts expressed in thousands

Source: South Carolina State University audited financial statements.

South Carolina State University

Statistical Section (unaudited)

Schedule of Net Position and Changes in Net Position

Year Ended June 30,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(amounts expressed in thousands)									
Total revenues	\$ 90,927	\$ 94,909	\$ 5,183	\$ 105,234	\$ 121,691	\$ 128,697	\$ 127,614	\$ 126,889	\$ 125,449	\$ 112,790
Total expenses	84,587	100,458	105,507	111,026	122,422	124,780	119,569	124,361	126,823	113,781
Total changes in net position	6,340	(5,549)	(10,324)	(5,792)	(731)	3,917	8,045	2,528	(1,374)	(991)
Net position, beginning										
as originally reported	(11,588)	51,380	61,704	67,496	68,227	64,310	56,265	53,737	55,111	56,102
Effect of GASB 68 implementation	-	(57,419)	-	-	-	-	-	-	-	-
Net position, beginning	(11,588)	(6,039)	61,704	67,496	68,227	64,310	56,265	53,737	55,111	56,102
Net position, ending	\$ (5,248)	\$ (11,588)	\$ 51,380	\$ 61,704	\$ 67,496	\$ 68,227	\$ 64,310	\$ 56,265	\$ 53,737	\$ 55,111
Invested in capital assets, net of related debt	\$ 58,329	\$ 55,987	\$ 57,129	\$ 58,237	\$ 62,156	\$ 64,293	\$ 61,913	\$ 58,489	\$ 46,665	\$ 50,580
Restricted-expendable	14,980	17,849	10,575	11,957	10,939	2,239	2,778	2,604	5,643	2,572
Restricted - non-expendable	863	1,018	765	807	785	767	938	914	980	901
Unrestricted	(79,420)	(86,299)	(17,089)	(9,297)	(6,384)	928	(1,319)	(5,742)	449	1,058
Total	\$ (5,248)	\$ (11,445)	\$ 51,380	\$ 61,704	\$ 67,496	\$ 68,227	\$ 64,310	\$ 56,265	\$ 53,737	\$ 55,111

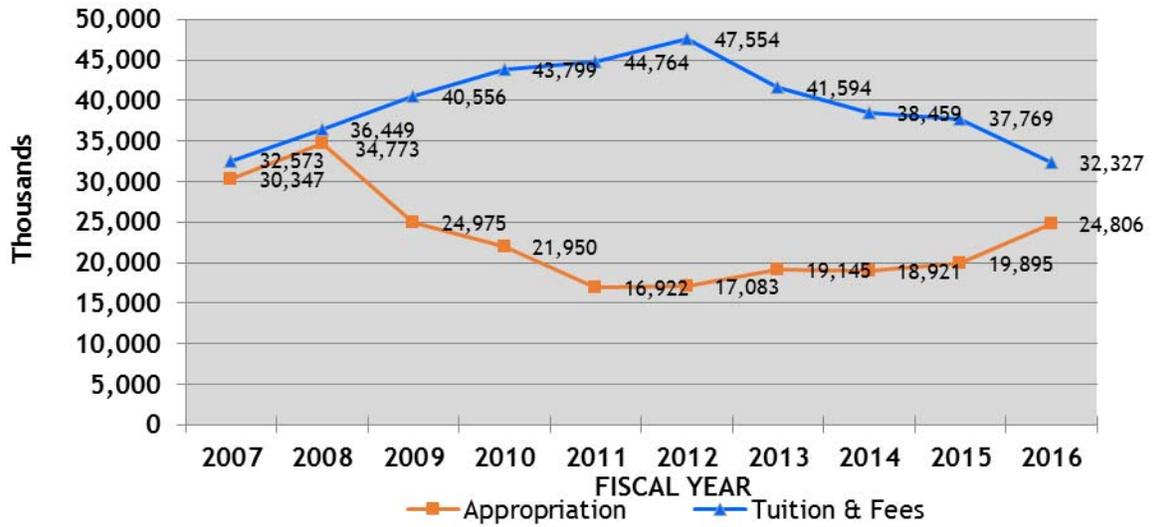
Source: South Carolina State University audited financial statements.

South Carolina State University

Statistical Section (unaudited)

Schedule of State Appropriations and Gross Tuition and Fees

2007-2016



South Carolina State University

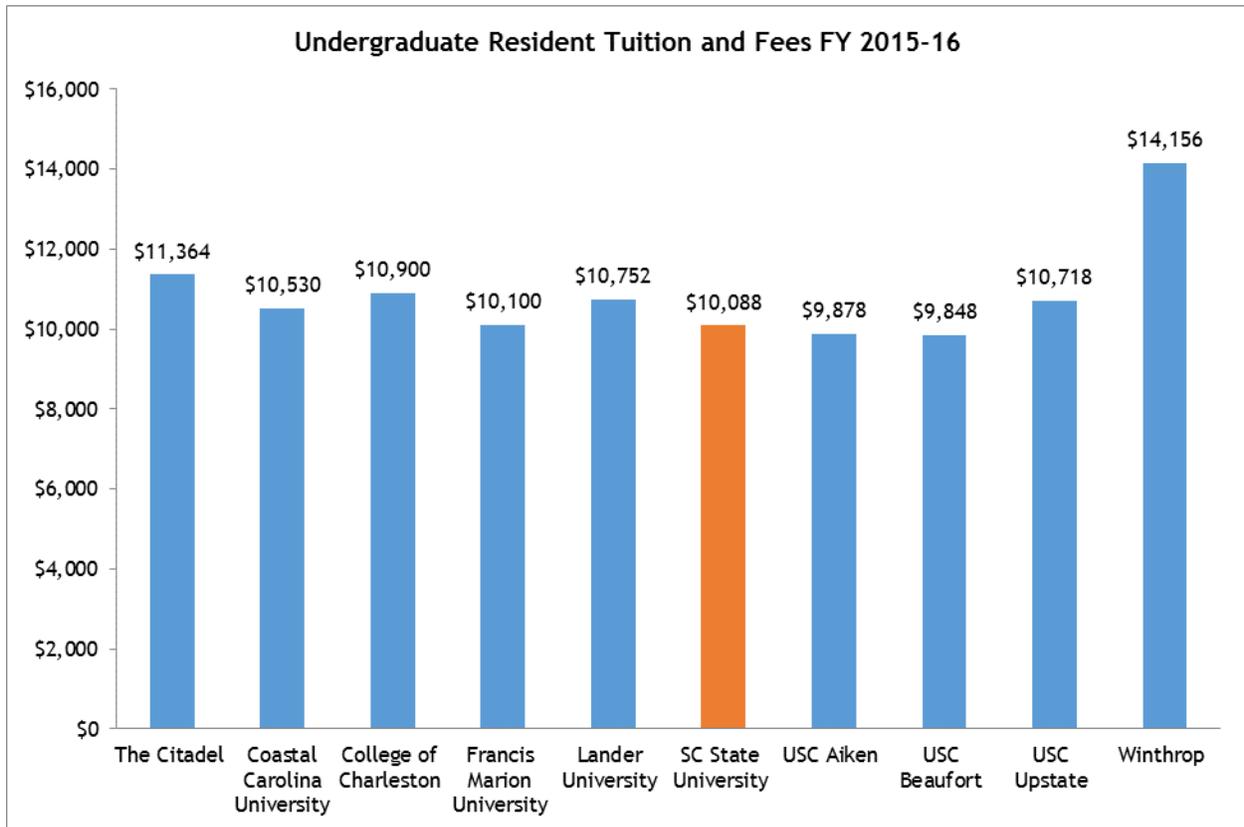
Statistical Section (unaudited)

Schedule of Average Annual Tuition and Fees

S.C. State University in Comparison to Other Colleges and Universities
Last Ten Years

Undergraduate Resident

<i>Year Ended June 30,</i>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
The Citadel	\$ 11,364	\$ 11,098	\$ 10,838	\$ 10,523	\$ 10,216	\$ 9,871	\$ 8,735	\$ 8,428	\$ 7,735	\$ 7,168
Coastal Carolina University	\$ 10,530	\$ 10,140	\$ 9,760	\$ 9,760	\$ 9,760	\$ 9,390	\$ 8,950	\$ 8,650	\$ 7,600	\$ 7,500
College of Charleston	\$ 10,900	\$ 10,558	\$ 10,230	\$ 9,918	\$ 9,616	\$ 10,314	\$ 8,988	\$ 8,400	\$ 7,778	\$ 7,234
Francis Marion University	\$ 10,100	\$ 9,738	\$ 9,432	\$ 9,102	\$ 8,802	\$ 8,480	\$ 7,960	\$ 7,632	\$ 7,038	\$ 6,512
Lander University	\$ 10,752	\$ 10,418	\$ 10,100	\$ 9,792	\$ 9,504	\$ 9,144	\$ 8,760	\$ 8,380	\$ 7,728	\$ 7,162
SC State University	\$ 10,088	\$ 10,089	\$ 9,776	\$ 9,258	\$ 9,258	\$ 8,898	\$ 8,462	\$ 7,806	\$ 7,318	\$ 7,278
USC Aiken	\$ 9,878	\$ 9,552	\$ 9,258	\$ 8,974	\$ 8,700	\$ 8,374	\$ 7,900	\$ 7,532	\$ 7,006	\$ 6,670
USC Beaufort	\$ 9,848	\$ 9,354	\$ 8,922	\$ 8,508	\$ 8,108	\$ 7,940	\$ 7,250	\$ 7,000	\$ 6,250	\$ 5,724
USC Upstate	\$ 10,718	\$ 10,348	\$ 10,028	\$ 9,722	\$ 9,426	\$ 9,072	\$ 8,462	\$ 8,342	\$ 7,760	\$ 7,218
Winthrop	\$ 14,156	\$ 13,812	\$ 13,430	\$ 13,026	\$ 12,656	\$ 12,176	\$ 11,606	\$ 11,160	\$ 10,210	\$ 9,500



Source: South Carolina Commission on Higher Education.

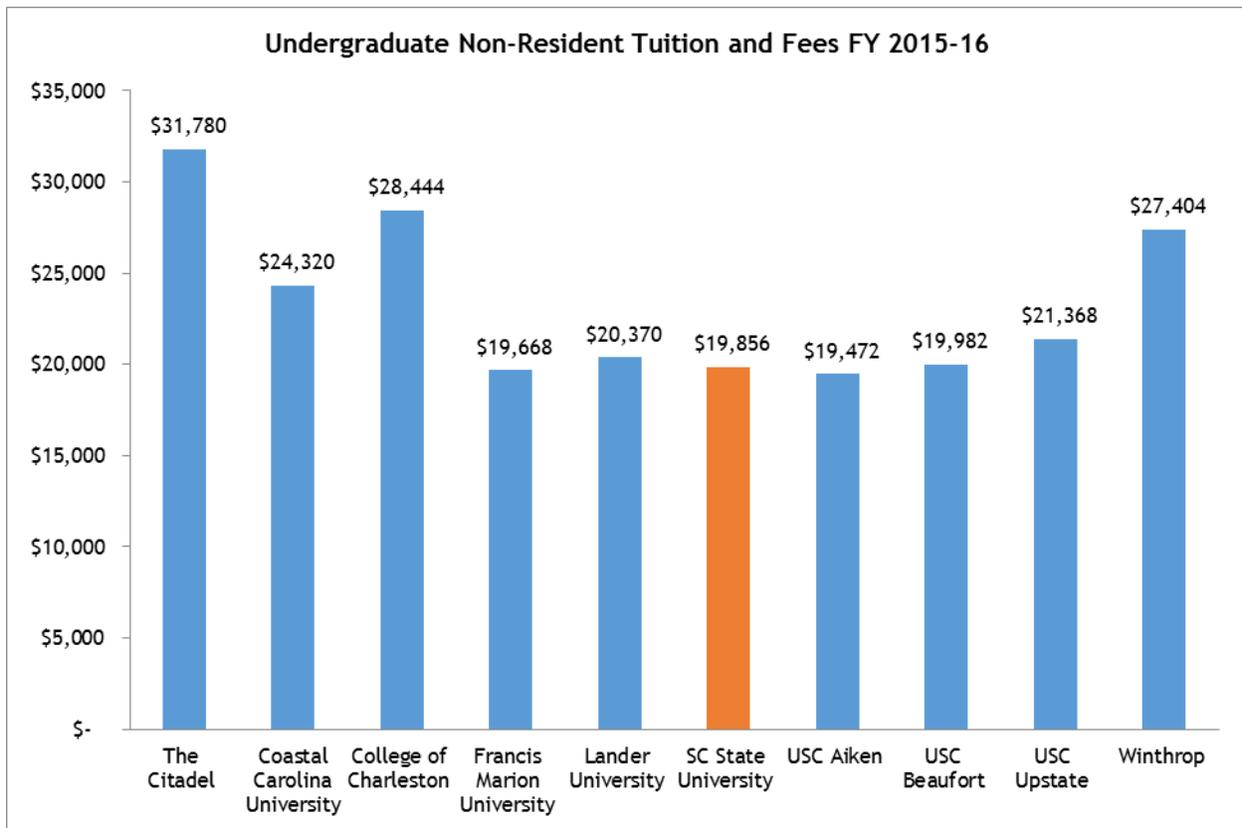
South Carolina State University

Statistical Section (unaudited)

Schedule of Average Annual Tuition and Fees (Continued)

Undergraduate Non-Resident

<i>Year Ended June 30,</i>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
The Citadel	\$ 31,780	\$ 30,706	\$ 29,639	\$ 28,776	\$ 27,033	\$ 24,800	\$ 22,545	\$ 21,031	\$ 19,291	\$ 17,487
Coastal Carolina University	\$ 24,320	\$ 23,480	\$ 22,770	\$ 22,050	\$ 21,560	\$ 20,270	\$ 18,770	\$ 18,090	\$ 16,590	\$ 16,190
College of Charleston	\$ 28,444	\$ 27,548	\$ 26,694	\$ 25,304	\$ 24,330	\$ 23,172	\$ 21,846	\$ 20,418	\$ 18,732	\$ 16,800
Francis Marion University	\$ 19,668	\$ 19,004	\$ 18,410	\$ 17,810	\$ 17,256	\$ 16,625	\$ 15,585	\$ 15,028	\$ 13,841	\$ 12,839
Lander University	\$ 20,370	\$ 19,738	\$ 19,136	\$ 18,552	\$ 17,976	\$ 17,304	\$ 16,560	\$ 15,840	\$ 14,616	\$ 13,538
SC State University	\$ 19,856	\$ 19,856	\$ 18,910	\$ 18,170	\$ 18,170	\$ 17,470	\$ 16,626	\$ 15,298	\$ 14,362	\$ 14,322
USC Aiken	\$ 19,472	\$ 18,876	\$ 18,290	\$ 17,730	\$ 17,188	\$ 16,542	\$ 15,632	\$ 14,896	\$ 13,922	\$ 13,250
USC Beaufort	\$ 19,982	\$ 19,374	\$ 18,774	\$ 17,906	\$ 17,220	\$ 16,522	\$ 15,100	\$ 14,576	\$ 13,912	\$ 12,756
USC Upstate	\$ 21,368	\$ 20,698	\$ 20,056	\$ 19,444	\$ 18,852	\$ 18,144	\$ 17,284	\$ 16,684	\$ 15,752	\$ 14,656
Winthrop	\$ 27,404	\$ 26,738	\$ 26,000	\$ 24,476	\$ 23,796	\$ 22,892	\$ 21,596	\$ 20,710	\$ 19,034	\$ 17,564



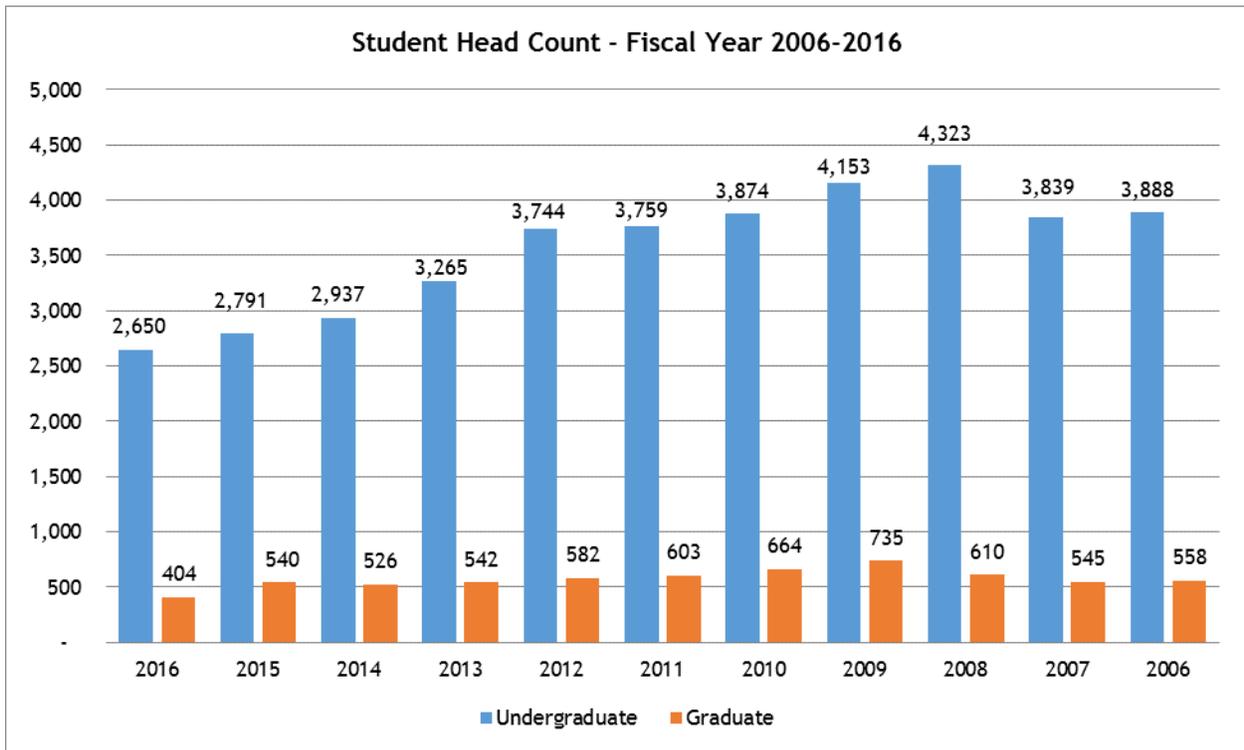
Source: South Carolina Commission on Higher Education.

South Carolina State University

Statistical Section (unaudited)

Student Head Count - Fiscal Year 2007 to 2016

<i>Year Ended June 30,</i>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Undergraduate	2,650	2,791	2,937	3,265	3,744	3,759	3,874	4,153	4,323	3,839
Graduate	404	540	526	542	582	603	664	735	610	545
Total	3,054	3,331	3,463	3,807	4,326	4,362	4,538	4,888	4,933	4,384



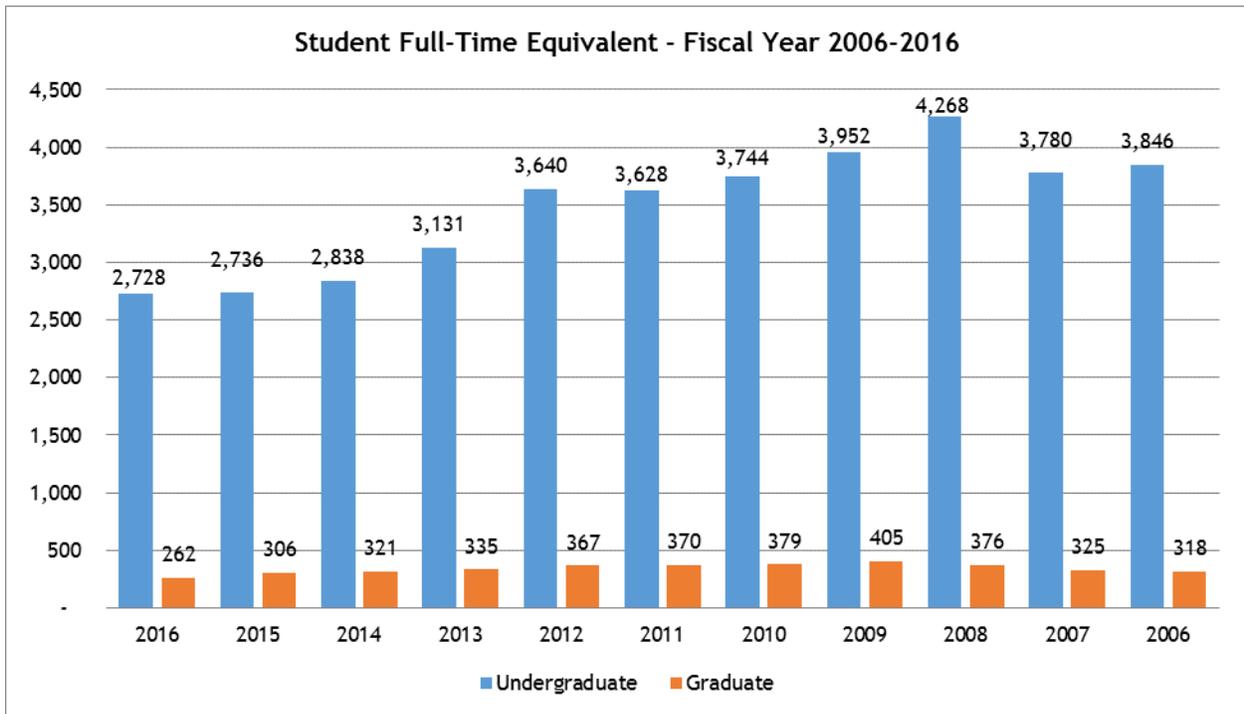
Source: South Carolina State University Office of Institutional Research.

South Carolina State University

Statistical Section (unaudited)

Student Full-Time Equivalent - Fiscal Year 2007 to 2016

<i>Year Ended June 30,</i>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Undergraduate FTE	2,728	2,736	2,838	3,131	3,640	3,628	3,744	3,952	4,268	3,780
Graduate FTE	262	306	321	335	367	370	379	405	376	325
Total FTE	2,990	3,042	3,159	3,466	4,007	3,998	4,123	4,357	4,644	4,105

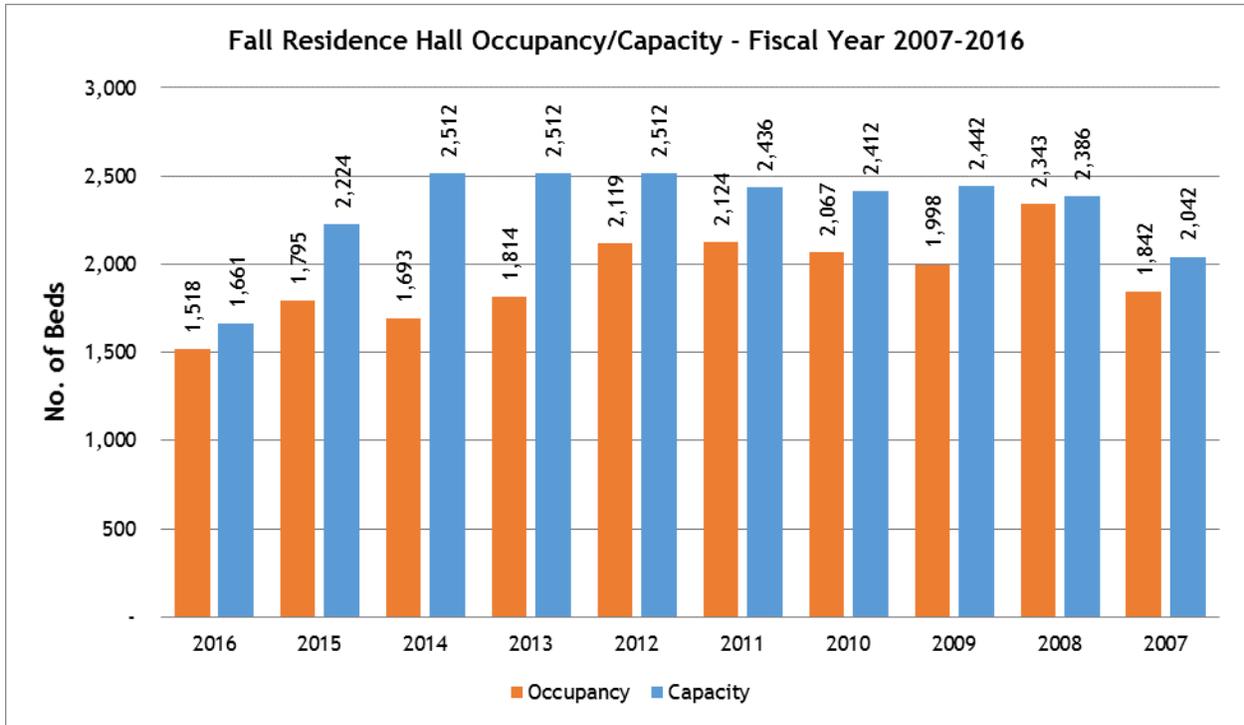


Source: South Carolina State University Office of Institutional Research.

South Carolina State University

Statistical Section (unaudited)

Fall Residence Hall Occupancy/Capacity - Fiscal Year 2007 to 2016



Source: South Carolina State University Office of Institutional Research.

South Carolina State University

Statistical Section (unaudited)

Schedule of Ratios of Outstanding Debt

<i>June 30,</i>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(amounts expressed in thousands, except for outstanding debt per student)									
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ 235	\$ 455	\$ 665	\$ 865	\$ 1,055	\$ 1,235
General Obligation										
Bonds	20,625	25,215	26,795	28,310	29,770	31,175	32,530	33,835	35,095	36,305
Notes Payable	51,820	50,610	46,548	42,186	43,078	44,410	45,564	41,603	39,600	38,947
Capital Lease										
Obligations	-	-	-	72	144	629	1,103	1,208	1,591	-
Total Outstanding Debt	\$ 72,445	\$ 75,825	\$ 73,343	\$ 70,568	\$ 73,227	\$ 76,669	\$ 79,862	\$ 77,511	\$ 77,341	\$ 76,487
Full-time equivalent students	2,990	3,042	3,159	3,466	4,007	3,998	4,123	4,357	4,644	4,105
Outstanding debt per FTE student	\$ 24,229	\$ 24,926	\$ 23,217	\$ 20,360	\$ 18,275	\$ 19,177	\$ 19,370	\$ 17,790	\$ 16,654	\$ 18,633

Source: South Carolina State University audited financial statements, SC State University Office of Institutional Research.

South Carolina State University

Statistical Section (unaudited)

Schedule of Bond Coverage

Last Ten Years

(amounts expressed in thousands except coverage ratio)

General Obligation Bonds

Year Ended June 30,	Total Revenue Available for Debt Service	Debt Service Requirement			Coverage Ratio
		Principal	Interest	Total	
2016	\$ 2,997	\$ 1,640	\$ 1,040	\$ 2,680	1.12
2015	3,018	1,571	1,111	2,682	1.13
2014	3,012	1,528	1,183	2,711	1.11
2013	3,043	1,460	1,241	2,701	1.13
2012	3,036	1,405	1,297	2,702	1.12
2011	2,983	1,355	1,352	2,707	1.10
2010	2,989	1,305	1,406	2,711	1.10
2009	3,080	1,260	1,459	2,719	1.13
2008	2,768	1,210	1,520	2,730	1.01
2007	\$ 2,446	\$ 140	\$ 1,076	\$ 1,216	2.01

Revenue Bonds and Notes Payable (Housing)

Year Ended June 30,	Total Revenue Debt Service	Debt Service Requirement			Coverage Ratio
		Principal	Interest	Total	
2016	\$ 4,476	\$ 1,043	\$ 1,821	\$ 2,864	1.56
2015	4,083	911	1,951	2,862	1.43
2014	4,260	451	2,230	2,681	1.59
2013	4,218	1,341	2,682	4,023	1.05
2012	4,699	1,602	2,529	4,131	1.14
2011	5,673	1,488	2,367	3,855	1.47
2010	3,470	940	2,205	3,145	1.10
2009	3,015	759	2,048	2,807	1.07
2008	2,638	396	2,097	2,493	1.06
2007	\$ 1,785	\$ 562	\$ 821	\$ 1,383	1.29

Source: South Carolina State University audited financial statements.

South Carolina State University

Statistical Section (unaudited)

Full-Time Faculty and Staff - For the Last Ten Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Faculty	136	175	199	207	213	216	229	224	215	203
Staff and administrators	359	428	450	461	449	559	587	600	617	607
Total	495	603	649	668	662	775	816	824	832	810

FTE students per full time

Faculty	22	17	16	17	19	19	18	19	22	20
Staff and administrators	8	7	7	8	9	7	7	7	8	7

Average annual faculty salary \$ 63,133 \$ 63,024 \$ 62,206 \$ 62,091 \$ 59,988 \$ 60,175 \$ 60,512 \$ 59,425 \$ 54,686 \$ 52,995

Source: South Carolina State University Office of Institutional Research.

South Carolina State University

Statistical Section (unaudited)

Schedule of Capital Asset Information

<i>June 30,</i>	2016	2015	2014	2013	2012	2011	2010
Academic buildings	731,973	764,615	764,615	764,615	679,278	671,307	523,339
Administrative and support buildings	129,582	129,582	129,582	158,631	151,880	150,680	101,209
Auxiliary and independent operation buildings	221,867	354,091	354,091	354,091	354,091	354,091	132,113
Student housing	417,472	595,096	595,096	575,684	575,684	575,684	436,201
Dining facilities	26,798	26,798	26,798	26,798	26,798	26,798	26,798
Total Square Feet	1,527,692	1,870,182	1,870,182	1,879,819	1,787,731	1,778,560	1,219,660

Note: 2006 to 2009 data not readily available.

Source: South Carolina State University Facilities Office.

South Carolina State University

Statistical Section (unaudited)

Academic Subject Areas and Degrees Offered - Fall 2016

Undergraduate

Bachelor of Arts

Communications
Dramatic Arts
English, Professional
History
Modern Languages
Music Merchandising (Industry)
Political Science & Government
Social Studies Education
Sociology
Speech Pathology & Audiology
Studio Arts

Bachelor of Science

Accounting
Agribusiness
Art Education K-12
Biology
Business Education
Chemistry
Civil Engineering Technology
Computer Science
Criminal Justice
Early Childhood Education
Economics/Business Economics
Electrical Engineering Technology
Elementary Education
Environmental Science
Family and Consumer Sciences Business
Health and Physical Education
Industrial Education
Industrial Engineering Technology
Management
Marketing
Mathematics
Mechanical Engineering Technology
Middle Level Education, Mathematics/English
Middle Level Education, Mathematics/Science
Middle Level Education, Mathematics/Social Studies
Middle Level Education, Science/English
Middle Level Education, Science/Social Studies
Middle Level Education, Social Studies/English
Music Education
Nuclear Engineering (Joint w/ University of Wisconsin)
Nutrition & Food Management
Physical Education
Physics
Professional Land Surveying
Psychology, General
Social Work
Social Work & Helping Services
Special Education
Technology Education

Graduate

Master's Degrees

Business Administration
Counselor Education
Early Childhood Education
Elementary Education
Elementary Education
Individual & Family Development
Nutritional Sciences
Rehabilitation Counseling
Secondary Education & Teaching, Physical Education
Secondary Education & Teaching, Business
Secondary Education & Teaching, Chemistry
Secondary Education & Teaching, English
Secondary Education & Teaching, English
Secondary Education & Teaching, Mathematics
Secondary Education & Teaching, Mathematics
Secondary Education & Teaching, Science
Secondary Education & Teaching, Science
Secondary Education & Teaching, Social Studies
Secondary School Counseling
Secondary Teacher Education, Industrial Technology
Special Education
Speech Pathology & Audiology
Transportation

Educational Specialist

Educational Administration

Doctor of Education

Educational Administration

Graduate Certificate Programs

Environmental Monitoring and Restoration
Orientation and Mobility

South Carolina State University

Statistical Section (unaudited)

State of South Carolina Demographic Statistics - Last Ten Calendar Years

Year	(a) Population as of June 30	(b) Total Personal Income	(b) Per Capita Income	(c) Average Annual Unemployment Rate
2016	4,896,146	186,285,746	38,041	5.5%
2015	4,832,482	171,088,000	35,831	6.6%
2014	4,774,839	161,863,730	34,266	5.8%
2013	4,723,723	161,863,730	34,266	9.1%
2012	4,679,230	157,564,533	33,673	10.3%
2011	4,679,230	157,564,533	33,673	10.3%
2010	4,625,364	153,391,793	33,163	10.9%
2009	4,561,242	145,041,489	31,799	11.8%
2008	4,479,800	146,337,147	35,419	12.1%
2007	4,407,709	135,849,999	31,013	5.9%

(a) Source: U.S. Census Bureau.

(b) Source: U.S. Board of Economic Advisors.

(c) Source: U.S. Department of Labor.

South Carolina State University

Statistical Section (unaudited)

State of South Carolina Ten Largest Employers

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

2016	2007
BMW Manufacturing Co.	BlueCross BlueShield of South Carolina
Coastal Lifestyle Vacations	BMW Manufacturing Co.
Crescent Moon Driving	The Boeing Co.
Greenville Memorial Hospital	Food Lion
Liberty Tax Services	Greenville Hospital System
Mc Leod Health	Lexington County Health Services District
Medical University Charleston	McLeod Health
Medical University of SC	Michelin North America Inc.
Neonatology Children's Hospital	Milliken & Company
Palmetto Health Richland	Palmetto Health

Note: Due to confidentiality issues, 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 Department of Employment and Workforce.