



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, 2017

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, 2017

South Carolina State University

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Introductory Section (unaudited)



South Carolina State University

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OFFICE OF THE PRESIDENT

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November 30, 2017

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

Enclosed are South Carolina State University's financial statements reflecting the 2016 – 2017 financial results. We are pleased to report that the year proved positive with a significant improvement in the institution's financial records. As can be discerned from the attached report, SC State has made a tremendous turnaround, but there is still much more work to be done.

The 2016 academic year began with the July 6, 2016 letter of notification from the Southern Association of Colleges and Schools Commission of Colleges (SACSCOC), that the probationary status was fully removed. This important decision was critical for receiving \$8M in loan forgiveness and allowed the University to focus its attention on continuous improvement of its finances, processes and procedures. Additionally, for the second consecutive year, the University increased and exceeded its enrollment goal. The University's enrollment is trending up after having nine years of decline.

The University is very proud to report improvements in three *major* financial areas. University payables, net position and UNAEP significantly improved. Another financial milestone for the University, was the Bond refinancing of Hugine Suites residence hall. The \$34M refinancing produces a total savings of \$11M over the period of the bond, yielding approximately \$500K annually.

The University also operated under the premise that the work needed to transform the University could not be done alone. As such, we partnered with several academic institutions, businesses and corporate partners. Articulation agreements were established with Orangeburg-Calhoun Technical College, Denmark Technical College, Midlands Technical College and the University of Phoenix. Collaborations were also formed with Claflin University, The Regional Medical Center, The Scholarship System and the City of Orangeburg. These partnerships allowed the University and the respective entities to pool resources and talent for mutually beneficial outcomes.

The changes and improvements made to the campus buildings, roads, and other facilities were evident to the larger community, and confidence within the institution increased as evidenced by major gifts pledged and received. Specifically, there were three major gifts/commitments which total \$1M, with opportunities for even more donations.

The significant accomplishments made over the last year would not have been possible without the collective efforts of several groups. I would like to thank the Board, administration, faculty, staff, alumni and students, for the hard work they provided during some very difficult times. Also, I would like to express our gratitude to our community partners, donors, the State of South Carolina and our governing agencies for their support of SC State University.

The University has come a long way with a lot more to be done, but more importantly, we are headed in the right direction. Our challenges did not present themselves overnight and we understand that the transformation is a *process*. As we continue to work toward a more effective and efficient SC State, we solicit your continued support of our efforts.

Sincerely,

A handwritten signature in black ink that reads "James E. Clark". The signature is written in a cursive, flowing style.

James E. Clark
President

South Carolina State University

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November 30, 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, 2017.

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 degree 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 2018 are projected to be slightly higher based on SC State's increase in health insurance allocation, anticipated funds for deferred and required maintenance, and additional of state funding to technology and staff deficiencies.

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 undergraduates and 5% for graduates for fiscal year 2018 and the University continued with a zero-budget process for fiscal year 2018 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 2017 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 Presidnet 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 Trustee's 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 2017.

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, 2017, 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
Vice President of Finance & Management



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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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the University's proportionate share of the net pension liability, and the schedule of the University's contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 them.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 11, 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

December 11, 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, 2017. 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, 2017. 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 of the current portion.

South Carolina State University

Management's Discussion and Analysis (unaudited)

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, 2017 and 2016:

Condensed Statement of Net Position					
<i>June 30,</i>	2017	2016	Increase (Decrease)	Percent Change	
Assets					
Current assets	\$ 30,545,457	\$ 19,793,509	\$ 10,751,948	54.32%	
Noncurrent assets	13,628,185	11,811,100	1,817,085	15.38%	
Capital assets, net	112,304,994	115,774,581	(3,469,587)	-3.00%	
Total Assets	\$ 156,478,636	\$ 147,379,190	\$ 9,099,446	6.17%	
Deferred Outflows of Resources	\$ 13,085,933	\$ 3,984,993	\$ 9,100,940	228.38%	
Liabilities					
Current liabilities	\$ 11,555,539	\$ 19,269,255	\$ (7,713,716)	-40.03%	
Noncurrent liabilities	120,983,899	133,358,127	(12,374,228)	-9.28%	
Total Liabilities	\$ 132,539,438	\$ 152,627,382	\$ (20,087,944)	-13.16%	
Deferred Inflows of Resources	\$ 13,085,933	\$ 3,984,993	\$ 9,100,940	228.38%	
Net Position					
Net Investment in capital assets	\$ 55,165,885	\$ 58,329,255	\$ (3,163,369)	-5.42%	
Restricted - Nonexpendable	886,082	863,192	22,890	2.65%	
Restricted - Expendable	19,980,760	14,979,691	5,001,068	33.39%	
Unrestricted	(52,093,527)	(79,420,330)	27,326,803	34.41%	
Total Net Position	\$ 23,939,200	\$ (5,248,192)	\$ 29,187,392	556.14%	

South Carolina State University

Management's Discussion and Analysis (unaudited)

The vast majority of current assets (82%) 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 (90%).

The 54% increase in current assets is attributable to a \$9.7 million increase in cash and cash equivalents as a result of controlled cash management in order to realize an improvement in the current ratio at the end of the year. Current liabilities decreased by \$7.7 million (40.0%) from the prior year. The decrease is the net result a decrease accounts payable and accrued expenses by \$6.3 million (68.2%) as a result of controlling expenditures in order to realize a positive change in net assets, along with a decrease in accrued interest payable of \$1.3 million (75.2%) a result of refinancing of housing related notes payable.

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>June 30,</i>	2017	2016	Increase (Decrease)	Percent Change
Revenues				
Operating Revenues				
Student tuition and fees (net of allowance)	\$ 25,823,331	\$ 25,219,372	\$ 603,959	2.39%
Grants and Contracts	18,471,756	17,500,059	971,697	5.55%
Sales and services (net of allowance)	13,744,460	11,673,661	2,070,799	17.74%
Other operating revenues	1,486,984	753,882	733,102	97.24%
Total Operating Revenues	\$ 59,526,531	\$ 55,146,974	\$ 4,379,557	7.94%
Expenses				
Operating Expenses				
Salaries, wages and related employee benefits	\$ 33,570,423	\$ 41,193,437	\$ (7,623,014)	-18.51%
Services, supplies and others	19,923,121	21,828,396	(1,905,275)	-8.73%
Utilities	2,747,372	2,669,440	77,932	2.92%
Scholarships	10,070,543	10,928,342	(857,799)	-7.85%
Depreciation and amortization	4,690,808	4,940,852	(250,044)	-5.06%
Total Operating Expenses	\$ 71,002,267	\$ 81,560,467	\$ (10,558,200)	-12.95%
Net Operating Loss	\$ (11,475,736)	\$ (26,413,493)	\$ 14,937,757	56.55%
Nonoperating Revenues				
State appropriations	\$ 24,685,126	\$ 24,806,063	\$ (120,937)	-0.49%
Gain on extinguishment of state debt	8,000,000	-	8,000,000	N/A
Federal grants	9,876,362	9,763,969	112,393	1.15%
Gifts	394,740	592,403	(197,663)	-33.37%
Interest, other investment income and interest expense	(2,442,918)	(2,757,422)	314,504	11.41%
Other nonoperating revenue	-	5,448	(5,448)	-100.00%
Net Nonoperating Revenues	\$ 40,513,310	\$ 32,410,461	\$ 8,102,849	25.00%
Net Income (Loss) Before Other Revenues, Expenses, Gains or Losses	29,037,574	5,996,968	23,040,606	384.20%
Capital Grants, Gifts	149,818	343,405	(193,587)	-56.37%
Change in Net Position	\$ 29,187,392	\$ 6,340,373	\$ 22,847,019	360.34%
Net Position, beginning of year	\$ (5,248,192)	\$ (11,588,565)	\$ 6,340,373	54.71%
Net Position, end of year	\$ 23,939,200	\$ (5,248,192)	\$ 29,187,392	556.14%

South Carolina State University

Management's Discussion and Analysis (unaudited)

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 enrollment decreased by 149 students; however, there was a 2% increase in tuition and fees net of scholarship allowance as a result of a 3.25% tuition increase. In addition, sales and services net of allowance increased by 17.7% due to an increase in housing rates as well as the implementation of per course fees for speciality courses requiring unique supplies. Overall operating revenues increased by \$4.4 million or 7.9% and nonoperating revenues (expenses) increased by approximately \$8.1 million or 25% largely as a result of increased state appropriations which included \$8 million in non-cash appropriations related to loan forgiveness on recovery loan obtained during the year ended June 30, 2017.

Overall operating expenses decreased by \$10.6 million or 13%, resulting from decreases of \$7.6 million in salaries and benefits of which 18.5% related to staff reductions and retirements. Scholarships decreased by \$0.9 million or 7.8% 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 \$29.2 million compared to \$6.3 million in fiscal year 2016, which is a improvement of \$22.8 million or 360.3%. 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>	2017	2016	Increase (Decrease)	Percent Change
Cash used by operating activities	\$ (20,242,459)	\$ (30,256,758)	\$ 10,014,299	33.10%
Cash provided by noncapital financing activities	37,023,742	38,162,435	(1,138,693)	-2.98%
Cash used by capital debt and related financing activities	(5,468,128)	(5,776,055)	307,927	5.33%
Cash provided by investing activities	144,230	272,962	(128,732)	-47.16%
Net Change in Cash and Cash Equivalents	\$ 11,457,385	\$ 2,402,584	\$ 9,054,801	376.88%
Cash and Cash Equivalents, beginning of year	\$ 20,840,546	\$ 18,437,962	\$ 2,402,584	13.03%
Cash and Cash Equivalents, end of year	\$ 32,297,931	\$ 20,840,546	\$ 11,457,385	54.98%

Cash and cash equivalents increased by \$11.5 million or 55% 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, 2017 of \$112.3 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 \$69.7 million in notes and bonds payable. The University's bonded indebtedness consisted of: State institution bonds of \$19.1 million, student residential life building revenue notes of \$36.3 million, State Treasurer's Office Master Loan Program of \$1.7 million, State Budget Control Board Recovery loan of \$5.4 million, State of SC Blue Ribbon Committee loan of \$4 million and unamortized bond premiums of \$3.2 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 in excess of \$5,000 per item, increased during the fiscal year by \$1.2 million. See Note 5 for further detail of the capital assets.

South Carolina State University

Management's Discussion and Analysis (unaudited)

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 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 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

June 30, 2017

Assets

Current Assets

Cash and cash equivalents	\$ 11,454,362
Restricted cash and cash equivalents	10,361,316
Student accounts receivable (net of allowance for doubtful accounts of \$3,109,503)	3,351,977
Grants and contracts receivable	3,475,589
Other receivables	1,734,401
Prepaid expenses and other assets	167,812

Total Current Assets	30,545,457
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Noncurrent Assets

Restricted cash and cash equivalents	10,482,253
Student loans receivable (net of allowance for doubtful accounts of \$1,555,492)	3,028,366
Investments	117,566
Capital assets (net of accumulated depreciation of \$84,682,263)	112,304,996

Total Noncurrent Assets	125,933,181
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Total Assets	156,478,638
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Deferred Outflows of Resources

Advanced disbursement of funds	3,315,884
Amounts related to net pension liability	9,770,049

Total Deferred Outflows of Resources	\$ 13,085,933
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South Carolina State University

Statement of Net Position

June 30, 2017

Liabilities

Current Liabilities

Accounts payable and accrued expenses	\$	2,938,276
Accrued payroll and related liabilities		1,637,240
Unearned revenues		1,133,552
Accrued interest payable		428,522
Compensated absences payable, current portion		979,694
Notes and bonds payable, current portion		4,438,255

Total Current Liabilities		11,555,539
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Noncurrent Liabilities

Compensated absences payable, long-term portion	1,317,187
Notes and bonds payable, long-term portion	65,296,862
Net pension liability	53,433,462
Federal loan fund contributions	936,388

Total Noncurrent Liabilities	120,983,899
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Total Liabilities	132,539,438
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Deferred Inflows of Resources

Amounts related to net pension liability	13,085,933
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Total Deferred Inflows of Resources	13,085,933
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Net Position

Net investment in capital assets	55,165,885
Restricted for:	
Nonexpendable:	
Endowed professorships and scholarships	886,082
Expendable:	
Student loans	3,517,099
Debt service	7,003,370
Capital project	583,122
Research and other specific programs	8,877,169
Unrestricted	(52,093,527)

Total Net Position	\$	23,939,200
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See accompanying notes to financial statements.

South Carolina State University

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30,

2017

Revenues

Operating Revenues

Student tuition and fees (net of scholarship allowances of \$7,017,608)	\$	23,366,087
Student tuition and fees pledged for debt service		2,457,244
Federal grants and contracts		14,405,742
State grants and contracts		3,712,974
Nongovernmental grants and contracts		353,040
Sales and services of educational and other activities		3,521,026
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,680,165)		5,585,544
Sales and services of auxiliary enterprises pledged for debt service		4,637,890
Other operating revenues		1,486,984

Total Operating Revenues		59,526,531
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Expenses

Operating Expenses

Salaries and wages	32,540,313
Employee benefits	1,030,110
Services and supplies	19,923,121
Utilities	2,747,372
Scholarships	10,070,543
Depreciation and amortization	4,690,808

Total Operating Expenses	71,002,267
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Net Operating Loss	(11,475,736)
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Nonoperating Revenues (Expenses)

State appropriations	24,685,126
Gain on forgiveness of state debt	8,000,000
Federal grants	9,876,362
Gifts	394,740
Interest and other investment income	149,176
Interest expense	(2,592,094)

Net Nonoperating Revenues	40,513,310
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Net Income Before Other Revenues, Expenses, Gains or Losses	29,037,574
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Capital Grants and Gifts	149,818
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Change in Net Position	29,187,392
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Net Position, beginning of year	(5,248,192)
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Net Position, end of year	\$	23,939,200
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See accompanying notes to financial statements.

South Carolina State University

Statement of Cash Flows

Year Ended June 30,

2017

Operating Activities

Student tuition and fees	\$	25,706,684
Grants and contracts		17,242,142
Sales and services of educational and other activities		3,505,388
Sales and services of auxiliary enterprises		10,178,029
Receipts from other operating revenues		515,504
Payments to employees for salaries and benefits		(39,604,641)
Payments to suppliers for goods and service		(28,025,776)
Payments to students		(10,070,543)
Inflows from Federal direct loans		34,041,053
Outflows from Federal direct loans		(33,357,242)
Loans issued to students		(419,008)
Collection of loans issued to students		61,801
Receipts of funds held for others		3,156,151
Payments of funds held for others		(3,172,001)

Net Cash Used by Operating Activities (20,242,459)

Noncapital Financing Activities

State appropriations		24,685,126
Federal grants and contracts		9,653,948
Gifts		394,740
Proceeds from noncapital debt		3,000,000
Principal paid on noncapital debt		(637,259)
Interest paid on noncapital related debt		(72,813)

Net Cash Provided by Noncapital Financing Activities 37,023,742

Capital Debt and Related Financing Activities

Proceeds from federal capital grant		149,818
Purchases of capital assets		(1,221,223)
Proceeds from capital related debt		35,989,518
Principal paid on capital debt		(36,439,660)
Interest paid on capital related debt		(3,946,581)

Net Cash Used by Capital Debt and Related Financing Activities (5,468,128)

Investing Activities

Interest on deposits and investments		149,176
Purchase of investments		(4,946)

Net Cash Provided by Investing Activities 144,230

Net Change in Cash and Cash Equivalents 11,457,385

Cash and Cash Equivalents, beginning of year 20,840,546

Cash and Cash Equivalents, end of year \$ 32,297,931

South Carolina State University

Statement of Cash Flows

Year Ended June 30,

2017

Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities	
Net operating loss	\$ (11,475,736)
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation expense	4,690,808
Changes in operating assets and liabilities:	
Student accounts receivable, net	(378,027)
Grants and contracts receivables	(940,279)
Other receivables	(287,669)
Prepaid expenses and other assets	551,495
Student loans receivable, net	(52,222)
Accounts payable and accrued expenses	(6,290,552)
Accrued payroll and related liabilities	(39,011)
Unearned revenues	296,734
Student deposits	(1,958)
Funds held for others	(15,850)
Compensated absences payable	(474,286)
Net pension liability	(5,520,921)
Federal loan fund contributions	(304,985)
Net Cash Used by Operating Activities	\$ (20,242,459)
Noncash Transactions:	
Gain on forgiveness of state debt	\$ 8,000,000
Total Noncash Transactions	\$ 8,000,000
Reconciliation of Cash and Cash Equivalent Balances	
Current Assets	
Cash and cash equivalents	\$ 11,454,362
Restricted cash and cash equivalents	10,361,316
Noncurrent Assets	
Restricted cash and equivalents	10,482,253
Total Cash and Cash Equivalents	\$ 32,297,931

See accompanying notes to financial statements.

Discretely Presented Component Unit

South Carolina State University Foundation, Inc.

Statement of Financial Position

December 31,	2016
Assets	
Cash and cash equivalents	\$ 1,289,423
Accounts receivable	57,441
Promises to give, net	881,578
Investments	6,112,293
Art collections	539,409
Vehicle, net	98,560
Land	23,700
Total Assets	\$ 9,002,404
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	\$ 220,122
Total Liabilities	\$ 220,122
Net (Deficit) Assets	
Unrestricted	\$ (492,036)
Temporarily restricted	4,646,774
Permanently restricted	4,627,544
Total Net Assets	8,782,282
Total Liabilities and Net Assets	\$ 9,002,404

See accompanying notes to financial statements.

South Carolina State University Foundation, Inc.

Statement of Activities

<i>Year ended December 31,</i>	2016
<i>Change in unrestricted net assets</i>	
Revenues	
Contributions	\$ 119,722
Investment income	159,386
Administrative fee income	130,987
Other	652
Net assets released from restrictions	2,512,709
Total Unrestricted Revenues	2,923,456
Expenses	
Program	
Scholarships	897,279
Educational programs and development	1,485,207
Management and general	488,881
Fund-raising	50,142
Total Expenses	2,921,509
Change in Unrestricted Net Assets	1,947
<i>Change in temporarily restricted net assets</i>	
Revenues	
Contributions	3,120,737
Investment income	164,253
Net assets released from restrictions	(2,512,709)
Change in Temporarily Restricted Net Assets	772,281
<i>Change in permanently restricted net assets</i>	
Revenues	
Contributions	200,065
Change in Permanently Restricted Net Assets	200,065
Change in Net Assets	974,293
Net Assets, at beginning of year	7,807,989
Net Assets, end of year	\$ 8,782,282

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 a non-major discretely presented component unit 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.

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.

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.

South Carolina State University

Notes to Financial Statements

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.

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.

South Carolina State University

Notes to Financial Statements

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, 2017	South Carolina State University Foundation, Inc. December 31, 2016
Current - cash and cash equivalents	\$ 11,454,362	\$ -
Current - restricted cash and cash equivalents		
Loan funds	1,214,833	-
Research and other specific programs	9,146,483	1,289,423
Total current restricted cash and cash equivalents	10,361,316	1,289,423
Noncurrent restricted cash and cash equivalents		
Debt service	5,222,901	-
Capital projects	4,246,779	-
Endowments	1,012,573	-
Total noncurrent restricted cash and cash equivalents	10,482,253	-
Noncurrent investments	117,566	6,112,293
Total	\$ 32,415,497	\$ 7,401,716
 <i>Deposits</i>		
Cash on hand	\$ 280	\$ -
Deposits held by financial institutions	4,364,345	7,401,716
Deposits held by State Treasurer	28,050,872	-
Total	\$ 32,415,497	\$ 7,401,716

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, 2017, the University's investments held by State Treasurer are as follows:

<i>Investment Type</i>	<i>Fair Value</i>	<i>Maturity</i>
Common stock	\$ 21,666	NA
Series 1984 Agricultural College stock	95,900	2035
Total	\$ 117,566	

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, 2016, South Carolina State University Foundation, Inc.'s investments are as follows:

<i>Investments carried at fair value</i>		Fair Value
Mutual funds	\$	6,084,634
Equity securities		27,659
Total investments carried at fair value	\$	6,112,293

3. Student Accounts and Loans Receivable

Student accounts receivable as of June 30, 2017, are summarized as follows:

	Tuition and Fees	Auxiliary Services	Total
Student accounts receivable	\$ 4,675,727	\$ 1,785,753	\$ 6,461,480
Less allowance for doubtful accounts	(2,250,133)	(859,370)	(3,109,503)
Net student accounts receivable	\$ 2,425,594	\$ 926,383	\$ 3,351,977

South Carolina State University

Notes to Financial Statements

Student loans receivable consisted of the following:

<i>June 30,</i>	<i>2017</i>
Federal Perkins Loan Program	\$ 1,071,526
African American Loan Fund	1,244,848
Education Improvement Act	2,267,484
Gross student loans receivable	4,583,858
Less allowance for doubtful accounts	(1,555,492)
Net student loans receivable	<u>\$ 3,028,366</u>

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>	<i>2017</i>
Federal	\$ 3,192,887
State	157,566
Nongovernmental	125,136
Total grants and contracts receivable	<u>\$ 3,475,589</u>

South Carolina State University

Notes to Financial Statements

5. Capital Assets

Capital assets activity for the year ended June 30, 2017 is summarized as follows:

	Beginning Balance July 1, 2016	Increases	Decreases	Ending Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 2,573,180	\$ 2,960	\$ -	\$ 2,576,140
Construction in-progress	558,993	67,153	-	626,146
Total capital assets not being depreciated	3,132,173	70,113	-	3,202,286
Depreciable capital assets:				
Land improvements	2,824,186	527,501	-	3,351,687
Buildings and improvements	172,453,738	316,622	-	172,770,360
Machinery, equipment, and other	16,067,492	306,987	-	16,374,479
Vehicles	1,333,972	-	(45,525)	1,288,447
Total capital assets being depreciated	192,679,388	1,151,110	(45,525)	193,784,973
Less accumulated depreciation for:				
Land improvements	(991,948)	(136,615)	-	(1,128,563)
Buildings	(64,561,376)	(3,696,889)	-	(68,258,265)
Machinery, equipment, and other	(13,228,669)	(838,437)	-	(14,067,106)
Vehicles	(1,254,987)	(18,867)	45,525	(1,228,329)
Total accumulated depreciation	(80,036,980)	(4,690,808)	45,525	(84,682,263)
Total capital assets being depreciated, net	112,642,408	(3,539,698)	-	109,102,710
Capital assets, net	\$ 115,774,581	\$ (3,469,585)	\$ -	\$ 112,304,996

South Carolina State University

Notes to Financial Statements

6. Unearned Revenues

Unearned revenues consisted of the following:

<i>June 30,</i>	2017
Academic and other fees - second summer session	\$ 390,941
Sponsored research and other programs	93,371
Donated capital gift	137,619
Athletic event receipts - fall semester	511,621
Total unearned revenues	\$ 1,133,552

7. Lease Obligations

The University had a noncancelable operating lease which expired in fiscal year 2017. 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 \$3,242 for fiscal year 2017.

8. Bonds and Notes Payable

Bonds and notes payable consisted of the following at June 30, 2017:

	Interest Rates	Maturity Dates	Balance
General Obligation Bonds, Series 2016A	4.000%	2016-2028	\$ 19,140,000
Plus unamortized bond premiums	n/a	n/a	3,213,609
Total Bonds Payable			22,353,609
Note Payable - Student Housing Part 2	1.630%	2013-2035	36,282,761
Note Payable - Master Lease Note 3	3.613%	2013-2019	134,611
Note Payable - Master Lease Note 4	5.079%	2013-2019	399,013
Note Payable - Master Lease Note 5	4.130%	2013-2020	1,202,383
Note Payable - Recovery Loan	1.610%	2015-2035	5,362,740
Note Payable - Blue Ribbon Loan	0.000%	n/a	4,000,000
Total Notes Payable			47,381,508
Total Bonds and Notes Payable			\$ 69,735,117
Current			\$ 4,438,255
Noncurrent			65,296,862
Total Bonds and Notes Payable			\$ 69,735,117

South Carolina State University

Notes to Financial Statements

General Obligation Bonds

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 of \$1.485 million was retired October 2016.

The General Obligation Bonds, Series 2016A 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 \$2,979,854 which results in a legal annual debt service at June 30, 2017 of \$2,681,869. The annual debt service payments for the fiscal year ended June 30, 2017 were \$2,334,953.

Scheduled maturities of General Obligation Bonds at June 30, 2017 are as follows:

General Obligation Bonds Series 2006D and 2016A

	Principal	Interest	Total
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	1,595,000	588,400	2,183,400
2022-2026	8,995,000	1,932,000	10,927,000
2027-2028	4,120,000	248,800	4,368,800
Total	\$ 19,140,000	\$ 4,893,400	\$ 24,033,400

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, which was refinanced in September 2016, is payable in semi-annual installments of approximately \$1,167,000 until it matures in 2035. The loan is secured by the revenues from the housing facility.

South Carolina State University

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 \$4,246,779 is included in noncurrent restricted cash and cash equivalents for debt service at June 30, 2017.

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. In December 2017, the University obtained a 45 day extension through December 15, 2017 for its financial reporting submission loan covenants that required the University to submit its audited 2017 financial statements within 120 days from June 30, 2017.

Scheduled maturities of notes payable - student housing part II at June 30, 2017 are as follows:

Notes Payable - Student Housing Part II

	Principal	Interest	Total
2018	\$ 1,749,491	\$ 585,462	\$ 2,334,953
2019	1,778,021	556,932	2,334,953
2020	1,804,376	530,577	2,334,953
2021	1,838,312	496,641	2,334,953
2022-2026	9,644,180	2,030,614	11,674,794
2027-2031	10,462,506	1,212,259	11,674,765
2032-2035	9,005,875	333,937	9,339,812
Total	\$ 36,282,761	\$ 5,746,422	\$ 42,029,183

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 matured in March 2017. The second note requires annual payments of \$53,523 at annual interest of 3.8355% and matured 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, 2017 are as follows:

<i>Note Payable - Master Lease Note 3</i>	Principal	Interest	Total
2018	\$ 107,203	\$ 3,421	\$ 110,624
2019	27,408	248	27,656
Total	\$ 134,611	\$ 3,669	\$ 138,280

<i>Note Payable - Master Lease Note 4</i>	Principal	Interest	Total
2018	\$ 194,473	\$ 16,601	\$ 211,074
2019	204,540	6,534	211,074
Total	\$ 399,013	\$ 23,135	\$ 422,148

<i>Note Payable - Master Lease Note 5</i>	Principal	Interest	Total
2018	\$ 383,471	\$ 46,412	\$ 429,883
2019	400,541	29,342	429,883
2020	418,371	11,512	429,883
Total	\$1,202,383	\$ 87,266	\$1,289,649

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 2016 and the interest rate will adjust annually. During fiscal year 2017 the interest rate was 1.09%. The note matures in June 2035.

<i>Note Payable - SC BCB Operating Loan</i>	Principal	Interest	Total
2018	\$ 289,638	\$ 65,398	\$ 355,036
2019	273,396	81,640	355,036
2020	277,797	77,239	355,036
2021	282,270	72,766	355,036
2022-2026	1,480,998	294,184	1,775,182
2027-2031	1,604,120	171,062	1,775,182
2032-2036	1,154,521	41,353	1,195,874
Total	\$ 5,362,740	\$ 803,642	\$ 6,166,382

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 installment in fiscal year 2017.

The South Carolina State Legislature passed a Joint Resolution, 2016 Act 286 (S. 1166) that provided for forgiveness of the SC Blue Ribbon Loan over a period of three years effective fiscal year 2017. The loan is scheduled to be forgiven in increments of \$8 million in fiscal 2017, and \$2 million in fiscal years 2018 and 2019. During the year ended June 30, 2017, \$8 million of this debt was forgiven and recognized as a gain on the accompanying statement of revenue, expenses, and changes in net position.

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, 2017 as follows:

<i>Bond and Note</i>	Principal	Interest
General Obligation Bonds, Series 2006D	\$ 1,485,000	\$ 409,793
General Obligation Bonds, Series 2016A	-	654,990
Note Payable - Student Housing Part 2	533,869	1,397,518
Note Payable - Master Lease Note 1	73,992	2,627
Note Payable - Master Lease Note 2	51,546	1,197
Note Payable - Master Lease Note 3	103,416	7,058
Note Payable - Master Lease Note 4	184,901	25,719
Note Payable - Master Lease Note 5	367,129	62,106
Note Payable - SC Recovery Loan	637,260	106,720
Total	\$ 3,437,113	\$ 2,667,728

9. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2017 was as follows:

	June 30, 2016	Additions	Reductions	June 30, 2017	Due within one year
Compensated absences payable	\$ 2,771,167	\$ 12,282	\$ 486,568	\$ 2,296,881	\$ 979,694
General obligation bonds payable	20,625,000	-	1,485,000	19,140,000	1,420,000
Unamortized bond premiums	3,506,853	-	293,244	3,213,609	293,979
Notes payable	51,820,325	5,513,296	9,952,113	47,381,508	2,724,276
Total	\$ 78,723,345	\$ 5,525,578	\$ 12,216,925	\$ 72,031,998	\$ 5,417,949

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.

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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, 2017, total charges of \$3,682 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 (8.66%) and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (6.41%) 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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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 2016-2017 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 2016-2017 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	13.54% of earnable compensation
Employer Class III	13.54% 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 \$3,594,399, \$643,559 and \$126,756, respectively, for the year ended June 30, 2017.

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, 2017, the University reported liabilities of \$52,485,431 and \$948,134 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, 2016. 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, 2016, the University's proportionate shares of the SCRS and PORS plans were 0.24572% and 0.03738%.

South Carolina State University

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Pension Expense

For the year ended June 30, 2017, the University recognized pension expense for the SCRS and PORS plans of \$774,373 and \$44,410, respectively.

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2017, 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	\$ 6,743,087	\$ -
Net difference between projected and actual earnings on pension plan investments	-	12,868,507
University contributions subsequent to the measurement date	2,774,627	-
Total	\$ 9,517,714	\$ 12,868,507

	PORS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 162,962	\$ -
Net difference between projected and actual earnings on pension plan investments	-	217,426
University contributions subsequent to the measurement date	89,373	-
Total	\$ 252,335	\$ 217,426

The \$2,774,627 and \$89,373 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, 2017 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2018.

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As of June 30, 2017, 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
2018	\$ (2,681,463)	\$ (30,628)
2019	(2,965,854)	(31,341)
2020	(478,102)	7,506
Total	\$ (6,125,419)	\$ (54,463)

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 2015.

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, 2015 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

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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 investment, as used in the July 1, 2015, actuarial valuations, was based on 30 year capital markets outlook at the end of the third quarter 2015. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted beginning January 1, 2016. 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 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
Global Equity:			
Global Public Equity	34.0%	6.52%	2.22%
Private Equity	9.0%	9.30%	0.84%
Real Assets:			
Real Estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
Opportunistic:			
GTAA/Risk Parity	10.0%	3.90%	0.39%
Hedge Funds (Low Beta)	10.0%	3.87%	0.39%
Diversified Credit			
Mixed Credit	5.0%	3.52%	0.17%
Emerging Markets Debt	5.0%	4.91%	0.25%
Private Debt	7.0%	4.47%	0.31%
Conservative Fixed Income:			
Core Fixed Income	10.0%	1.72%	0.17%
Cash and Short Duration (Net)	2.0%	0.71%	0.01%
Total Expected Real Return	<u>100.0%</u>		<u>5.10%</u>
Inflation for Actuarial Purposes			<u>2.75%</u>
Total Expected Nominal Return			<u>7.85%</u>

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	\$ 65,474,136	\$ 52,485,431	\$ 41,672,820
PORS	\$ 1,242,478	\$ 948,134	\$ 683,418

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	\$45,356,214,752	\$23,996,362,354	\$ 21,359,852,398	52.9%
PORS	\$ 6,412,510,458	\$ 3,876,035,732	\$ 2,179,496,384	60.4%

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. Liability calculations performed by the System's actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued audited financial statements for the fiscal year ended June 30, 2016 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, 5.91% and 5.33% of annual covered payroll for 2017 and 2016, respectively. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The University paid \$1,500,444 and \$1,419,920 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2017 and 2016, 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, 2017 and 2016.

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.

South Carolina State University

Notes to Financial Statements

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 and South Carolina State University Real Estate Foundation (“Real Estate Foundation”).

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 as a component unit and has discretely presented the SCSU 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 2017, the SCSU Foundation contributed \$12,500 to the University for scholarships and other supporting activities of the University. The University also received \$84,481 as reimbursement for salaries and office space. Included in other receivable in statement of net position is amount due from the SCSU Foundation totaling \$85,097 as of June 30, 2017.

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 ensure the renewal of the line of credit for the Real Estate Foundation. In fiscal year 2017, the University paid the Real Estate Foundation \$2,112,991 million for dormitory fees collected from students. The University charged and billed the Real Estate Foundation a total of \$52,725 in fiscal year 2017 for reimbursement for telephone, copying equipment, salaries and benefits costs.

At June 30, 2017, amounts due to and due from the Real Estate Foundation are as follows:

Due from the Real Estate Foundation	\$	522,016
Due to the Real Estate Foundation	\$	116,340

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, 2017:

	Educational and General	Public Service	Total
Noncapital Appropriations:			
Original appropriations per Annual Appropriations Act	\$ 13,871,585	\$ 3,437,142	\$ 17,308,727
Appropriation allocation from SC Education Lottery Fund	2,500,000	-	2,500,000
For technology funds	276,399	-	276,399
<hr/>			
Total state noncapital appropriations recorded as current year revenue	\$ 16,647,984	\$ 3,437,142	\$ 20,085,126
<hr/>			
Capital Appropriations:			
From SC Education Lottery Fund	4,600,000	\$ -	4,600,000
<hr/>			
Total state capital appropriations recorded as current year revenue	\$ 4,600,000	\$ -	\$ 4,600,000
<hr/>			

South Carolina State University

Notes to Financial Statements

State Grants and Contracts

Received from SC Commission on Higher Education:

HOPE Scholarships	\$	252,000
Life Scholarships		1,004,656
Palmetto Scholarships		14,200
Need Based Grants		584,712
Education Improvement Act Loan		339,482
African American Teacher Loans		87,924
College of Business		279,504
SC National Guard CAP Scholarship		67,500
Higher Education Excellence Enhancement Program		674,719
Received from other agencies		408,277
Total state grants and contracts	\$	3,712,974

15. Operating Expenses by Function

Operating expenses by functional classification for the year ended June 30, 2017 are summarized as follows:

	Compensation And Employee Benefits	Service and Supplies	Utilities	Scholarships And Fellowships	Depreciation and Amortization	Grand Total
Instruction	\$ 15,802,495	\$ 767,443	\$ 8,393	\$ 291,040	\$ -	\$ 16,869,371
Research	4,215,425	1,718,193	-	193,803	-	6,127,421
Public Service	2,138,886	1,558,360	24,784	16,000	-	3,738,030
Academic Support	2,208,116	1,134,478	-	238,787	-	3,581,381
Student Services	5,909,774	2,542,392	131,325	3,083,477	-	11,666,968
Institutional Support	2,371,858	1,603,541	79,475	-	-	4,054,874
Operations and Maintenance	-	3,078,706	1,655,626	-	-	4,734,332
Scholarships	-	-	-	6,247,436	-	6,247,436
Auxiliaries	923,869	7,520,008	847,769	-	-	9,291,646
Depreciation and Amortization	-	-	-	-	4,690,808	4,690,808
Total Operating Expenses	\$ 33,570,423	\$ 19,923,121	\$ 2,747,372	\$ 10,070,543	\$ 4,690,808	\$ 71,002,267

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>	2017	2016	Increase (Decrease)
Charges for services	\$ 41,054,775	\$ 37,646,915	\$ 3,407,860
Operating grants, contributions and investment income	28,892,034	28,130,582	761,452
Capital grants and contributions	149,818	343,405	(193,587)
Less expenses	(73,594,361)	(84,586,592)	10,992,231
Net program expenses	(3,497,734)	(18,465,690)	14,967,956
Transfers:			
State appropriations	24,685,126	24,806,063	(120,937)
Gain on extinguishment of state debt	8,000,000	-	8,000,000
Total transfers	32,685,126	24,806,063	7,879,063
Change in net position	29,187,392	6,340,373	22,847,019
Net position, beginning of year	(5,248,192)	(11,588,565)	6,340,373
Net position, end of year	\$ 23,939,200	\$ (5,248,192)	\$ 29,187,392

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, 2017 (date of the most recent statement of net position presented) through December 11, 2017 (the date of the audit report and the date the financial statements were available to be issued).

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>	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
	(amounts expressed in thousands)									
Revenues										
Operating Revenues:										
Student Tuition and Fees										
(net of scholarship allowance)										
	\$ 25,823	\$ 25,219	\$ 28,836	\$ 30,099	\$ 32,345	\$ 38,751	\$ 35,822	\$ 34,568	\$ 34,502	\$ 31,714
Federal Grants and										
Contracts	14,406	13,362	13,995	15,623	20,324	24,304	26,997	20,945	31,702	29,779
State Grants and Contracts	3,713	3,840	4,636	4,852	5,173	5,259	6,484	6,497	7,993	6,117
Non-Government										
Grants and Contracts	353	298	215	134	136	238	275	223	230	94
Sales and Services of										
Educational and										
Other Activities	3,521	2,478	2,799	3,262	4,100	3,753	2,967	3,157	2,547	2,436
Sales and Services of										
Auxiliary Enterprises										
(net of scholarship allowance)										
	10,223	9,196	11,028	9,879	11,433	14,172	13,594	12,075	12,066	10,615
Other Operating Revenue	1,487	754	949	977	1,427	2,072	2,624	1,500	1,109	3,442
Total Operating Revenue	59,526	55,147	62,458	64,826	74,938	88,549	88,763	78,965	90,149	84,197
Non-Operating Revenues:										
State Appropriations	24,685	24,806	19,895	18,921	19,145	17,083	16,922	21,950	24,975	34,773
Gain on Extinguishment of										
State Debt	8,000	-	-	-	-	-	-	-	-	-
Federal Grants	9,876	9,764	11,082	11,107	10,793	12,943	18,212	17,750	807	834
Interest Income	149	269	220	230	162	156	183	1,500	2,552	2,194
Other Non-Operating										
Revenue	395	941	1,255	99	196	2,960	4,617	7,449	8,406	3,451
Total Non-Operating Revenue	43,105	35,780	32,452	30,357	30,296	33,142	39,934	48,649	36,740	41,252
Total Revenues	\$102,631	\$ 90,927	\$ 94,910	\$ 95,183	\$105,234	\$121,691	\$128,697	\$127,614	\$126,889	\$125,449

South Carolina State University

Statistical Section (unaudited)

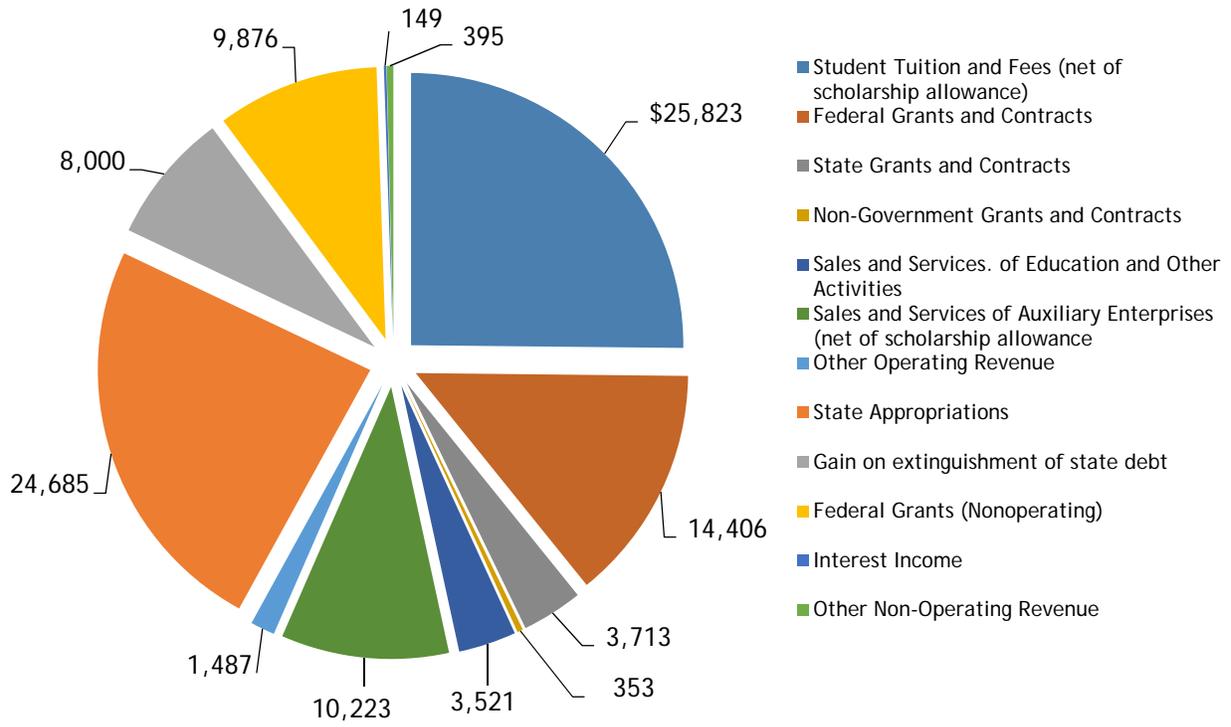
Schedule of Revenues by Source (continued)

<i>Year Ended June 30,</i>	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
	(percent of total revenue)									
Revenues										
Operating Revenues:										
Student Tuition and Fees										
(net of scholarship allowance)										
	25.16%	27.74%	30.38%	31.62%	30.74%	31.84%	27.83%	27.09%	27.19%	25.28%
Federal Grants and										
Contracts										
	14.04%	14.70%	14.74%	16.41%	19.31%	19.97%	20.98%	16.41%	24.98%	23.74%
State Grants and										
Contracts										
	3.62%	4.22%	4.88%	5.10%	4.92%	4.32%	5.04%	5.09%	6.30%	4.88%
Non-Government										
Grants and Contracts										
	0.34%	0.33%	0.23%	0.14%	0.13%	0.20%	0.21%	0.17%	0.18%	0.07%
Sales and Services of										
Educational and										
Other Activities										
	3.43%	2.73%	2.95%	3.43%	3.90%	3.08%	2.31%	2.47%	2.01%	1.94%
Sales and Services of										
Auxiliary Enterprises										
(net of scholarship allowance)										
	9.96%	10.11%	11.62%	10.38%	10.86%	11.65%	10.56%	9.46%	9.51%	8.46%
Other Operating Revenue										
	1.45%	0.83%	1.00%	1.03%	1.36%	1.70%	2.04%	1.18%	0.87%	2.74%
Total Operating										
Revenue										
	58.00%	60.65%	65.81%	68.11%	71.21%	72.77%	68.97%	61.88%	71.05%	67.12%
Non-Operating										
Revenues:										
State Appropriations										
	24.05%	27.28%	20.96%	19.88%	18.19%	14.04%	13.15%	17.20%	19.68%	27.72%
Gain on Forgiveness of										
State Debt										
	7.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Federal Grants										
	9.62%	10.74%	11.68%	11.67%	10.26%	10.64%	14.15%	13.91%	0.64%	0.66%
Interest Income										
	0.15%	0.30%	0.23%	0.24%	0.15%	0.13%	0.14%	1.18%	2.01%	1.75%
Other Non-Operating										
Revenue										
	0.38%	1.03%	1.32%	0.10%	0.19%	2.43%	3.59%	5.84%	6.62%	2.75%
Total Non-Operating										
Revenue										
	42.00%	39.35%	34.19%	31.89%	28.79%	27.23%	31.03%	38.12%	28.95%	32.88%
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 2017 - 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>	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
(amounts expressed in thousands)										
Expenses:										
Operating Expenses:										
Compensation and										
Employee Benefits	\$ 33,570	\$ 41,194	\$ 48,527	\$ 51,501	\$ 54,293	\$ 56,477	\$ 59,062	\$ 59,240	\$ 61,266	\$ 61,554
Service and Supplies	19,923	21,828	23,607	26,648	29,441	34,878	37,083	31,844	36,402	42,250
Utilities	2,747	2,669	3,551	3,599	3,333	3,501	3,514	2,883	3,505	3,626
Depreciation	4,691	4,941	5,014	5,638	5,633	5,350	5,372	5,183	4,316	3,085
Scholarships	10,071	10,928	16,345	14,070	14,837	18,280	15,913	16,772	15,409	11,818
Total Operating Expenses	\$ 71,002	\$ 81,560	\$ 97,044	\$ 101,456	\$ 107,537	\$ 118,486	\$ 120,944	\$ 115,922	\$ 120,898	\$ 122,333
Non-operating Expenses:										
Interest and Other	\$ 2,592	\$ 3,026	\$ 3,414	\$ 4,051	\$ 3,489	\$ 3,936	\$ 3,836	\$ 3,647	\$ 3,463	\$ 4,490
Total Expenses	\$ 73,594	\$ 84,586	\$ 100,458	\$ 105,507	\$ 111,026	\$ 122,422	\$ 124,780	\$ 119,569	\$ 124,361	\$ 126,823

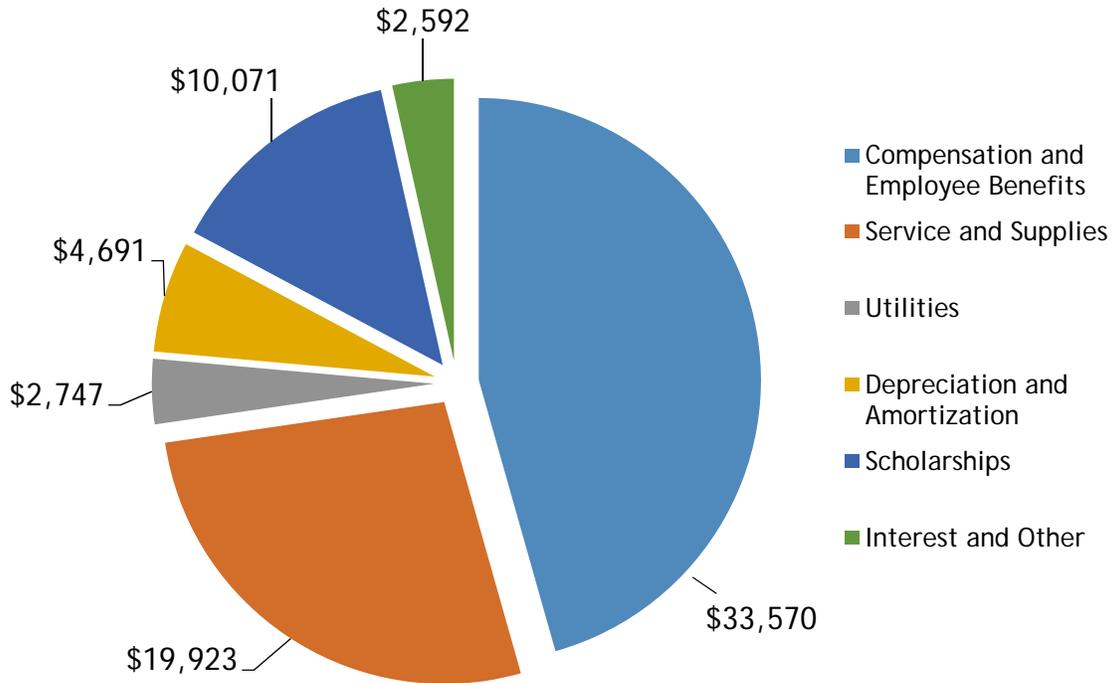
<i>Year Ended June 30,</i>	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
(percent of total expenses)										
Expenses:										
Operating Expenses:										
Compensation and										
Employee Benefits	45.62%	48.70%	48.31%	48.81%	48.90%	46.13%	47.33%	49.54%	49.26%	48.54%
Service and Supplies	27.07%	25.81%	23.50%	25.26%	26.52%	28.49%	29.72%	26.63%	29.27%	33.31%
Utilities	3.73%	3.16%	3.53%	3.41%	3.00%	2.86%	2.82%	2.41%	2.82%	2.86%
Depreciation	6.37%	5.84%	4.99%	5.34%	5.07%	4.37%	4.31%	4.33%	3.47%	2.43%
Scholarships	13.68%	12.92%	16.27%	13.34%	13.36%	14.93%	12.75%	14.03%	12.39%	9.32%
Total Operating Expenses	96.48%	96.42%	96.60%	96.16%	96.86%	96.78%	96.93%	96.95%	97.22%	96.46%
Non-operating Expenses:										
Interest and Other	3.52%	3.58%	3.40%	3.84%	3.14%	3.22%	3.07%	3.05%	2.78%	3.54%
Total Expenses	100.00%									

Source: South Carolina State University audited financial statements.

South Carolina State University

Statistical Section (unaudited)

Schedule of Expenses by Use - Fiscal Year 2017 - 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,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
	(amounts expressed in thousands)									
Total revenues	\$ 102,631	\$ 90,927	\$ 94,910	\$ 95,183	\$ 105,234	\$ 121,691	\$ 128,697	\$ 127,614	\$ 126,889	\$ 125,449
Total expenses	73,594	84,586	100,458	105,507	111,026	122,422	124,780	119,569	124,361	126,823
Total changes in net position	29,037	6,341	(5,548)	(10,324)	(5,792)	(731)	3,917	8,045	2,528	(1,374)
Net position, beginning										
as originally reported	(5,248)	(11,588)	51,380	61,704	67,496	68,227	64,310	56,265	53,737	55,111
Effect of GASB 68 implementation	-	-	(57,419)	-	-	-	-	-	-	-
Net position, beginning	(5,248)	(11,588)	(6,039)	61,704	67,496	68,227	64,310	56,265	53,737	55,111
Net position, ending	\$ 23,789	\$ (5,248)	\$ (11,587)	\$ 51,380	\$ 61,704	\$ 67,496	\$ 68,227	\$ 64,310	\$ 56,265	\$ 53,737
Invested in capital assets, net of related debt	\$ 55,166	\$ 58,329	\$ 55,987	\$ 57,129	\$ 58,237	\$ 62,156	\$ 64,293	\$ 61,913	\$ 58,489	\$ 46,665
Restricted-expendable	19,981	14,980	17,849	10,575	11,957	10,939	2,239	2,778	2,604	5,643
Restricted - non-expendable	886	863	1,018	765	807	785	767	938	914	980
Unrestricted	(52,094)	(79,420)	(86,299)	(17,089)	(9,297)	(6,384)	928	(1,319)	(5,742)	449
Total	\$ 23,939	\$ (5,248)	\$ (11,445)	\$ 51,380	\$ 61,704	\$ 67,496	\$ 68,227	\$ 64,310	\$ 56,265	\$ 53,737

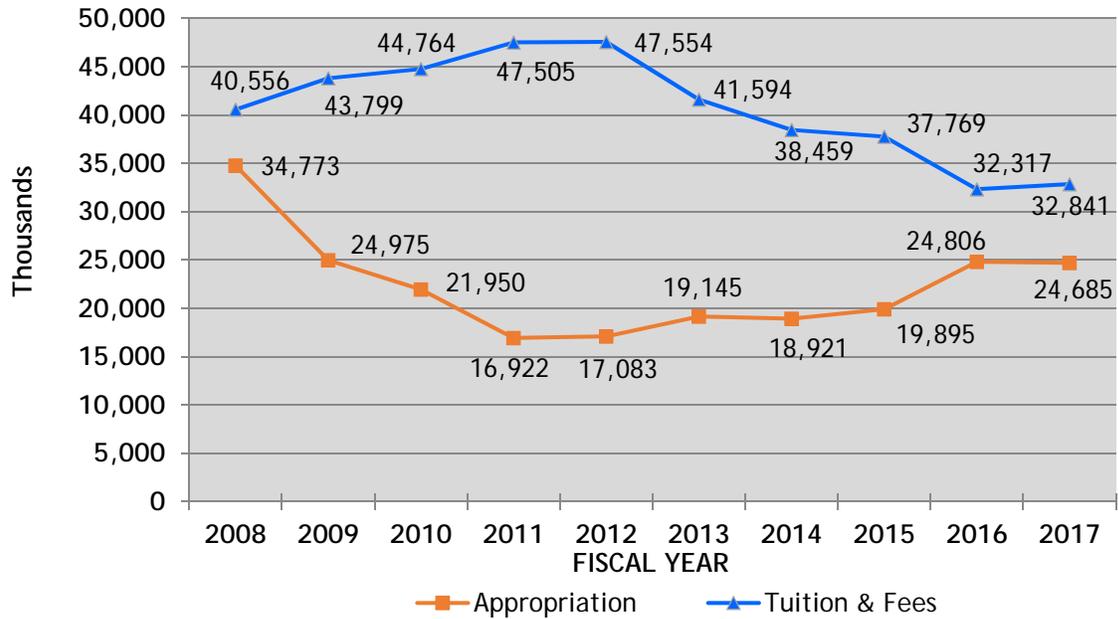
Source: South Carolina State University audited financial statements.

South Carolina State University

Statistical Section (unaudited)

Schedule of State Appropriations and Gross Tuition and Fees

2008-2017



Source: South Carolina State University Audited Financial Statements.

South Carolina State University

Statistical Section (unaudited)

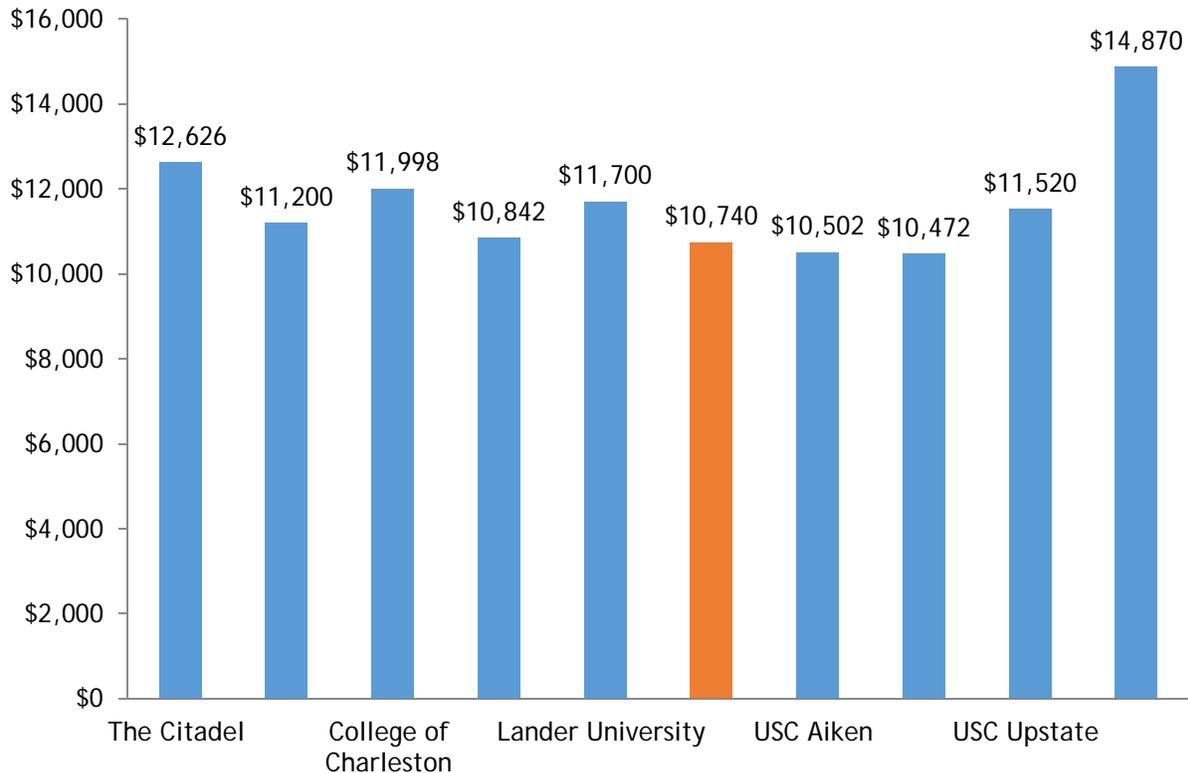
Schedule of Average Annual Tuition and Fees

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

Undergraduate Resident

<i>Year Ended June 30,</i>	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
The Citadel	\$ 12,626	\$ 11,364	\$ 11,098	\$ 10,838	\$ 10,523	\$ 10,216	\$ 9,871	\$ 8,735	\$ 8,428	\$ 7,735
Coastal Carolina University	\$ 11,200	\$ 10,530	\$ 10,140	\$ 9,760	\$ 9,760	\$ 9,760	\$ 9,390	\$ 8,950	\$ 8,650	\$ 7,600
College of Charleston	\$ 11,998	\$ 10,900	\$ 10,558	\$ 10,230	\$ 9,918	\$ 9,616	\$ 10,314	\$ 8,988	\$ 8,400	\$ 7,778
Francis Marion University	\$ 10,842	\$ 10,100	\$ 9,738	\$ 9,432	\$ 9,102	\$ 8,802	\$ 8,480	\$ 7,960	\$ 7,632	\$ 7,038
Lander University	\$ 11,700	\$ 10,752	\$ 10,418	\$ 10,100	\$ 9,792	\$ 9,504	\$ 9,144	\$ 8,760	\$ 8,380	\$ 7,728
SC State University	\$ 10,740	\$ 10,088	\$ 10,089	\$ 9,776	\$ 9,258	\$ 9,258	\$ 8,898	\$ 8,462	\$ 7,806	\$ 7,318
USC Aiken	\$ 10,502	\$ 9,878	\$ 9,552	\$ 9,258	\$ 8,974	\$ 8,700	\$ 8,374	\$ 7,900	\$ 7,532	\$ 7,006
USC Beaufort	\$ 10,472	\$ 9,848	\$ 9,354	\$ 8,922	\$ 8,508	\$ 8,108	\$ 7,940	\$ 7,250	\$ 7,000	\$ 6,250
USC Upstate	\$ 11,520	\$ 10,718	\$ 10,348	\$ 10,028	\$ 9,722	\$ 9,426	\$ 9,072	\$ 8,462	\$ 8,342	\$ 7,760
Winthrop	\$ 14,870	\$ 14,156	\$ 13,812	\$ 13,430	\$ 13,026	\$ 12,656	\$ 12,176	\$ 11,606	\$ 11,160	\$ 10,210

Undergraduate Resident Tuition and Fees FY 2016-17



Source: South Carolina Commission on Higher Education.

South Carolina State University

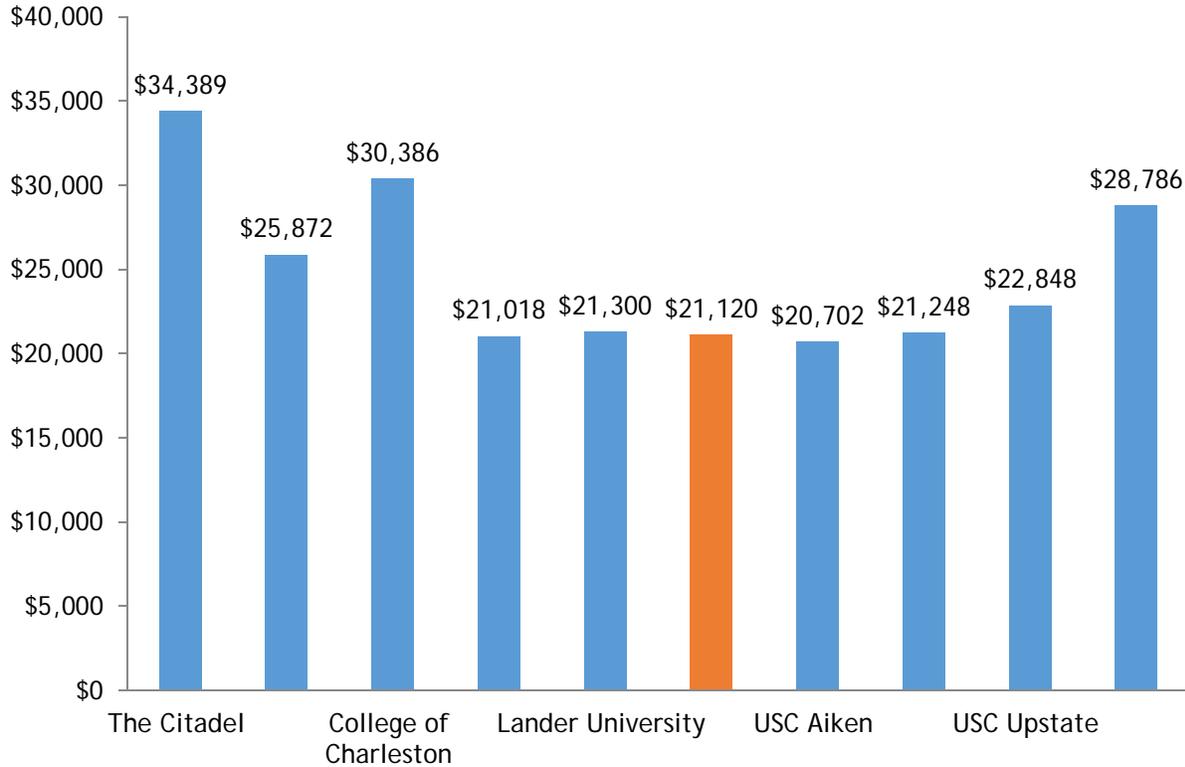
Statistical Section (unaudited)

Schedule of Average Annual Tuition and Fees (Continued)

Undergraduate Non-Resident

<i>Year Ended June 30,</i>	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
The Citadel	\$ 34,389	\$ 31,780	\$ 30,706	\$ 29,639	\$ 28,776	\$ 27,033	\$ 24,800	\$ 22,545	\$ 21,031	\$ 19,291
Coastal Carolina University	\$ 25,872	\$ 24,320	\$ 23,480	\$ 22,770	\$ 22,050	\$ 21,560	\$ 20,270	\$ 18,770	\$ 18,090	\$ 16,590
College of Charleston	\$ 30,386	\$ 28,444	\$ 27,548	\$ 26,694	\$ 25,304	\$ 24,330	\$ 23,172	\$ 21,846	\$ 20,418	\$ 18,732
Francis Marion University	\$ 21,018	\$ 19,668	\$ 19,004	\$ 18,410	\$ 17,810	\$ 17,256	\$ 16,625	\$ 15,585	\$ 15,028	\$ 13,841
Lander University	\$ 21,300	\$ 20,370	\$ 19,738	\$ 19,136	\$ 18,552	\$ 17,976	\$ 17,304	\$ 16,560	\$ 15,840	\$ 14,616
SC State University	\$ 21,120	\$ 19,856	\$ 19,856	\$ 18,910	\$ 18,170	\$ 18,170	\$ 17,470	\$ 16,626	\$ 15,298	\$ 14,362
USC Aiken	\$ 20,702	\$ 19,472	\$ 18,876	\$ 18,290	\$ 17,730	\$ 17,188	\$ 16,542	\$ 15,632	\$ 14,896	\$ 13,922
USC Beaufort	\$ 21,248	\$ 19,982	\$ 19,374	\$ 18,774	\$ 17,906	\$ 17,220	\$ 16,522	\$ 15,100	\$ 14,576	\$ 13,912
USC Upstate	\$ 22,848	\$ 21,368	\$ 20,698	\$ 20,056	\$ 19,444	\$ 18,852	\$ 18,144	\$ 17,284	\$ 16,684	\$ 15,752
Winthrop	\$ 28,786	\$ 27,404	\$ 26,738	\$ 26,000	\$ 24,476	\$ 23,796	\$ 22,892	\$ 21,596	\$ 20,710	\$ 19,034

Undergraduate Non-Resident Tuition and Fees FY 2016-17



Source: South Carolina Commission on Higher Education.

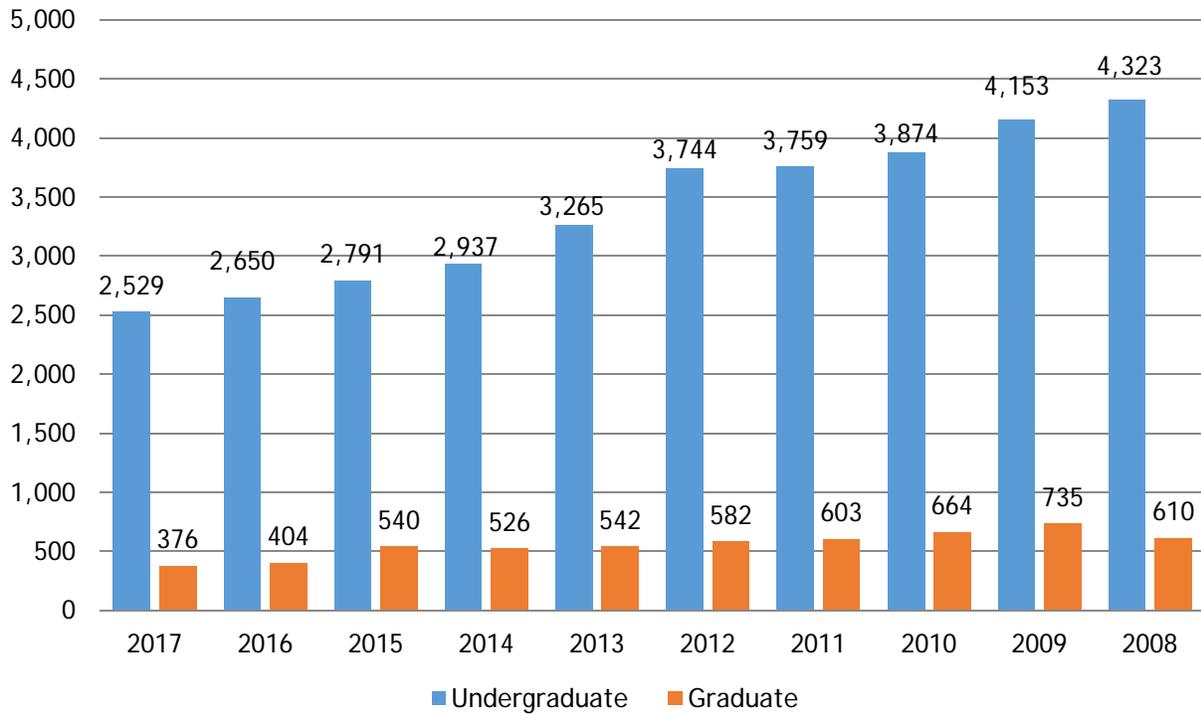
South Carolina State University

Statistical Section (unaudited)

Student Head Count - Fiscal Year 2008 to 2017

<i>Year Ended June 30,</i>	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Undergraduate	2,529	2,650	2,791	2,937	3,265	3,744	3,759	3,874	4,153	4,323
Graduate	376	404	540	526	542	582	603	664	735	610
Total	2,905	3,054	3,331	3,463	3,807	4,326	4,362	4,538	4,888	4,933

Student Head Count - Fiscal Year 2008-2017



Source: South Carolina State University Office of Institutional Research.

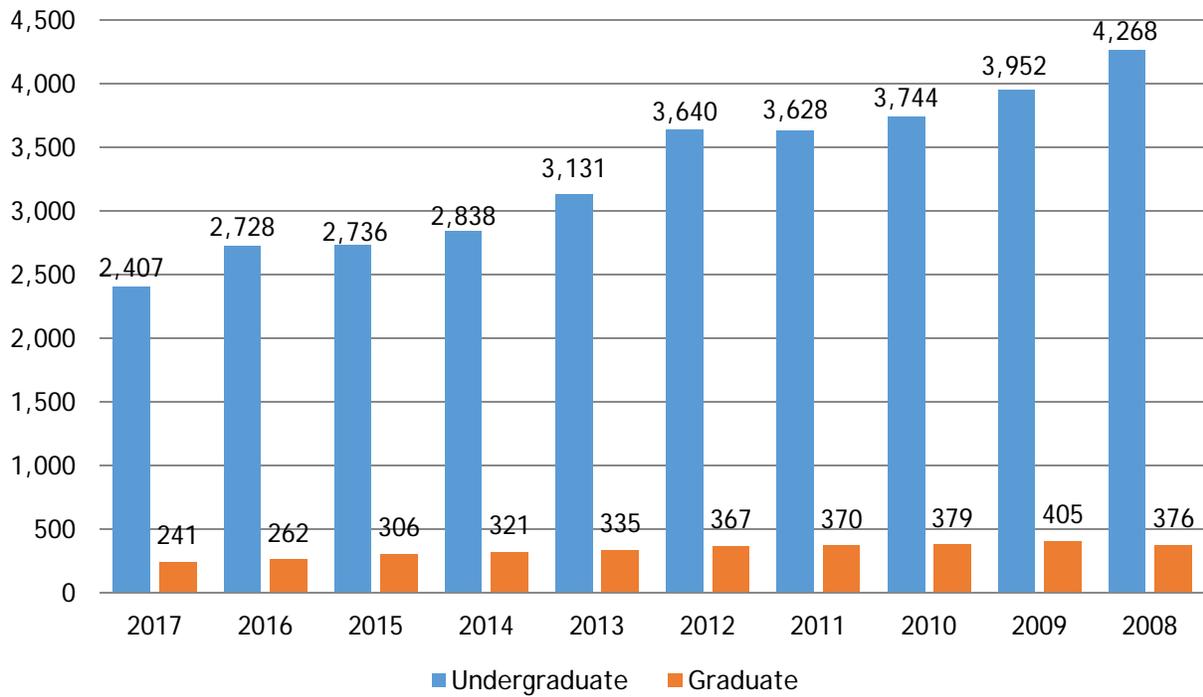
South Carolina State University

Statistical Section (unaudited)

Student Full-Time Equivalent - Fiscal Year 2008 to 2017

<i>Year Ended June 30,</i>	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Undergraduate FTE	2,407	2,728	2,736	2,838	3,131	3,640	3,628	3,744	3,952	4,268
Graduate FTE	241	262	306	321	335	367	370	379	405	376
Total FTE	2,648	2,990	3,042	3,159	3,466	4,007	3,998	4,123	4,357	4,644

Student Full-Time Equivalent - Fiscal Year 2008-2017

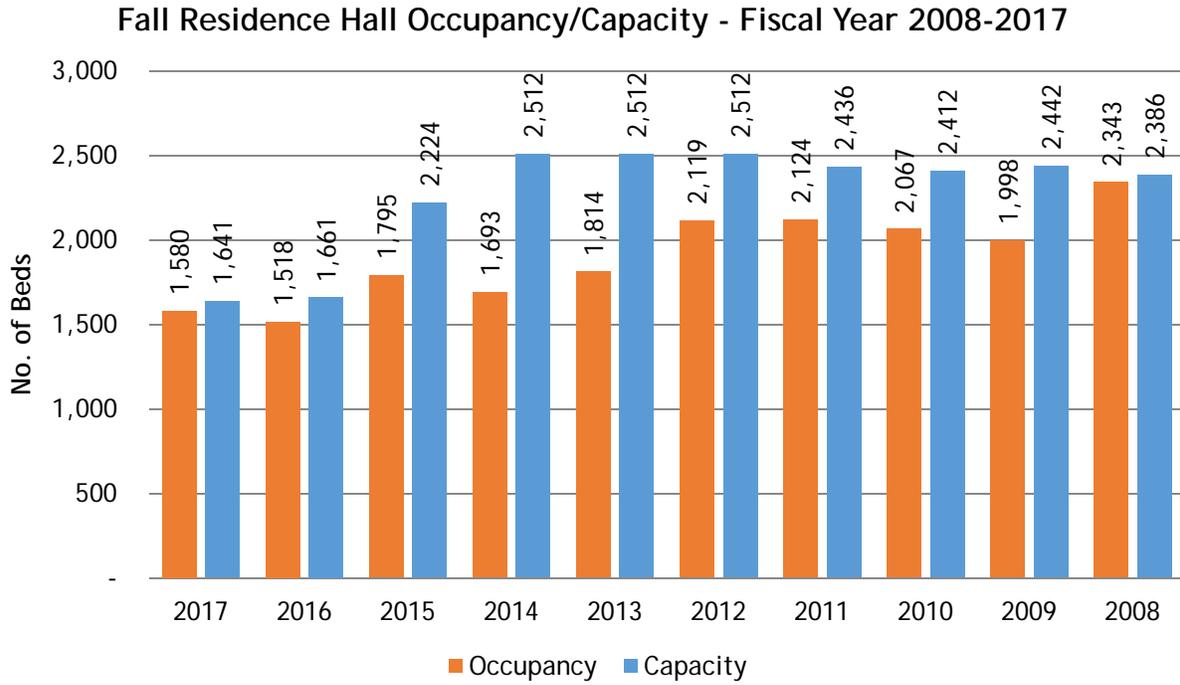


Source: South Carolina State University Office of Institutional Research.

South Carolina State University

Statistical Section (unaudited)

Fall Residence Hall Occupancy/Capacity - Fiscal Year 2008 to 2017



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>	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
	(amounts expressed in thousands, except for outstanding debt per student)									
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 235	\$ 455	\$ 665	\$ 865	\$ 1,055
General Obligation										
Bonds	19,140	20,625	25,215	26,795	28,310	29,770	31,175	32,530	33,835	35,095
Notes Payable	47,382	51,820	50,610	46,548	42,186	43,078	44,410	45,564	41,603	39,600
Capital Lease										
Obligations	-	-	-	-	72	144	629	1,103	1,208	1,591
Total Outstanding Debt	\$ 66,522	\$ 72,445	\$ 75,825	\$ 73,343	\$ 70,568	\$ 73,227	\$ 76,669	\$ 79,862	\$ 77,511	\$ 77,341
Full-time equivalent students	2,648	2,990	3,042	3,159	3,466	4,007	3,998	4,123	4,357	4,644
Outstanding debt per FTE student	\$ 25,122	\$ 24,229	\$ 24,926	\$ 23,217	\$ 20,360	\$ 18,275	\$ 19,177	\$ 19,370	\$ 17,790	\$ 16,654

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	
2017	\$ 2,457	\$ 1,485	\$ 866	\$ 2,351	1.05
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

Revenue Bonds and Notes Payable (Housing)

Year Ended June 30,	Total Revenue Debt Service	Debt Service Requirement			Coverage Ratio
		Principal	Interest	Total	
2017	\$ 4,638	\$ 534	\$ 1,147	\$ 1,681	2.76
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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Faculty	137	136	175	199	207	213	216	229	224	215
Staff and administrators	355	359	428	450	461	449	559	587	600	617
Total	492	495	603	649	668	662	775	816	824	832

FTE students per full time

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

Average annual faculty salary \$ 64,899 \$ 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>	2017	2016	2015	2014	2013	2012	2011	2010
Academic buildings	731,973	731,973	764,615	764,615	764,615	679,278	671,307	523,339
Administrative and support buildings	129,582	129,582	129,582	129,582	158,631	151,880	150,680	101,209
Auxiliary and independent operation buildings	221,867	221,867	354,091	354,091	354,091	354,091	354,091	132,113
Student housing	522,791	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	26,798
Total Square Feet	1,633,011	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 2017

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/Studies
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
Special Education

Graduate

Master's Degrees

Business Administration
Counselor Education
Early Childhood Education
Elementary Education (MAT)
Elementary Education (MED)
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

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
2017	4,625,364	196,049,325	39,465	4.8%
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%

(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)

2017	2008
BAE Systems, Inc.	Bi-Lo, Inc.
Edward Jones	BlueCross BlueShield of South Carolina
Elliott Davis Decosimo	Greenville County School System
Fred Anderson Toyota of Columbia	Greenville Hospital System
Life Cycle Engineering	Michelin Tire Corporation
Palmetto Citizen Federal Credit Union	Palmetto Health Alliance, Inc.
Privilege Underwriters Reciprocal Exchange	U.S. Department of Defense
South Carolina Federal Credit Union	U.S. Postal Service
Southern Diversified Distributors	University of South Carolina
Total Quality Logistics	Wal-Mart Associates, Inc.

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 Commerce: Research & Data Overview
U.S. Department of Labor Bureau of Labor Statistics

Required Supplementary Information

South Carolina State University

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

<i>June 30,</i>	The South Carolina Retirement System			
	2017	2016	2015	2014
University's proportion of the net pension liability	0.25%	0.33%	0.33%	0.33%
University's proportionate of the net pension liability	\$ 52,485,431	\$ 63,170,796	\$ 57,345,851	\$ 46,355,025
University's covered-employee payroll during the measurement period	\$ 19,081,603	\$ 25,114,445	\$ 24,764,122	\$ 24,502,355
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.13%	0.19%	0.20%	0.22%
Plan fiduciary net position as a percentage of the total pension liability	52.90%	57.00%	59.90%	56.40%
	The South Carolina Police Officers Retirement System			
<i>June 30,</i>	2017	2016	2015	2014
University's proportion of the net pension liability	0.04%	0.05%	0.05%	0.05%
University's proportionate of the net pension liability	\$ 948,134	\$ 1,101,953	\$ 967,934	\$ 782,951
University's covered-employee payroll during the measurement period	\$ 413,312	\$ 544,473	\$ 522,380	\$ 515,328
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.02%	0.03%	0.03%	0.04%
Plan fiduciary net position as a percentage of the total pension liability	60.40%	64.60%	67.50%	63.00%

Information is not available for preceding years, to the extent 10 years of information is not presented.

South Carolina State University
Schedule of the University's Contributions

<i>June 30,</i>	The South Carolina Retirement System			
	2017	2016	2015	2014
Contractually required contributions	\$ 2,774,627	\$ 2,631,697	\$ 3,128,886	\$ 3,205,399
Contributions made to pension plan	2,774,627	2,660,405	3,128,886	3,205,399
Contribution deficiency (excess)	\$ -	\$ (28,708)	\$ -	\$ -
University's covered employee payroll	\$ 26,284,660	\$ 19,081,603	\$ 25,114,445	\$ 24,764,122
Contributions as a portion of covered payroll	10.56%	13.94%	12.46%	12.94%
	The South Carolina Police Officers Retirement System			
<i>June 30,</i>	2017	2016	2015	2014
Contractually required contributions	\$ 89,643	\$ 65,470	\$ 67,944	\$ 78,088
Contributions made to pension plan	89,643	67,753	66,765	78,088
Contribution deficiency (excess)	\$ -	\$ (2,283)	\$ 1,179	\$ -
University's covered employee payroll	\$ 639,017	\$ 413,312	\$ 544,473	\$ 522,380
Contributions as a portion of covered payroll	14.03%	16.39%	12.26%	14.95%

Information is not available for preceding years, to the extent 10 years of information is not presented.