South Carolina
Commission on Higher Education

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Mr. Gary S. Glenn
Interim Executive Director

DATE: February 22, 2016

TO: Chairman Tim Hofferth and Members, Commission on Higher Education

FROM: Mr. Hood Temple, Chair, Finance & Facilities Committee

SUBJECT: Committee Meeting, February 23, 2016
Commission Meeting, February 23, 2016

DATE: February 22, 2016

A meeting of the Commission's Committee on Finance and Facilities has been scheduled for tomorrow afternoon, Tuesday, February 23, at 4:00 p.m. A full meeting of the Commission will take place 15 minutes after the adjournment of the Committee meeting.

Both meetings will be held by teleconference* with availability in the Commission's Main Conference Room which is located at 1122 Lady Street, Suite 300.

The agenda for both meetings appears below and is also available online, along with the meeting materials, and posted at the following links:
http://www.che.sc.gov/CHE_Docs/commission%20calendar&materials/2016/February/Memo_and_Agenda_022316.pdf

***To access the Teleconference, enter: 800-503-2899; Access Code: 737-2275**

Agenda
February 23, 2016, 4:00 p.m. (Committee)
15 Minutes after adjournment of committee meeting (Commission)

1. Introductions

2. Interim Capital Project - Coastal Carolina University, Brooks Stadium Addition

3. Adjournment

cc: Ms. Molly Spearman, S.C. State Superintendent of Education
Dr. Danny Varat, State Board of Education
Presidents, Public Colleges and Universities
Dr. Jimmie Williamson, President, SC Technical College System
Mr. Mike LeFever, President, S.C. Independent Colleges and Universities, Inc.
Press and Interested Parties

DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION

February 23, 2016

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Brooks Stadium Additions
REQUESTED ACTION: Increase Construction Budget
REQUESTED ACTION AMOUNT: $38,000,000
INITIAL CHE APPROVAL DATE: October 1, 2015

Source of Funds	Phase I (Pre-Design)	Phase II (Land/ Building Purchase)	Total Proposed Budget
Renovation/Reserve Plant Expansion	*$285,000*	**$0**	$285,000
Revenue Bonds	*$0*	$37,715,000	$37,715,000
Total	***$285,000***	***$37,715,000***	***$38,000,000***

DESCRIPTION:
The University requests an increase in budget to allow Phase II construction to begin for renovations/additions to Brooks Stadium. The majority of the additions will take place on the west stands as the University plans to increase seating capacity for spectators. This will also include a suite(s) level for 300+ fans. To meet the overall increase of spectators, there will be an addition to fan related amenities throughout the stadium that include: restrooms, concessions, and ADA improvements to ensure compliance standards (ramps and elevators). Renovations to the exiting stadium include improvements to entrance plazas and fan circulation methods. This includes an east to west connector on the south end of the stadium.

These additions are needed since the University recently accepted an offer to participate as an active member in the Sun Belt Conference. This acceptance moves football Bow Subdivision (FBS). An increase in seating capacity will have to double from current seating count to meet NCAA FBS requirements. To meet this goal, seating will be added to the east side of the stadium as well. For game management to better handle the increased amount of spectators, the above design features were added to increase stadium entry ways for fan safety and enhanced game experience. Debt will be serviced from the additional opportunities in new ticket sales, suite sales, and season ticket donations and with debt service allocated funds already set aside for this purpose, but due to growth in students, the amount set aside exceeds current payments. There will be no increase in tuition as a result of this project.

E&G MAINTENANCE NEEDS:
N/A

ANNUAL OPERATING COSTS/SAVINGS:
Additional cost of utilities, $50,000; supplies, $12,500; and personnel, $28,000 will be absorbed into the existing budget.

CAFR Schedules and Support:

Supplemental Schedules included in the institution's CAFR report which have been reviewed for accuracy and completeness by CHE staff

1-1 Total Outstanding Debt

1-2 Debt Service Coverage on Revenue Bonds
1-2-A Detail Information on how Net Revenue is calculated for use on Schedule as Net Revenue's Available for Revenue Debt Service
1-2-B Financial Statement Support of Net Revenue Calculation

1-3 Debt Service Coverage on Institution Bonds

Note: Debt Service Coverage is the institution's ability to make its debt service payments, which includes principal and interest, based on the current net revenue available to make payments. This answers the question: How many times could the University have paid its required debt obligation for the year?

Future Debt Service Payments: A projection of Coastal's future debt service payments. This information was provided by Bond Counsel, Gary Pope, on behalf of Coastal Carolina University

2-1 Details the future payments based on the current revenue debt already issued, and includes amounts for principal and interest for the additional bond issuance

2-2 Takes the "Total Composite Debt Service," which includes all interest and principal for both current and future debt payments from the previous page, and shows that based on the current revenue available to pay revenue debt obligations (as shown in 1-2 above), the University could handle the future debt service. This schedule shows that the university could fulfill its debt obligations, including the additional $39 million issuance, without the projected additional income. The last four columns on this page show projected future revenues and calculates the debt service coverage based on those revenues.

Schedule 8
Coastal Carolina University
Ratios of Outstanding Debt
Fiscal Years 2006-2015

	For the fiscal year ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Bonded Debt										
General obligation bonds	$ 56,675,000	$ 59,665,000	$ 62,585,000	$ 65,440,000	$ 68,235,000	$ 70,980,000	$17,655,000	$ 18,305,000	$ 18,935,000	$ 7,935,000
Total general bonded debt	$ 56,675,000	$ 59,665,000	$ 62,585,000	$ 65,440,000	$ 68,235,000	$ 70,980,000	$17,655,000	$ 18,305,000	$ 18,935,000	$ 7,935,000
Outstanding general bonded debt per full-time equivalent student	$ 6,006	$ 6,727	$ 7,065	$ 7,505	$ 8,219	$ 9,025	$2,320	$ 2,551	$ 2,727	$ 1,207
Other Debt										
Revenue bonds	$ 192,361,000	$ 106,707,000	$ 72,551,000	$ 19,122,000	$ 20,200,000	$ 21,305,000	$22,365,000	$ 23,375,000	$ 24,345,000	$ 24,600,000
Capital lease obligations	-	144,894,319	148,208,521	-	-	55,133	162,895	267,404	368,758	467,052
Total outstanding debt	$ 249,036,000	$ 311,266,319	$ 283,344,521	$ 84,562,000	$ 88,435,000	$ 92,340,133	$40,182,895	$ 41,947,404	$ 43,648,758	$ 33,002,052
Total outstanding debt per full-time equivalent student	$ 26,389	$ 35,092	$ 31,984	$ 9,697	$ 10,652	$ 11,741	$5,280	$ 5,845	$ 6,286	$ 5,019
Number of full time-equivalent undergraduate and graduate students	9,437	8,870	8,859	8,720	8,302	7,865	7,610	7,177	6,944	6,576

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Schedule 9
Coastal Carolina University
Debt Service Coverage on Revenue Bonds
Fiscal Years 2006-2015

	For the fiscal year ended June 30									
REVENUE BONDS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues	$ 174,937,930	$159,198,369	$152,009,017	$138,853,361	$131,251,959	$116,793,340	$104,224,614	$ 90,926,143	$ 70,209,074	$ 59,884,941
Expenses	158,478,186	146,387,042	136,531,706	123,860,178	111,929,070	99,040,370	92,597,576	80,449,056	58,774,006	53,701,011
Net Revenues Available for Debt Service	$ 16,459,744	$ 12,811,327	$ 15,477,311	$ 14,993,183	$ 19,322,889	$ 17,752,970	$ 11,627,038	$ 10,477,087	$ 11,435,068	$ 6,183,930
Debt Service Req, Revenue Bonds	$ 3,057,986	$ 1,936,417	$ 1,932,683	$ 2,050,518	$ 2,046,069	$ 2,044,872	$ 2,041,557	$ 2,046,371	$ 2,716,850	$ 2,711,330
Coverage	5.38	6.62	8.01	7.31	9.44	8.68	5.70	5.12	4.21	2.28

Above revenues, expenses and net revenues available for debt service have been determined in accordance with the requirements of the applicable bonds.

Calculation of Net Revenues Available to Pay Debt Service of Revenue Bonds
Source: Greg Thompson, Deputy Controller at Coastal Carolina University

Note: Amounts tie to Statement of Revenues, Expenses and Changes in Net Position (pg 41 of FY2015 CAFR)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Operating revenues	163,130,126	147,335,979	141,354,521	123,766,406	116,005,059	105,343,319	103,177,319	88,315,472	84,903,254	74,451,765
Less tuition reserved for debt service	(7,103,983)	(7,149,509)	(7,744,604)	(7,674,531)	(7,320,102)	(6,135,497)	(5,733,325)	(6,100,510)	(3,020,087)	(1,037,700)
Less restricted government scholarships and contracts									(14,316,101)	(13,643,392)
Non-operating revenues:										
Pell revenues	15,432,918	14,758,630	14,274,618	14,332,160	13,506,926	10,273,453	6,216,868	4,927,162		
Stabilization funds					2,436,629	2,278,097				
Interest	414,205	1,338,597	1,472,071	713,372	3,464,715	2,016,403	2,042,596	1,551,714	1,256,989	425,018
Local appropriations	393,324	376,875	294,500	313,125	238,313	434,395	280,608	233,670	315,079	308,539
Non-operating grants/contracts in unrestricted funds	5,040	7,840	13,370	5,613						
Gifts in unrestricted funds	2,664,108	2,530,123	2,142,451	2,307,216	1,057,609	1,991,205	1,331,408	2,360,788		
	174,037,930	159,192,360	152,608,917	132,833,361	131,351,809	116,700,300	104,324,614	90,006,145	70,380,074	59,604,941
Less Expenses										
Operating expenses per statements	182,944,514	170,697,260	159,471,167	137,319,818	127,820,344	116,312,099	110,306,405	101,973,122	93,308,427	84,798,704
Less expenses for restricted gov't schol and contracts									(14,316,101)	(13,643,392)
Less expenses for restricted non-operating grants										
Less expenses for restricted gifts										
Less state appropriation funded expenses	(10,851,718)	(10,264,739)	(11,140,551)	(8,920,707)	(9,056,020)	(11,970,057)	(13,534,645)	(17,671,977)	(16,171,875)	(13,562,113)
Less depreciation, bad debt expense	(13,614,618)	(13,355,479)	(11,798,910)	(4,538,853)	(5,236,188)	(5,301,072)	(4,254,372)	(3,832,089)	(3,900,000)	(3,432,500)
Less donated goods and services									(84,000)	(651,650)
	158,478,185	146,597,042	136,531,705	123,860,178	111,980,010	99,040,970	92,507,376	80,469,056	58,774,885	53,701,011
Equals Net Revenues	16,499,744	12,611,327	15,477,311	14,973,183	19,322,809	17,757,970	11,637,088	10,477,087	11,434,668	5,153,930
Debt Service on Revenue Bonds	3,057,946	1,936,477	1,852,483	2,030,518	2,044,630	2,044,672	2,043,557	2,046,371	2,716,830	2,711,330
Debt Service Coverage	5.38	6.52	8.08	7.31	9.44	8.68	5.70	5.12	4.21	2.28

**Schedule changed 7/11/13 during a meeting with our bond counsel from Pope Zeigler, LLC (Gary Pope, Jr. and Margaret Pope), our financial advisors from Stephens Inc. (Lynnes Ray and Alex Burgh), and CCU staff (Bruce Beale, Lori Church, Greg Thompson, and Heather Beagle). Due to the planning process for the new revenue bonds to be issued for the construction of the new dorms on the Hidington property, the schedule was re-evaluated to comply with the current interpretation of the revenue bond covenants.

During preparation for Bond Series 2014 Official Statement, it was determined that all years should reflect debt service paid on all bonds per email from Gary Pope and Greg Thompson on 12/4/13. Updated all years Debt Service on Revenue Bonds for 2014 CAFR.

1-2-A

COASTAL CAROLINA UNIVERSITY
Statement of Revenues, Expenses and Changes in Net Position
June 30, 2015

Operating Revenues	
Student tuition and fees, net of scholarship allowance of $28,682,517	
$7,103,562 is pledged for debt service on general obligation bonds	$ 117,216,607
Scholarships, contracts and grants	15,710,338
Sales and services of educational departments	5,315,361
Sales and commissions of auxiliary enterprises,	
net of scholarship allowance of $5,061,620	21,996,660
Other fees	2,891,160
Total Operating Revenues	163,130,126
Operating Expenses	
Personnel costs and benefits	113,694,278
Services and supplies	38,346,205
Utilities	7,034,154
Scholarships	10,275,259
Depreciation	13,614,618
Total Operating Expenses	182,944,514
Operating Loss	(19,814,388)
Nonoperating Revenues (Expenses)	
Noncapital state appropriations	10,851,710
Pell grant revenues	15,432,598
Local appropriations	393,324
Grants and contracts	5,040
Gifts, including $1,386,360 from Coastal Educational Foundation	
and $1,016,331 from Chanticleer Athletic Foundation	2,666,198
Other miscellaneous revenue	109,269
Investment and endowment income	414,206
Interest on capital asset related debt	(5,621,888)
Bond issuance cost	(1,664,930)
Gain (Loss) on disposal of assets	(16,326)
Net Nonoperating Revenues (Expenses)	22,569,221
Income before other revenues, expenses, gains and losses	2,754,833
State capital appropriations	3,727,842
Local capital appropriations	8,874,202
Capital grants and gifts, including $641,752 from Coastal Educational	
Foundation, $2,100,601 from Chanticleer Athletic Foundation, and	
and $3,155,524 from Student Housing Foundation	6,139,548
Increase in Net Position	21,496,425
Net Position	
Net position, beginning of year	244,070,130
Cumulative effect of GASB 68	(103,585,788)
Net position, beginning of year (Restated)	140,484,342
Net position, end of year	$ 161,980,767

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

1-2-8

Schedule 10
Coastal Carolina University
Debt Service Coverage on General Obligation Bonds
Fiscal Years 2006-2015

	For the fiscal year ended June 30									
GENERAL OBLIGATION BONDS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition Pledged for Debt Service	$ 7,103,562	$ 7,149,984	$ 7,744,604	$ 7,674,531	$ 7,320,182	$ 6,135,497	$ 5,753,325	$ 6,392,583	$ 2,020,067	$ 1,687,780
Debt Service, General Obligation Bonds	$ 5,241,476	$ 5,248,076	$ 5,259,526	$ 5,317,126	$ 5,403,801	$ 1,418,776	$ 1,424,964	$ 1,434,845	$ 872,111	$ 614,439
Coverage	1.36	1.36	1.47	1.44	1.35	4.32	4.04	4.46	2.32	2.75

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7-0259

Coastal Carolina University Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding $39,000,000 of Revenue Bonds, Series 2016

January 26, 2016

Amount and Type of Bond. Coastal Carolina University (the "University") is authorized to issue revenue bonds secured by the Net Revenues of the University (as defined below) pursuant to Title 59, Chapter 136, Article 3 of the Code of Laws of South Carolina 1976, as amended. The proposed not exceeding $39,000,000 Revenue Bonds, Series 2016 of the University are anticipated to finance an expansion of the University's football stadium.

1 *Revenues Pledged to Pay the Bonds.* The University's revenue bonds are payable from, and are secured by a pledge of the Net Revenues of the University, which are defined as all revenues of the University (not including revenues derived from appropriations received from the South Carolina General Assembly or tuition moneys collected to pay debt service on State Institution Bonds), less expenses. The sum of these recurring revenues for the fiscal year ended June 30, 2015 totaled $16,459,744 after expenses. The debt service requirements on all existing, authorized, and proposed University revenue bonds are attached as Exhibit A. Exhibit B reflects maximum annual debt service of $14,740,238 in fiscal year 2018 and debt service coverage ranging from 2.31 to 27.18 times annual debt service, holding fiscal year ended June 30, 2015 Net Revenues constant and giving effect to certain pro forma and anticipated incremental revenues (as discussed below).

New Revenue Generation. The anticipated financing provides for the addition of approximately 10,000 seats to Brooks Stadium. The University anticipates receiving $600,000 in aggregate, annual revenue from its athletic department and athletic foundation in connection with the expansion. The impact of these incremental revenues is reflected in the Incremental Pro Forma Net Revenues (Brooks Stadium) column in Exhibit B.

Other Funds Available to Pay Bonds. Should the Net Revenues prove insufficient to provide for debt service on the bonds, the University at June 30, 2015 had on deposit $29.6 million dollars of fund balance that could be applied to pay debt service at the discretion of the University.

Student Fees, Credit of the State, Mortgages. No special student fee is contemplated to be imposed, and no increase in existing student fees is planned, in connection with the Bonds. Neither the full faith and credit of Coastal Carolina University nor the State of South Carolina has been pledged to the payment of any University revenue bonds. Further, no mortgage or lien has been or will be given on any real property of Coastal Carolina University.

Exhibit A

Revenue Bonds - Debt Service

Fiscal Year	Existing Debt Service	Debt Service On Authorized but Unissued Bonds	Debt Service on Proposed Bond Issue: Principal	Debt Service on Proposed Bond Issue: Interest	Total Composite Debt Service
6/30/2016	$ 9,364,953	$ -	$ -	$ -	$ 9,364,953
6/30/2017	11,695,045	-	850,000	1,512,693	14,057,738
6/30/2018	12,380,082	-	995,000	1,365,156	14,740,238
6/30/2019	12,017,229	-	1,015,000	1,345,256	14,377,485
6/30/2020	12,014,349	-	1,060,000	1,304,656	14,379,005
6/30/2021	12,015,417	-	1,100,000	1,262,256	14,377,673
6/30/2022	12,014,984	-	1,145,000	1,218,256	14,378,240
6/30/2023	12,021,430	-	1,200,000	1,161,006	14,382,436
6/30/2024	12,012,455	-	1,260,000	1,101,006	14,373,461
6/30/2025	12,013,569	-	1,325,000	1,038,006	14,376,575
6/30/2026	12,013,349	-	1,390,000	971,756	14,375,105
6/30/2027	10,453,224	-	1,460,000	902,256	12,815,480
6/30/2028	10,448,480	-	1,505,000	858,456	12,811,936
6/30/2029	10,447,768	-	1,550,000	813,306	12,811,074
6/30/2030	10,451,268	-	1,595,000	766,806	12,813,074
6/30/2031	10,443,193	-	1,645,000	718,956	12,807,149
6/30/2032	10,448,205	-	1,695,000	667,550	12,810,755
6/30/2033	10,442,968	-	1,750,000	614,581	12,807,549
6/30/2034	10,455,661	-	1,805,000	557,706	12,818,367
6/30/2035	10,451,705	-	1,865,000	499,044	12,815,749
6/30/2036	10,772,180	-	1,925,000	438,431	13,135,611
6/30/2037	10,775,375	-	1,990,000	373,463	13,138,838
6/30/2038	10,775,863	-	2,055,000	306,300	13,137,163
6/30/2039	10,771,638	-	2,130,000	234,375	13,136,013
6/30/2040	10,775,075	-	2,205,000	159,825	13,139,900
6/30/2041	7,532,725	-	2,280,000	82,650	9,895,375
6/30/2042	7,529,525	-			7,529,525
6/30/2043	2,103,600	-	-	-	2,103,600
6/30/2044	2,100,800	-	-	-	2,100,800
Totals	$296,742,115	$ -	$ 38,795,000	$ 20,273,756	$ 355,810,871

Exhibit B

Revenue Bonds - Coverage

Fiscal Year	Composite Debt Service	FY15 Revenues Pledged to Debt Service	Pro-Forma Revenues*	Incremental Pro-Forma Revenues (Bonds Realized)	Total Pro Forma Pledged Revenues	Pro Forma Coverage Ratio
6/30/2016	$ 9,364,953	$ 16,459,744	$ 12,114,122	$ 600,000	29,173,866	3.12
6/30/2017	14,097,708	16,459,744	16,574,128	600,000	33,633,872	2.39
6/30/2018	14,740,238	16,459,744	16,980,101	600,000	34,039,845	2.31
6/30/2019	14,377,485	16,459,744	17,453,545	600,000	34,513,289	2.40
6/30/2020	14,379,005	16,459,744	17,928,518	600,000	34,988,262	2.43
6/30/2021	14,377,673	16,459,744	18,424,191	600,000	35,483,935	2.47
6/30/2022	14,378,240	16,459,744	18,949,352	600,000	36,009,096	2.50
6/30/2023	14,382,436	16,459,744	19,493,979	600,000	36,553,723	2.54
6/30/2024	14,373,461	16,459,744	20,070,179	600,000	37,129,923	2.58
6/30/2025	14,376,573	16,459,744	20,674,973	600,000	37,734,717	2.62
6/30/2026	14,375,108	16,459,744	21,307,241	600,000	38,366,985	2.67
6/30/2027	12,815,480	16,459,744	21,975,039	600,000	39,034,783	3.05
6/30/2028	12,811,586	16,459,744	22,674,689	600,000	39,734,433	3.10
6/30/2029	12,811,094	16,459,744	23,407,460	600,000	40,467,204	3.16
6/30/2030	12,813,894	16,459,744	24,174,905	600,000	41,234,649	3.22
6/30/2031	12,807,149	16,459,744	24,984,928	600,000	42,044,672	3.28
6/30/2032	12,810,755	16,459,744	25,835,530	600,000	42,895,274	3.35
6/30/2033	12,807,549	16,459,744	26,728,845	600,000	43,788,589	3.42
6/30/2034	12,818,367	16,459,744	27,668,211	600,000	44,728,955	3.49
6/30/2035	12,815,749	16,459,744	28,655,186	600,000	45,714,930	3.57
6/30/2036	13,135,611	16,459,744	29,692,906	600,000	46,752,650	3.56
6/30/2037	13,138,838	16,459,744	30,772,288	600,000	47,832,032	3.64
6/30/2038	13,137,163	16,459,744	31,913,392	600,000	48,973,136	3.73
6/30/2039	13,136,013	16,459,744	33,109,601	600,000	50,169,345	3.82
6/30/2040	13,138,900	16,459,744	34,363,233	600,000	51,422,977	3.91
6/30/2041	9,898,375	16,459,744	35,681,467	600,000	52,741,211	5.33
6/30/2042	7,528,525	16,459,744	37,063,780	600,000	54,123,524	7.19
6/30/2043	2,100,600	16,459,744	38,517,862	600,000	55,577,606	26.42
6/30/2044	2,100,800	16,459,744	40,044,675	600,000	57,104,419	27.18

* Pro Forma Revenues consist of (i) the Adjustment for University Place Lease Cancellation and (ii) pro forma revenue from Elvington Residential Halls. Revenue from Elvington assumes vacancy rates of 10% in Fall and 20% in Spring terms, with a 5% increase in rates in 2015, a 2% increase in 2016-2018, and a 1% increase in 2019-2044. The Elvington Residential Halls were financed with the proceeds of revenue bonds issued in 2013 and 2014 of Coastal Carolina University. The first portion of the residential halls will be placed in service in fiscal year 2015-2016 and the second in 2016-2017.

Evaluation of Coastal Carolina University - 5 year comparison

	2015	2014	2013	2012	2011
Solvency Ratios					
Total Liabilities	394,122,274	346,545,991	315,280,149	114,100,395	113,873,742
Total Assets	555,148,583	590,314,275	541,077,796	312,192,350	282,168,510
Debt to Assets Ratio	70.99%	58.71%	58.27%	36.55%	40.36%

Notes: Solvency ratios measure the ability to meet longer-term obligations, providing insight on capital structure as well as how much financial leverage is being used
Specifically, the debt to assets ratio measures the percentage of a company's total assets that is financed by debt
A higher number means the school is using a larger amount of financial leverage, which increases its financial risk in the form of fixed interest payments.

	2015	2014	2013	2012	2011	FY14-FY15 Change	5yr change	w/o Rest 2015	w/o Rest 2014	
Unrestricted Net Position	(74,743,043)	40,955,904	58,739,507	50,609,312	43,673,313	-282.50%	-271.14%	29,599,294	40,955,904	-27.73%
Total Net Position	161,980,767	244,070,130	225,797,647	198,091,955	168,294,768	-33.63%	-3.75%	266,323,104	244,070,130	9.12%
Increase (Decrease) in Net Position	21,496,425	20,003,168	27,705,692	29,797,187	29,471,487	7.47%	-27.06%			

GASB 67 and 68 (Pension Plans) affected net position for 2015
GASB 65 (Items Previously reported as Assets and Liabilities) affected net position in 2013. The 58,739,507 in 2013 was restated to 57,008,822 in preparation of 2014 CAFR
– A decrease of $1,730,685

CASH

	2015	2014	2013	2012	2011	FY14-FY15 Change	5yr change
Cash End of Year	123,114,516	180,711,434	169,278,457	122,706,833	136,470,244	-31.87%	-9.79%

Statement of Net Position						FY14-FY15 Change	5yr change
Cash and Cash Equivalents - Current	43,719,708	61,524,580	77,559,529	67,941,559	60,561,386	-28.94%	-27.81%
Cash and Cash Equivalents - Restricted							
Debt Service	6,056,841	7,083,056	9,518,047	3,235,654	3,140,648	-14.49%	92.85%
Capital Projects	72,990,078	111,758,687	81,847,887	51,236,962	72,501,051	-34.69%	0.67%
Other	247,889	245,111	252,994	192,658	167,159	1.13%	48.30%
Cash and Cash Equivalents - Endowment	100,000	100,000	100,000	100,000	100,000	0.00%	0.00%
Total	123,114,516	180,711,434	169,278,457	122,706,833	136,470,244	-31.87%	-9.79%

Deposits							
Cash on Hand	12,575,918	24,646,360	11,558,974	25,951,027	21,621,397	-48.97%	-41.84%
Deposits Held by STO	110,538,598	156,065,074	157,719,483	96,755,806	114,848,847	-29.17%	-3.75%
Total	123,114,516	180,711,434	169,278,457	122,706,833	136,470,244	-31.87%	-9.79%

	2015	2014	2013	2012	2011	FY14-FY15 Change	5yr change
ICPF at STO	12,167,933.59	16,013,651.78	17,787,475.74	15,700,602.81	18,350,155.83	-24.02%	-33.69%

Current Balance as of February 2016 is $12,248,196.09

* Amounts Reported through Robert MacDonald @ STO

Gary Glenn

From: Stacie Bowie <sbowie@coastal.edu>
Sent: Monday, February 22, 2016 11:04 AM
To: Gary Glenn
Cc: Hood Temple; Dianne Kuhl; clark@myrtlebeachcpas.com; Kim Phillips; lewis.lynn@enviroags.com; paul@batsontax.net; David DeCenzo; Matthew Hogue
Subject: [BULK] Re: Additional data

Gary, I will address the questions below right away. A few notes in advance.. On Friday we decided to include change the bond resolution to $38 million to be all inclusive. We referenced the NCAA report on revenue and expenses so you could tie to a published source for reliability but would also allow you to pull out the parts you found relevant in your analysis. We are happy to pull out the parts as you have requested.

Will get back to you shortly with the additional information.
Stacie

Sent from my iPhone

On Feb 22, 2016, at 10:22 AM, Gary Glenn <gglenn@che.sc.gov> wrote:

Stacie,
I've been asked for further clarification for a couple of your answers.

1. I know there are a couple of ways to measure attendance. The "reality count" is actual count of ticket holders entering the stadium. There's also tickets sold. And there are a couple of hybrids. Please provide the basis for the count metered in response to question 1.

2. Your answer to the revenue and expense summary is the accounting answer that would require that revenue = expense. This answer is most troubling as it was obvious that we were seeking a profit /loss analysis of your football program. So we need football specific expenditures vs football specific revenue not including the adjusting entry. So please disaggregate the revenue to include only ticket sales, athletic foundation contributions for football, other private gifts earmarked for the football program and any other football specific revenue. And again, please exclude revenue transfers from non-football sources.

3. In question 3, there is a Title IX implication. Does your data include the additional female sport scholarships?

4. Have the costs for additional coaches and staff been factored in?

5. We get a count of about 105 travelling – 85 players and 20 coaches/staff. Does your response regarding travel costs include all costs or just those associated with charter flight costs. For example, did you factor in additional lodging, food, buses, etc. for the additional travelers.

6. Would you please provide the application you completed for entering the SunBelt Conference.

Also, your request for bond support up to $39M but your project total is $38M. I understand the $1M is legal fees and bond issuance fees. The A-1 does not reflect those fees. Please amend your A-1 of explain the difference.

From: Stacie Bowie [mailto:sbowie@coastal.edu]
Sent: Friday, February 19, 2016 11:31 AM
To: Gary Glenn
Subject: [BULK] RE: Additional data

Attached. Please let me know if you have questions. Stacie

1 - **Football attendance for the past 5 years –**

2011 – 8,431
2012 – 8,030
2013 – 8,212
2014 – 9,355
2015 – 9,163 (included two best crowds in CCU history at 10,311) Note: Homecoming, traditionally a large crowd was low due to historic flood/rain event in October or average likely would have grown over 2014.

* Regular season average/ Paid Attendance per game – same metric CCU will disclose to NCAA to meet FBS Att. Requirement.
FCS Playoff games not included to assure consistent comparison. Not every season has featured a home playoff game. Also, at playoff games, NCAA more rigidly controls how tickets are sold and restricts discounting and other regular season promotional plans.

*No attendance requirement for other sports in move to FBS.

2 - **Revenue and expense summaries for the football program specifically for the past 5 years**

2011 –	Revenue	$3.88 million
	Expenses	$3.88
2012 –	Revenue	$5.42 million
	Expense	$5.42
2013 –	Revenue	$4.68 million
	Expense	$4.68
2014 –	Revenue	$5.34 million
	Expense	$5.34
2015 –	Revenue	$5.45 million
	Expense	$5.45

* Sourced from Equity in Athletics Disclosure Act mandatory report

3 - **Current number of scholarships and associated costs (football and all other sports)**

Total Grant-in-Aid awarded to 19 athletic programs in 2015-16: 206.82
Total Grant-in-Aid cost: approx. 4 million cash equivalency

* Allowable grant-in-aid for all sports at the NCAA Division I level is regulated and standardized by NCAA. For instance, baseball can only offer a maximum of 11.7. Only sport where there are subdivisions in Division I is football. FBS can offer 85 grants/ FCS can offer 63. NCAA categorizes FBS as a "head count" sport where all 85 receive full grants; FCS is categorized as an equivalency sport where the 63 can be divided and split among 85 total athletes.

4 - Required increase in scholarships as an FBS institution and associated costs (football and all other sports)

* To meet NCAA FBS minimum requirements, we must average 90% of maximum allowable FBS grant in aids, over a 2-year rolling period. Therefore, our minimum must be 76.5 total grants. Our plan during the NCAA mandated two-year transitional period is to phase in scholarship additions over two seasons to reach the max of 85.
2016-17 Academic Year increase of scholarship costs to reach 76.5 in football: Approx. $308,000
2017-18 Academic Year increase to reach FBS maximum of 85: approx. $180,000 additional from FY '17

No additional grants are required for other sports programs in making the move to FBS.

5 - Travel costs associated with the football team for the past 5 years

2011 – $218,000
2012 – $248,000
2013 – $237,000
2014 – $380,000
2015 – $383,000

Note: Team meals and other associated costs with home and road playoff games when school is not in session are included in team travel total to meet NCAA audit requirements.

6 - Anticipated travel costs associated with the football team as a member of the SunBelt conference

Many football travel costs will remain flat – regardless of conference affiliation, we would still be paying for lodging, team meals, bus transportation. The primary change will be air travel costs. However in football, we already use charter aircraft services for 2-3 games per season depending on the game schedule. Since the balance of home and away games will not change with membership in the Sun Belt and potentially could mean an extra home game in certain years, additional football team travel costs will be minimal. Estimated two extra charter air trips per year: $160,000 – Additionally, if we play either Idaho or New Mexico State (current affiliate members in Sun Belt football) the league provides a travel stipend of $50,000 to compensate our costs. So, if total charter trips remain constant and we play one of those schools, the costs would decrease. Additionally, a savings may be experienced from previous seasons without the expense associated with playoff games.

7 - Source of revenue anticipated to support additional scholarships and travel costs.

* Game guarantees – playing Power 5 opponent for guaranteed payment; Power 5 guarantee would be seven figure payout. Recently, Alabama agreed to pay Arkansas State (a Sun Belt school) $1.7 million for a game in 2018. In comparison, payouts to an FCS school range around $400K and some conferences are discontinuing the practice of playing FCS schools to protect their College Football Playoff rating.

* Increased ticket sales per game with expanded stadium; Projected revenue - $300,000 additional per year conservatively over current totals by meeting the FBS attendance requirement. Games featuring larger traveling fan bases, stronger brand name opponents can push the total higher. In general, Sun Belt opponents on our schedule in future seasons typically travel larger fan bases than opponents featured in our previous conference, the Big South.

* Naming rights gifts for stadium features via the Chanticleer Athletic Foundation

* Increased ancillary revenues: Licensing royalties, concessions, etc.

* Chanticleer Athletic Foundation increased membership, annual donations, parking privileges

* Sun Belt revenue distribution: Last year, each Sun Belt school received a guaranteed $1.08 million payout for sharing in all conference revenues. Each schools receives regardless of football team's performance or that of any other sport.

From FY 2014 to FY 2015, due to the creation of the College Football Playoff and the Sun Belt's share in those revenues, the league saw a 186% increase in total revenue to the conference – just from CFP funds. Additionally, should a Sun Belt school represent the Group of 5 conferences in the New Year's Six Bowl games, the Sun Belt would receive an additional $6 million to distribute to its members above the normal CFP allocation.

By comparison, revenue distribution from CCU,s current league the Big South Conference totaled only approx. $90K for FY 2015.

* Increased Corporate Sponsorships – whether CCU would continue handling this area in house or seek a multi-media rights holder, a reasonable increase of 10% in sales would mean an additional $50K to athletic revenues. Because an FBS school typically draws more value from a rights holder, that figure could increase more if a rights holder is pursued.

From: Gary Glenn [mailto:gglenn@che.sc.gov]
Sent: Thursday, February 18, 2016 4:56 PM
To: Stacie Bowie <sbowie@coastal.edu>
Subject: FW: Additional data

Stacie,
I'm just following up to see if you've had any success in gathering the info?
There is so little time remaining.
G

From: Gary Glenn
Sent: Wednesday, February 17, 2016 4:07 PM
To: sbowie@coastal.edu
Subject: FW: Additional data

Stacie,
I have been asked to gather additional information regarding your football program.
Please provide as quickly as possible as our timeline is short.

1 - Football attendance for the past 5 years

2 - Revenue and expense summaries for the football program specifically for the past 5 years

3 - Current number of scholarships and associated costs (football and all other sports)

4 - Required increase in scholarships as an FBS institution and associated costs (football and all other sports)

5 - Travel costs associated with the football team for the past 5 years

6 - Anticipated travel costs associated with the football team as a member of the SunBelt conference

7 - Source of revenue anticipated to support additional scholarships and travel costs.

Thanks for everything you've shared with us thus far.

G

Gary S. Glenn
Interim Executive Director
and Director of Fiscal Affairs
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