

UNIVERSITY OF SOUTH CAROLINA
Columbia, South Carolina

Revenue Bonds
Continuing Disclosure Annual Report
January 31, 2016 Filing



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The University of South Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2015 is submitted as a separate document, but should be considered as a component of this Continuing Disclosure Annual Report.

Higher Education Revenue Bonds

Student and Faculty Housing – Columbia Campus

Revenues and Expenditures Summary

Set forth below are the historical revenues and expenditures for the student and faculty housing facilities and net increase (decrease) in fund balance for the Fiscal Years indicated.

The Columbia campus includes more than 25 housing facilities with more than 6,000 beds and 220 apartment units, including handicap accessible units.

| | * Restated | | | | |
|---|----------------------|----------------------|---------------------|----------------------|----------------------|
| REVENUES | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| Room Fees-Single | \$ 29,395,923 | \$ 33,176,427 | \$ 34,146,504 | \$ 34,749,930 | \$ 37,937,302 |
| Room Fees-Family/Graduate | 1,385,761 | 1,473,980 | 1,548,020 | 1,777,473 | 1,996,700 |
| Summer School | 283,036 | 342,955 | 275,438 | 259,916 | 314,871 |
| Conferences | 505,134 | 491,302 | 436,024 | 393,772 | 769,361 |
| Laundry Operations | 206,477 | 212,740 | 221,799 | 259,959 | 231,216 |
| Other (Student Damages, Fines, Application Fees) | 832,776 | 1,015,866 | 936,564 | 778,922 | 1,139,080 |
| Interest Income Earned in All Funds | 618,355 | 417,429 | 323,362 | 243,216 | 253,331 |
| TOTAL REVENUES | 33,227,462 | 37,130,699 | 37,887,711 | 38,463,188 | 42,641,861 |
| EXPENDITURES | | | | | |
| Wages/Fringe Benefits | 7,464,927 | 7,432,364 | 7,472,444 | 7,872,006 | 10,019,113 |
| Operating Expenditures | 13,582,345 | 14,864,993 | 15,378,156 | 16,254,095 | 16,817,152 |
| TOTAL EXPENDITURES | 21,047,272 | 22,297,357 | 22,850,600 | 24,126,101 | 26,836,265 |
| MANDATORY TRANSFERS IN/(OUT) | | | | | |
| Debt Service ^(Note 1) | (9,654,673) | (9,660,371) | (9,794,007) | (9,073,058) | (11,624,395) |
| TOTAL MANDATORY TRANSFERS | (9,654,673) | (9,660,371) | (9,794,007) | (9,073,058) | (11,624,395) |
| TOTAL EXPENDITURES & MANDATORY TRANSFERS | 30,701,945 | 31,957,728 | 32,644,607 | 33,199,159 | 38,460,660 |
| REVENUES OVER / (UNDER) EXPENDITURES AND MANDATORY TRANSFERS | 2,525,517 | 5,172,971 | 5,243,104 | 5,264,029 | 4,181,201 |
| NON-MANDATORY TRANSFERS IN/(OUT) | | | | | |
| TRANSFER FROM PLANT FUNDS | | | | | |
| TRANSFER TO PLANT FUNDS | (4,884,627) | (10,121,377) | (7,785,760) | (2,029,444) | (3,815,019) |
| TOTAL NON-MANDATORY TRANSFERS | (4,884,627) | (10,121,377) | (7,785,760) | (2,029,444) | (3,815,019) |
| NET INCREASE (DECREASE) IN FUND BALANCE | (2,359,110) | (4,948,406) | (2,542,656) | 3,234,585 | 366,182 |
| ENDING FUND BALANCE | \$ 15,464,870 | \$ 10,516,464 | \$ 7,973,808 | \$ 11,208,393 | \$ 11,574,575 |

Note 1: Net of interest subsidy

Student and Faculty Housing Facilities Summary

The University offers a variety of housing facilities to students and faculty. The existing student and faculty housing facilities consist of the following:

| <u>Residence Hall</u> | <u>Beds</u> | <u>Sq. Footage</u> | <u>Year of Original Construction</u> | <u>Year of Renovation/Upgrades</u> |
|------------------------|-------------|--------------------|--------------------------------------|--|
| 820 Henderson | 16 | 7,926 | 1976 (acquired) | 1995, 2002, 2005, 2010 |
| Bates House | 531 | 155,213 | 1969 | 1993, 1994, 1995, 1997, 2001, 2002, 2003, 2007, 2011 |
| Bates West | 387 | 123,966 | 1974 | 1991, 1995, 1998, 1999, 2000, 2006, 2007 |
| Capstone | 579 | 190,000 | 1967 | 1993, 1996, 1998, 2001, 2002, 2004, 2007, 2009 |
| Cliff | 89 | 105,766 | 1974 | 1993, 1994 |
| Columbia Hall | 488 | 129,115 | 1971 | 1993, 1994, 1996, 1997, 1999, 2004, 2005, 2007 |
| DeSaussure | 44 | 18,005 | 1809 | 1993, 1995, 1996, 1997, 2001, 2004, 2007, 2010 |
| East Quad | 443 | 141,208 | 1999 | Opened 1999-2000 New Construction, 2007, 2008 |
| Harper/Elliott | 48 | 15,510 | 1848 | 1992, 1994, 1996, 1997, 1999, 2000, 2004, 2007 2009-2010 |
| Honors Hall | 537 | 191,123 | 2009 | Opened 2009 New Construction |
| Maxcy | 160 | 33,094 | 1937 | 1996, 1997, 2001, 2008 |
| McBryde ⁽¹⁾ | 250 | 86,910 | 1955 | 1990, 1992, 1993, 1994, 1995, 1996, 1999, 2000, 2001, 2002, 2003, 2004, 2006, 2010 |
| McClintock | 170 | 33,200 | 1955 | 1992, 1993, 1995, 1996, 1999, 2000, 2002, 2007, 2011, 2014 |
| Patterson Hall | 544 | 157,000 | 1962 | 1989, 1992, 1993, 1996, 1997, 1998, 2000, 2006, 2007, 2011 |
| Pinckney/Legare | 48 | 16,319 | 1848 | 1994, 1996, 1997, 1998, 1999, 2004, 2007, 2010 |
| Preston | 193 | 60,200 | 1939 | 1993, 1994, 1995, 1996, 2000, 2003, 2006, 2007, 2008, 2009-2010 |
| Roost | 229 | 54,023 | 1989 | 1996-assumed operations from Athletic Dept. 1999, 2000, 2004 |
| Rutledge | 47 | 16,774 | 1805 | 1994, 1995, 1997, 1999, 2004, 2007, 2009-2010, 2015 |
| Sims | 298 | 61,200 | 1939 | 1990, 1991, 1992, 1993, 1994, 1995, 1996, 2000, 2004, 2007, 2014 |
| South Quad | 400 | 143,000 | 1997 | Opened 1997-98 New Construction, 2000, 2001, 2002, 2008 |
| South Tower | 391 | 92,500 | 1965 | 1991, 1992, 1996, 1998, 1999, 2001, 2003, 2005, 2007, 2013, 2014, 2015 |
| Thornwell | 60 | 21,967 | 1913 | 1992, 1993, 1996, 1997, 2004, 2007 |
| Wade Hampton | 150 | 34,500 | 1959 | 1992, 1994, 1995, 1999, 2002, 2003, 2005, 2014 |
| West Quad | 499 | 178,313 | 2004 | Opened 2004-2005 New Construction |
| Woodrow | 102 | 34,000 | 1914 | 1993, 1996, 1997, 2000, 2007, 2008, 2011 |

Graduate & Family Housing

| <u>Units</u> | <u>Sq. Footage</u> | <u>Constructed</u> | <u>Renovation/Upgrade</u> | |
|-----------------------------------|--------------------|--------------------|---------------------------|---|
| Carolina Gardens | 69 | 100,600 | 1963 (acquired) | Various, 1995, 1998, 2000, 2001, 2002, 2005 |
| Cliff | 27 | 105,766 | 1974 | 1993, 1994 |
| Bates House Grad Wing | 0 | Incl. above | 1969 | 1994, converted back to undergraduate 2001 |
| Various Single & Duplex Dwellings | 11 | 12,960 | Various | Various |

(1) The University closed and demolished McBryde D and E facilities in May, 2008 as part of the Thomas Cooper Library expansion project.

The following tables provide a history of the occupancy rates of the student and family/graduate housing facilities:

Single Student Residence Hall Occupancy Rates

| <u>Fall Semester</u> | <u>Assignable Beds</u> | <u>Occupied Beds</u> | <u>Percent of Occupancy</u> |
|----------------------|------------------------|----------------------|-----------------------------|
| 2015 | 6,682 | 6,575 | 98.4% |
| 2014 | 6,703 | 6,539 | 97.6% |
| 2013 | 6,103 | 6,171 | 101.2% * |
| 2012 | 6,576 | 6,448 | 98.1% |
| 2011 | 6,552 | 6,485 | 98.9% |

(1) Assignable beds vary annually due to new construction, dormitory renovations and conversion of double occupancy rooms to private rooms as well as other programmatic purposes.

*Over 100% due to students assigned to temporary spaces.

Family and Graduate Housing Occupancy Rates

| <u>Fall Semester</u> | <u>Assignable Units</u> | <u>Percent of Occupancy</u> |
|----------------------|-------------------------|-----------------------------|
| 2015 | 71* | 76.0% |
| 2014 | 96* | 97.5% |
| 2013 | 136** | 94.2% |
| 2012 | 165 | 94.5% |
| 2011 | 173 | 94.2% |

* Decrease due to freshman numbers increasing in Cliff.

** Decrease due to freshman being assigned in Cliff and Carolina Gardens going off-line.

Public Private Partnership

In 2014, the University entered into a Public Private Partnership agreement which resulted in the construction of a 582 bed facility that opened in the fall of 2015. The agreement also calls for an additional 296 bed facility which is currently under construction and expected to open in the fall of 2016.

Student and Faculty Housing – Aiken Campus

The student housing complex currently consists of three facilities.

1. *Pacer Downs* has 353 beds in 23 buildings and includes a support facility (management office/laundry area), swimming pool, and paved parking areas. Handicap accessible units are available.
2. *Pacer Commons* has 316 beds in 79 four-person suites, with 45% of the bedrooms being private and the remainder being double.
3. *Pacer Crossings* has a 300 bed freshman facility that includes 36 eight person suites.

Revenues and Expenditures Summary

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| REVENUES | | | | | |
| Room Fees - Fall | \$ 1,919,812 | \$ 2,019,057 | \$ 1,865,209 | \$ 2,042,355 | \$ 2,145,949 |
| Room Fees - Spring | 1,778,711 | 1,829,625 | 1,667,420 | 1,941,693 | 1,992,812 |
| Room Fees - Summer | 200,298 | 207,005 | 142,235 | 165,886 | 216,147 |
| Other | 118,733 | 111,838 | 92,937 | 79,979 | 102,952 |
| TOTAL REVENUES | 4,017,554 | 4,167,525 | 3,767,801 | 4,229,913 | 4,457,861 |
| EXPENDITURES | | | | | |
| Salaries and Fringe Benefits | 551,976 | 492,621 | 546,546 | 636,566 | 590,665 |
| Operating Expenditures | 1,028,932 | 1,043,782 | 1,200,123 | 1,460,667 | 1,114,701 |
| TOTAL EXPENDITURES | 1,580,908 | 1,536,403 | 1,746,669 | 2,097,233 | 1,705,367 |
| MANDATORY TRANSFERS IN/(OUT) | | | | | |
| Debt Service | (2,480,300) | (2,481,714) | (2,106,773) | (2,439,087) | (2,434,063) |
| TOTAL MANDATORY TRANSFERS | (2,480,300) | (2,481,714) | (2,106,773) | (2,439,087) | (2,434,063) |
| TOTAL EXPENDITURES & MANDATORY TRANSFERS | 4,061,208 | 4,018,117 | 3,853,442 | 4,536,320 | 4,139,430 |
| REVENUES OVER / (UNDER) EXPENDITURES AND MANDATORY TRANSFERS | (43,654) | 149,408 | (85,641) | (306,407) | 318,431 |
| Transfer to Plant Funds/Other | 198,165 | 16,740 | 0 | 0 | 0 |
| NET INCREASE (DECREASE) IN FUND BALANCE | (241,819) | 132,668 | (85,641) | (306,407) | 318,431 |
| ENDING FUND BALANCE | 850,435 | 983,103 | 897,462 | 591,055 | 909,487 |
| Housing Rates: Per Semester (Fall/Spring) doubles | \$ 2,125 | \$ 2,190 | \$ 2,230 | \$ 2,275 | \$ 2,300 |
| Housing Rates: Per Semester (Fall/Spring) singles | 2,500 | 2,600 | 2,645 | 2,700 | 2,725 |
| Housing Rates: Summer Session (double) | 425 | 425 | 425 | 425 | 440 |

Student and Faculty Housing – Upstate Campus

The housing complex has 12 buildings and includes a support facility (management office/laundry area), swimming pool, picnic shelter, basketball court, volleyball court, and paved parking areas. Handicap accessible units are available.

Revenues and Expenditures Summary

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|--|------------------|------------------|------------------|------------------|------------------|
| REVENUES | | | | | |
| Room Fees - Fall | \$ 1,186,946 | \$ 1,323,982 | \$ 1,407,836 | \$ 2,177,274 | \$ 2,230,914 |
| Room Fees - Spring | 1,029,511 | 1,206,358 | 1,286,584 | 2,097,927 | 2,103,968 |
| Room Fees - Summer | 4,900 | 54,427 | 34,970 | 40,672 | 48,807 |
| Other | 226,467 | 132,118 | 196,016 | 330,077 | 267,625 |
| TOTAL REVENUES | 2,447,824 | 2,716,885 | 2,925,406 | 4,645,950 | 4,651,314 |
| EXPENDITURES | | | | | |
| Salaries and Fringe Benefits | 641,790 | 650,338 | 669,672 | 717,987 | 678,374 |
| Operating Expenditures | 668,507 | 637,546 | 896,799 | 1,156,884 | 1,168,630 |
| TOTAL EXPENDITURES | 1,310,297 | 1,287,884 | 1,566,471 | 1,874,872 | 1,847,005 |
| MANDATORY TRANSFERS IN/(OUT) | | | | | |
| Debt Service | 776,725 | 1,818,376 | 1,951,226 | 2,592,353 | 2,680,842 |
| TOTAL MANDATORY TRANSFERS | 776,725 | 1,818,376 | 1,951,226 | 2,592,353 | 2,680,842 |
| TOTAL EXPENDITURES & MANDATORY TRANSFERS | 2,087,022 | 3,106,260 | 3,517,697 | 4,467,225 | 4,527,847 |
| NET INCREASE (DECREASE) IN FUND BALANCE | 360,802 | (389,375) | (592,291) | 178,725 | 123,467 |
| ENDING FUND BALANCE | 1,278,285 | 888,910 | 296,619 | 475,345 | 598,812 |
| Housing Rates: Per Semester (Fall/Spring) weighted average | \$ 2,178 | \$ 2,228 | \$ 2,278 | \$ 2,345 | \$ 2,369 |
| Housing Rates: Summer Session | 375 | 375 | 375 | 475 | 475 |
| Housing Rates: May Session | 275 | 275 | 272 | 350 | 350 |

Parking Facilities – Columbia Campus

Revenues and Expenditures Summary

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| REVENUES | | | | | |
| Univ. Fee Summer I - Net of refunds | \$ 23,813 | \$ 23,666 | \$ 24,263 | \$ 26,884 | \$ 44,964 |
| Univ. Fee Summer II - Net of refunds | 11,947 | 12,560 | 13,027 | 11,024 | 0 |
| Univ. Fee Fall - Net of refunds | 378,137 | 391,949 | 628,715 | 678,643 | 795,112 |
| Univ. Fee Spring - Net of refunds | 361,352 | 374,159 | 588,686 | 633,567 | 742,737 |
| Fines | 891,962 | 662,166 | 583,913 | 828,297 | 697,470 |
| Waiver of Fines | (28,178) | (20,574) | (15,944) | (1,798) | 0 |
| Meter Receipts | 839,089 | 874,434 | 758,752 | 770,068 | 577,161 |
| Arena and Coliseum Parking | 493,673 | 323,328 | 402,484 | 401,690 | 418,215 |
| Space Rental | 3,901,445 | 4,348,292 | 4,499,752 | 4,748,348 | 4,636,085 |
| Interest Earned | 37,135 | 39,985 | 35,811 | 39,437 | 49,156 |
| Other Revenues | 2,710 | 155 | 1,890 | (320) | 0 |
| TOTAL REVENUES | 6,913,085 | 7,030,120 | 7,521,349 | 8,135,840 | 7,960,900 |
| EXPENDITURES | | | | | |
| Salaries and Fringe Benefits | 1,511,637 | 2,199,368 | 2,094,127 | 2,255,958 | 2,099,145 |
| Utility Charges | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Shuttle Bus Expense - FY 06 | 0 | 0 | 0 | 0 | 0 |
| Bad Debt Expense | 69,421 | 125,000 | 340,300 | 82,100 | 0 |
| Operating Expenditures | 1,344,819 | 680,660 | 699,066 | 801,441 | 989,849 |
| TOTAL EXPENDITURES | 3,125,877 | 3,205,029 | 3,333,493 | 3,339,499 | 3,288,994 |
| MANDATORY TRANSFERS IN/ (OUT) | | | | | |
| Debt Service (Note 1) - Refinanced 1995 Bond | (610,634) | (604,505) | (605,425) | (609,609) | (622,185) |
| Use of Bond Proceeds | 0 | 0 | 0 | 0 | 0 |
| Debt Service (Note 1) - Arena Lots and 1600 Hampton St. | (310,366) | (393,250) | (393,262) | (393,000) | (362,100) |
| Debt Service (Note 1) - Bull Street Addition | (825,411) | (748,025) | (744,213) | (731,190) | (750,869) |
| TOTAL MANDATORY TRANSFERS | (1,746,411) | (1,745,780) | (1,742,900) | (1,733,799) | (1,735,154) |
| TOTAL EXPENDITURES & MANDATORY TRANSFERS | 4,872,288 | 4,950,809 | 5,076,393 | 5,073,298 | 5,024,148 |
| REVENUE OVER/ (UNDER) EXPENDITURES & MANDATORY TRANSFERS | 2,040,797 | 2,079,311 | 2,444,956 | 3,062,542 | 2,936,752 |
| NON-MANDATORY TRANSFERS IN/ (OUT) | | | | | |
| Transfers to Plant Funds for W Projects | (176,086) | (152,711) | (299,807) | (113,957) | (381,312) |
| Arena Parking | (245,000) | (123,861) | (123,000) | (123,000) | (123,000) |
| Transfer from Athletics for Parking | 50,415 | 74,818 | 69,373 | 185,463 | 217,242 |
| Transfer to support the Shuttle System | (946,341) | (1,047,223) | (1,253,362) | (1,139,503) | (1,661,868) |
| Transfer to support Transportation | (488,630) | (146,251) | (47,522) | (249) | 0 |
| Transfers to Appropriated Funds | 0 | (500,000) | (275,000) | (500,000) | (500,000) |
| TOTAL NON-MANDATORY TRANSFERS | (1,805,642) | (1,895,228) | (1,929,318) | (1,691,246) | (2,448,938) |
| NET INCREASE (DECREASE) IN FUND BALANCE | 235,155 | 184,083 | 515,638 | 1,371,296 | 487,814 |
| FUND BALANCE | | | | | |
| Beginning Fund Balance | \$ 2,231,256 | \$ 2,466,410 | \$ 2,650,494 | \$ 3,166,132 | \$ 4,537,428 |
| Change | 235,155 | 184,083 | 515,638 | 1,371,296 | 487,814 |
| Ending Fund Balance | 2,466,410 | 2,650,494 | 3,166,132 | 4,537,428 | 5,025,242 |

Note 1: Net of Interest Accruing to the Debt Service Fund

Parking Facilities Description

Existing Facilities

The parking facilities currently in operation include eight multi-level parking garages with a total of 6,146 spaces (reserved, guaranteed, and metered parking spaces) located in the garages. These garages are located in the following areas: Pendleton Street Garage (1500 block of Pendleton Street), Senate Street Garage (1600 block of Senate Street), Business Administration Garage (1700 block of Pendleton Street), Blossom Street Garage (1300 block of Blossom Street), Computer Center Garage (500 block of Sumter Street), Bull Street Garage and Annex (600 block of Bull Street), Hampton Street Garage (1600 Hampton Street) and Dodie Garage (1320 Heyward Street). In addition, currently operated facilities include surface lots with a total of 5,727 spaces and 123 metered spaces. Existing spaces at the Columbia Campus total 11,873 spaces. The number of daily spaces will fluctuate due to construction and other campus needs. Of the 6,146 garage spaces, 5,103 are dedicated for reserved and guaranteed parking.

Parking Rates

Below is a schedule of current parking related charges and fines:

Parking Meters and Coin-operated Gate Access Lots

| | |
|--------------------|------------------|
| Meters | \$ 0.50 per hour |
| Bull Street Garage | \$ 1.00 per hour |
| Meter Cards | \$ 5.00 per day |

Space Rental

| | |
|--|-----------------------------|
| Garage Rental | |
| Reserved or Guaranteed Spaces | \$ 340/360/380 per semester |
| Employee Reserved or Guaranteed Spaces | \$ 720.00 per year |

Surface Lot Permits

| | |
|--------------------------------|----------------------|
| Resident and Commuting Student | \$ 90.00 per year |
| Motorcycle | \$ 50.00 per year |
| Administrative and Reserved | \$ 1,020.00 per year |

Coliseum Event Parking

| | |
|---------------|----------------------|
| Family Events | \$ 5.00 per vehicle |
| Concerts | \$ 10.00 per vehicle |

Parking Fines

| | |
|--|-----------|
| Parking Meter Violation | \$ 5.00 |
| Parked Improperly | \$ 5.00 |
| Parking Permit Improperly/Not Displayed | \$ 5.00 |
| Parking in No Parking Areas or Grass | \$ 25.00 |
| Parking in Loading Zone or Service Zone | \$ 15.00 |
| No Parking Permit for Zone | \$ 15.00 |
| Parked at Yellow Curb | \$ 25.00 |
| Parked in Reserved Space | \$ 25.00 |
| No Permit for Parking Garage | \$ 15.00 |
| Failure to Register Vehicle | \$ 15.00 |
| Blocking Sidewalk or Driveway | \$ 15.00 |
| Parked at Fireplug or Fire Lane | \$ 50.00 |
| Parked in or Blocking Handicap Space or Curb Cut | \$ 100.00 |

RESERVED PARKING PERMITS AVAILABLE⁽¹⁾

| | Fiscal Year Ended June 30 | | |
|---|----------------------------|-------------|-------------|
| | <u>2013</u> ⁽⁵⁾ | <u>2014</u> | <u>2015</u> |
| Close-Hipp Garage | 204 | 204 | 204 |
| 1300 Blossom Street Garage ⁽²⁾ | 1,052 | 1,052 | 1,052 |
| 600 Bull Street Garage ⁽³⁾ | 2,208 | 2,208 | 2,208 |
| 1600 Hampton Street Garage | 231 | 231 | 231 |
| Computer Center Garage | 153 | 153 | 153 |
| Pendleton Street Garage | 1,045 | 1,045 | 1,045 |
| Dodie Garage | 350 | 350 | 350 |
| Senate/Pickens Lot | 75 | 75 | 75 |
| Senate Street Garage ⁽⁴⁾ | 1,021 | 1,021 | 1,021 |
| TOTAL | 6,339 | 6,339 | 6,339 |

(1) The number of permits available does not directly correspond to the number of reserved spaces due to the practice of oversubscribing, as described in footnotes (2), (3), and (4) below.

(2) 1300 Blossom Street Garage has 912 spaces. Because spaces are not assigned individually, the University has oversubscribed the facility by issuing 1,052 permits.

(3) 600 Bull Street Garage, formerly referred to as 1400 Blossom Street Garage, was completed in August, 1996. There are 536 hourly spaces (counted as metered spaces) and 1,734 reserved spaces. Because spaces are not assigned individually, the University has oversubscribed the facility by issuing 2,208 permits.

(4) Senate Street Garage was opened in August, 1992. Senate Street Garage has 785 spaces. Because spaces are not assigned individually, the University has oversubscribed the facility by issuing 1,021 permits.

(5) Several of the garages were reconfigured during 2011 and 2013 resulting in changes in the number of available spaces which in turn impacted the number of available permits.

Innovista Garages. The University also manages and operates two garages for the Columbia Facilities Parking Corporation (the "Corporation"). These garages, known as Horizon and Discovery, are located on the Columbia Campus, and are owned by the Corporation, but are recorded by the University as a Capital Lease. These garages are not included in the Facilities that generate Net Revenues pledged to the payment of the Bonds and therefore the related financial activity is excluded from all of the financial information regarding the Facilities which is provided herein. The Horizon and Discovery garages have 970 and 1,398 spaces, respectively. The Capital Lease payment by the University during the Fiscal Year ended June 30, 2015 was \$1,401,718.

Alternative Parking Facilities. Certain parking facilities on non-University parking sites, as more fully described below, are not necessarily viewed by students as viable alternatives, either due to cost or distance.

The main campus of the University is located in the downtown area of Columbia, South Carolina. The City of Columbia (the "City") operates a number of parking facilities in the downtown area. The City's off-street facilities are comprised of the Arsenal Hill parking garage (located 15 blocks from the heart of the Columbia Campus), the Lady Street parking garage (located 6 blocks from the heart of the Columbia Campus), the Cannon parking garage (located 7 blocks from the heart of the Columbia Campus), the Lincoln Street parking garage (located 8 blocks from the heart of the Columbia Campus), the Park Street parking garage (located 5 blocks from the heart of the Columbia Campus), the Sumter Street parking garage (located 6 blocks from the heart of the Columbia Campus), the Taylor Street parking garage (located 8 blocks from the heart of the Columbia Campus), and the Washington Street parking garage (located 7 blocks from the heart of the Columbia Campus). The number of spaces and hours of operation of each of these facilities are set forth in the following table.

| Facility | No. Spaces | Monthly Rates | Hours of Supervised Operation |
|------------------------------|------------|-----------------------|-------------------------------|
| Arsenal Hill ⁽²⁾ | 245 | \$52 | Unattended |
| Lady Street | 1,006 | 78/105 ⁽¹⁾ | 9:00 a.m. – 6:30 p.m., M-F |
| Cannon Garage | 532 | 65/85 | Unattended |
| Lincoln Street | 650 | 65/80 ⁽¹⁾ | Unattended |
| Park Street | 829 | 65/80 ⁽¹⁾ | 9:00 a.m. – 6:30 p.m., M-F |
| Sumter Street | 904 | 78/105 ⁽¹⁾ | 9:00 a.m. – 6:30 p.m., M-F |
| Taylor Street ⁽³⁾ | 344 | 52 | Unattended |
| Washington Street | 457 | 78/105 ⁽¹⁾ | Unattended |

(1) The first number is the monthly rate for an unassigned space; the second number is the monthly rate for an assigned space. Hourly rates are \$1.00 for first and second half hours and \$1.00 per hour thereafter.

(2) Metered spaces and monthly parking by permit only.

(3) All spaces are unassigned. An additional 119 spaces with parking meters are available. This garage does not have supervised hours of operation due to the high number of monthly contracts in place. To enforce payment, monthly ticketholders display a parking permit; meters are periodically checked.

All of the attended off-street facilities have the same hourly rates: \$1.00 for the first half-hour, \$1.00 for the second half-hour, and \$1.00 for each hour thereafter, up to a maximum of \$10.00 per day.

The City had approximately 4,600 metered spaces as of January 2016. Generally, meter rates are on a \$1.00 per hour basis. Time limits on these meters range from 30 minutes to 10 hours, with the predominant time limit being 2 hours.

There are also a number of private off-street parking garages and lots located in the City which may, to some extent, compete with the Parking Facilities of the University. Most of these facilities serve the parking needs of the office workers and visitors within a particular building, and accordingly have few spaces available for daily parkers. Some of the more prominent garages and lots in the downtown Columbia area are set forth below:

Assembly Street (at Taylor Street). This facility is nine blocks from the heart of the Columbia Campus and currently is leased to a private entity.

IT-ology Tower. This facility is four blocks from the heart of the Columbia Campus and has 557 total spaces, of which approximately 170 are under monthly contract and 66 are reserved for visitors. Daily rates are \$1.25 for the first half hour and \$2.00 per each additional hour up to a maximum of \$7.00 per day; monthly rates are \$75.00 for open spaces and \$85.00 for reserved spaces. The hours of operation are 7:00 a.m. to 6:30 p.m., Monday through Friday.

Bank of America Plaza. This facility is twelve blocks from the heart of the Columbia Campus and has 990 total spaces, of which 728 are under monthly contract. Daily rates are \$1.00 per hour up to a maximum of \$12.00 per day; the monthly rates are \$65.00/55.00. The hours of operation are 8:00 a.m. to 6:00 p.m., Monday through Friday.

Keenan Garage. This facility is five blocks from the heart of the Columbia Campus and has 843 spaces under monthly contract and 36 visitor spaces. Daily rates are \$2.00 per hour up to a maximum of \$8.00 per day; the monthly rate is \$75.00. The hours of operation are 10:00 a.m. to 6:00 p.m., Monday through Friday.

Jefferson Square Garage. This facility is eleven blocks from the heart of the Columbia Campus and has approximately 500 total spaces. Monthly Rates are \$55.00/25.00/15.00, depending upon location in the garage. The hours of operation are 8:30 a.m. to 5:30 p.m., Monday through Friday.

Meridian Parking Garage. This facility is seven blocks from the heart of the Columbia Campus and has approximately 950 total spaces. Daily rates are \$1.00 per half-hour up to a maximum of \$10.00 per day; monthly rates are \$150/120/90/60, depending upon location in the garage. The hours of operation are 7:00 a.m. to 7:00 p.m., Monday through Friday.

Bookstore – Upstate Campus

This institutionally operated bookstore opened in the Bond funded facility in January of 2009. The facility is approximately 8,500 sq. ft. and carries over 700 titles each semester. In addition to academic books, the bookstore also carries Spartan Athletic wear and a variety of student supplies and sundries.

Revenues and Expenditures Summary

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUE | | | | | |
| Sale of Supplies | \$ 416,874 | \$ 412,857 | \$ 499,619 | \$ 342,888 | \$ 425,208 |
| Miscellaneous Revenue | 11,237 | 7,945 | 9,980 | 139,985 | 76,393 |
| Sale of Textbooks | 2,290,957 | 2,224,836 | 2,085,013 | 2,039,990 | 2,026,692 |
| Interest Earned | 19,968 | 15,107 | 14,065 | 10,041 | 9,045 |
| TOTAL REVENUE | 2,739,036 | 2,660,745 | 2,608,677 | 2,532,904 | 2,537,338 |
| EXPENDITURES | | | | | |
| Cost of Good Sold | 1,923,326 | 1,770,042 | 1,979,072 | 1,778,050 | 1,719,066 |
| Personnel cost | 286,044 | 273,323 | 282,585 | 285,352 | 298,492 |
| Equipment for HEC | 0 | 0 | 0 | 0 | |
| Other Expenses | 164,468 | 149,734 | 135,611 | 84,874 | 139,685 |
| TOTAL EXPENDITURES | 2,373,838 | 2,193,099 | 2,397,268 | 2,148,277 | 2,157,243 |
| Net Income For Fiscal Year | 365,198 | 467,646 | 211,409 | 384,627 | 380,095 |
| Percent of Total Revenue | 0 | 0 | 0 | 0 | 0 |
| MANDATORY TRANSFERS | | | | | |
| Bond Payment | 313,562 | 313,732 | 313,388 | 313,851 | 313,637 |
| Transfer in | 1,540 | 0 | 0 | (32,413) | (29,600) |
| University Programs ("R" Funds) | 0 | 0 | 0 | 98,900 | 72,000 |
| TOTAL MANDATORY TRANSFERS | 315,102 | 313,732 | 313,388 | 380,338 | 356,037 |
| Net Increase/(Decrease) in Fund Balance | 50,096 | 153,914 | (101,979) | 4,289 | 24,058 |
| Year End Fund Balance | \$ 1,843,747 | \$ 1,997,661 | \$ 1,895,682 | \$ 1,899,971 | \$ 1,924,029 |

Historical Net Revenues of the Facilities and Subsidies, and Debt Service Coverage Ratio

The following table sets forth the historical Net Revenues of the Facilities and Subsidies (excluding Athletics Department), as well as debt service coverage ratio on the outstanding bonds for the Fiscal Years indicated.

| | Fiscal Year Ended June 30 | | | | |
|----------------------------------|---------------------------|-----------------------|---------------|---------------|---------------|
| | 2010-11 | * RESTATED 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| Revenues | \$ 49,344,961 | \$ 53,705,974 | \$ 54,710,944 | \$ 58,007,795 | \$ 62,249,275 |
| O&M Expenses | 29,438,192 | 30,519,772 | 31,894,501 | 33,585,982 | 36,441,306 |
| Net Revenues | 19,906,769 | 23,186,202 | 22,816,443 | 24,421,813 | 25,807,969 |
| Subsidies ⁽¹⁾ | 55,800 | 55,800 | 55,800 | - | - |
| Total Net Revenues And Subsidies | 19,962,569 | 23,242,002 | 22,872,243 | 24,421,813 | 25,807,969 |
| Total Debt Service | \$ 16,295,985 | \$ 16,375,726 | \$ 15,899,219 | \$ 18,139,031 | \$ 18,529,271 |
| Coverage Ratio w/Subsidies | 1.22 | 1.42 | 1.44 | 1.35 | 1.39 |
| Coverage Ratio w/o Subsidies | 1.22 | 1.42 | 1.44 | 1.35 | 1.39 |

⁽¹⁾Subsidies received from the United States Department of Housing and Urban Development under the College Housing Programs

* Operating expenditures for Fiscal Year 2012 where restated due to a post-close correction in operating expenditures.

Athletics Facilities Revenue Bonds

Revenues and Expenditures Summary

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| REVENUES | | | | | |
| Admissions/Ticket Sales ⁽¹⁾ | \$ 19,763,502 | \$ 20,049,785 | \$ 20,086,354 | \$ 21,346,746 | \$ 21,571,812 |
| Student Athletic Fees | 2,248,275 | 2,338,268 | 2,537,697 | 2,592,673 | 2,636,141 |
| Guarantees | 328,500 | 303,500 | 256,500 | 302,500 | 103,000 |
| Contributions | 24,403,034 | 25,165,877 | 25,887,641 | 30,203,751 | 30,952,533 |
| Compensation & Benefits-3rd Party | 3,253,500 | 4,165,125 | 5,412,250 | 5,750,000 | 5,945,000 |
| Direct Institutional Support | | | | 3,039,303 | 2,947,429 |
| NCAA/ Conference (SEC) Distribution | 21,345,623 | 22,345,352 | 22,349,976 | 22,903,539 | 32,855,333 |
| Broadcast, TV, Radio Internet | 1,761,500 | 1,282,375 | 493,457 | 260,000 | 270,000 |
| Program, Concession, Novelty, Parking (Aux. Services) | 3,554,280 | 3,625,654 | 4,268,988 | 4,162,143 | 3,861,155 |
| Royalties, Licensing, Advertising Sponsorships | 3,068,422 | 3,578,562 | 4,107,225 | 4,267,844 | 4,400,199 |
| Sports Camp Revenues | 96,598 | 13,341 | 188,054 | 31,049 | 338,903 |
| Endowment and Investment Income | 777,875 | 695,287 | 1,040,975 | 405,198 | 339,665 |
| Other Operating | 3,212,120 | 4,045,229 | 3,855,305 | 3,354,733 | 4,022,174 |
| TOTAL REVENUES | 83,813,229 | 87,608,355 | 90,484,422 | 98,619,479 | 110,243,343 |
| EXPENDITURES | | | | | |
| Personnel | 26,714,011 | 31,025,737 | 31,918,773 | 35,887,161 | 38,111,633 |
| Athletics Student Aid - Grants (Scholarships) | 8,468,686 | 8,836,380 | 9,062,390 | 12,430,711 | 13,047,438 |
| Team Travel | 4,752,703 | 5,022,449 | 5,600,232 | 6,162,410 | 7,002,980 |
| Recruiting | 859,063 | 950,180 | 1,103,215 | 1,198,126 | 1,325,408 |
| Game Services | 6,347,624 | 6,103,197 | 5,243,957 | 5,532,120 | 5,296,518 |
| Equipment, Uniforms and Supplies | 2,222,722 | 2,555,524 | 3,078,835 | 3,182,187 | 3,260,359 |
| Fund Raising, Marketing & Promotion | 2,275,158 | 2,490,191 | 2,561,672 | 3,581,317 | 3,753,279 |
| Sports Camp Expenses | 100,887 | 89,213 | 141,624 | 97,637 | 110,455 |
| Direct Facilities and Administrative Support | 6,924,522 | 7,759,135 | 6,639,878 | 7,171,358 | 11,131,638 |
| Spirit Groups | 281,246 | 597,844 | 360,833 | 326,968 | 388,612 |
| Medical Expense and Insurance | 1,069,365 | 1,105,995 | 907,314 | 931,642 | 1,051,062 |
| Memberships and Dues | 73,933 | 86,382 | 64,115 | 86,168 | 85,624 |
| Other Services | 7,849,400 | 8,739,882 | 8,385,878 | 8,450,043 | 9,549,998 |
| Guarantees | 2,571,236 | 2,240,439 | 2,084,389 | 1,587,843 | 2,770,495 |
| TOTAL EXPENDITURES | 70,510,556 | 77,602,548 | 77,153,105 | 86,625,691 | 96,885,499 |
| NET REVENUES | 13,302,673 | 10,005,807 | 13,331,317 | 11,993,788 | 13,357,844 |
| TRANSFERS TO THE UNIVERSITY | | | | | |
| University General Scholarships | 1,646,380 | 1,326,260 | 846,285 | 2,311,009 | 2,868,962 |
| University Band & Other Support (net) | 1,669,547 | 2,216,744 | 1,969,263 | 2,380,140 | 2,347,561 |
| Debt Service ⁽⁴⁾ | 4,600,000 | 3,725,000 | 2,650,000 | 750,000 | 1,275,401 |
| Capital Projects | 4,515,463 | 2,272,448 | 7,497,260 | 6,332,249 | 6,425,650 |
| Total Transfers | 12,431,390 | 9,540,452 | 12,962,809 | 11,773,398 | 12,917,574 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND TRANSFERS | 871,283 | 465,355 | 368,508 | 220,390 | 440,270 |
| NET ASSETS, BEGINNING OF YEAR ⁽⁵⁾ | 10,860,961 | 11,732,244 | 12,197,599 | 12,566,107 | 12,786,497 |
| NET ASSETS, END OF YEAR | \$ 11,732,244 | \$ 12,197,599 | \$ 12,566,107 | \$ 12,786,497 | \$ 13,226,767 |

(1) Excludes Admissions Fees.

(2) Generally consists of YES Donations and other miscellaneous gifts.

(3) Generally consists of radio and television rights, programs/souvenirs/concessions, royalties, space rentals,

(4) Represents discretionary transfers to the Debt Service Fund to pay a portion of principal due on the Stadium BANS and all predecessor bond anticipation notes (see " - Debt Service Fund - Historical Receipts and Expenditures" under this heading and "DEBT STRUCTURE OF THE UNIVERSITY - Stadium BANS").

(5) The Fund balances reflected above have been restated to eliminate endowment balances that are not pledged for repayment of the bonds.

Football Summary

Set forth below is the University football team's won-loss record (including post-season bowl games) for the past ten seasons:

| Year | Record (wins-losses) | Year | Record (wins-losses) |
|------|-------------------------|------|-------------------------|
| 2015 | 3 - 9 | 2010 | 9 - 5 |
| 2014 | 7 - 6 | 2009 | 7 - 6 |
| 2013 | 11 - 2 | 2008 | 7 - 6 |
| 2012 | 11 - 2 | 2007 | 6 - 6 |
| 2011 | 11 - 2 | 2006 | 8 - 5 |

Future Football Home Games

Set forth below is the planned number of home games for the next five seasons:

| Year | Home Games |
|------|------------|
| 2016 | 7 |
| 2017 | 7 |
| 2018 | 7 |
| 2019 | 7 |
| 2020 | 7 |

Football Tickets and Attendance

Set forth in the following table are the ticket prices, number of season tickets purchased, total home attendance, average student attendance, and average home attendance for football games for the past ten seasons:

| CalendarYear | Home Games | Ticket Prices (1) | Season Tickets | Total Attendance (2) | Average Student Attendance (3) | Average Attendance |
|--------------|------------|-------------------|----------------|----------------------|--------------------------------|--------------------|
| 2015 | 6 * | \$290/ \$25 -\$85 | 51,180 | 472,934 | 9,489 | 78,822 |
| 2014 | 7 | \$365/ \$25-\$75 | 54,005 | 569,664 | 8,666 | 81,381 |
| 2013 | 7 | \$365/ \$25-\$70 | 51,967 | 576,805 | 9,016 | 82,401 |
| 2012 | 7 | \$320/ \$30-\$80 | 49,041 | 560,008 | 9,141 | 80,001 |
| 2011 | 7 | \$320/ \$25-\$66 | 46,233 | 553,915 | 9,665 | 79,131 |
| 2010 | 7 | \$320/ \$35-\$55 | 44,602 | 536,975 | 8,678 | 76,711 |
| 2009 | 7 | \$320/ \$35-\$60 | 47,851 | 504,989 | 7,693 | 72,141 |
| 2008 | 7 | \$320/ \$35-\$55 | 59,619 | 532,437 | 8,041 | 76,062 |
| 2007 | 7 | \$320/ \$35-\$60 | 60,208 | 542,143 | 9,051 | 77,449 |
| 2006 | 7 | \$280/ \$35-\$45 | 62,232 | 544,675 | 9,289 | 77,811 |
| 2005 | 7 | \$210/ \$25-\$40 | 62,274 | 559,071 | 9,078 | 79,867 |

Source: Athletics Department

(1) Non-student prices. Includes Admission Fee (\$8.00 Bond assessment fee beginning in 2013, \$3.00 fee for 2012 and prior), State admissions taxes, and for the Clemson University and University of Georgia games, a \$10.00 academic scholarship fee (none of which constitute Revenues of the Athletics Department). In addition, the rules of the NCAA and the SEC provide that certain complimentary tickets may be distributed. Amounts reflected are grouped by season ticket price followed by ranges in individual game prices as set for each season.

(2) Includes students who do not pay the Admissions Fee.

(3) A student athletic activity fee is charged to full-time students as a part of tuition and fees. This fee, which currently is \$52.00 per semester, is allocated to the Athletics Department as Revenues for allowing student access to athletic events in lieu of ticket charges.

*2015 The scheduled LSU home game was moved to LSU due to flooding in Columbia.

Men's Basketball Summary

Set forth below is the University Men's Basketball team's won-loss record (including post-season games) for the past ten seasons:

| Year | Record (wins-losses) | Year | Record (wins-losses) |
|---------|-------------------------|----------|-------------------------|
| 2014-15 | 17 - 16 | 2009-10 | 15 - 16 |
| 2013-14 | 14 - 20 | 2008-09 | 22 - 10 |
| 2012-13 | 14 - 18 | 2007-08 | 14 - 18 |
| 2011-12 | 10 - 21 | 2006-07 | 14 - 16 |
| 2010-11 | 14 - 16 | 2005-06* | 18 - 15 |

*NIT Champions

Men's Basketball Tickets and Attendance

Set forth in the following table are the ticket prices, number of season tickets purchased, average home attendance and total home attendance for men's basketball games for the past ten seasons:

| Year | Home Games(1) | Ticket Prices(2) | Season Tickets | Average Attendance Per Game(3) | Total Attendance |
|------|---------------|------------------|----------------|--------------------------------------|------------------|
| 2015 | 17 | \$20/\$14 | 6,989 | 11,520 | 184,314 |
| 2014 | 16 | \$20/\$14 | 6,691 | 10,074 | 161,177 |
| 2013 | 18 | \$18/\$15 | 6,144 | 8,603 | 154,858 |
| 2012 | 18 | \$18/\$15 | 5,748 | 8,868 | 159,624 |
| 2011 | 17 | \$18/\$15 | 7,201 | 9,756 | 165,844 |
| 2010 | 16 | \$18/\$15 | 8,117 | 11,994 | 191,905 |
| 2009 | 18 | \$18/\$15/\$12 | 7,192 | 12,028 | 216,499 |
| 2008 | 17 | \$18/\$15/\$12 | 7,937 | 6,257 | 106,365 |
| 2007 | 17 | \$18/\$15/\$12 | 8,751 | 6,475 | 110,090 |
| 2006 | 16 | \$18/\$15/\$12 | 9,491 | 9,091 | 145,451 |

Source: Athletics Department

- (1) Excludes exhibition games.
- (2) Non-student prices. Includes Admission Fee (\$4.00 Bond assessment), and State admissions taxes. Ticket charge for exhibition games is \$5.00. The rules of the SEC and the NCAA provide that certain complimentary tickets may be distributed.
- (3) A student athletic fee is charged as a part of tuition and fees. This fee, which is currently \$52.00 per semester, is allocated to the Athletic Department as revenues for allowing student access to athletic events in lieu of ticket charges.

Women's Basketball Summary

Set forth below is the University Women's Basketball team's won-loss record (including post-season games) for the past ten seasons:

| Year | Record (wins-losses) | Year | Record (wins-losses) |
|---------|-------------------------|---------|-------------------------|
| 2014-15 | 34-3 | 2009-10 | 14-15 |
| 2013-14 | 29-5 | 2008-09 | 18-Oct |
| 2012-13 | 25-8 | 2007-08 | 16-16 |
| 2011-12 | 25-10 | 2006-07 | 18-15 |
| 2010-11 | 18-15 | 2005-06 | 17-12 |

Women's Basketball Tickets and Attendance

Set forth in the following table are the ticket prices, number of season tickets purchased, average home attendance and total home attendance for women's basketball games for the past ten seasons:

| Year | Home Games(1) | Ticket Prices(2) | Season Tickets | Average Attendance Per Game(3) | Total Attendance |
|------|---------------|-------------------|----------------|--------------------------------------|------------------|
| 2015 | 16 | \$50/\$25/\$7/\$4 | 8,508 | 12,293 | 196,684 |
| 2014 | 16 | \$50/\$25/\$7/\$4 | 4,227 | 6,371 | 101,935 |
| 2013 | 16 | \$50/\$25/\$7/\$4 | 2,278 | 3,952 | 63,224 |
| 2012 | 15 | \$50/\$25/\$7/\$4 | 1,666 | 3,139 | 47,082 |
| 2011 | 19 | \$50/\$25/\$7/\$4 | 1,830 | 2,996 | 56,925 |
| 2010 | 12 | \$50/\$25/\$7/\$4 | 1,962 | 3,442 | 41,300 |
| 2009 | 15 | \$100/\$7/\$4 | 1,559 | 2,793 | 41,898 |
| 2008 | 18 | \$7/\$4 | n/a | 1,802 | 32,431 |
| 2007 | 20 | \$7/\$4 | n/a | 1,845 | 36,906 |
| 2006 | 17 | \$7/\$4 | n/a | 1,455 | 24,732 |

Source: Athletics Department

- (1) Excludes exhibition games.
- (2) Non-student prices. No Ticket charge for exhibition games. The rules of the SEC and the NCAA provide that certain complimentary tickets may be distributed.
- (3) A student athletic fee is charged as a part of tuition and fees. This fee, which is currently \$52.00 per semester, is allocated to the Athletic Department as revenues for allowing student access to athletic events in lieu of ticket charges.

Southeastern Conference Distributions

The following table sets forth Southeastern Conference revenues received by the University for the respective sports for the past ten years.

| FiscalYear | Football | Basketball | Other | Total |
|------------|---------------|--------------|--------------|---------------|
| 2015 | \$ 17,747,238 | \$ 5,248,182 | \$ 8,338,289 | \$ 31,333,709 |
| 2014 | 13,996,854 | 5,066,479 | 1,990,575 | 21,053,908 |
| 2013 | 13,348,266 | 4,999,688 | 2,473,186 | 20,821,140 |
| 2012 | 13,804,946 | 5,104,920 | 1,278,911 | 20,188,777 |
| 2011 | 13,447,256 | 4,984,506 | 1,158,681 | 19,590,443 |
| 2010 | 12,710,904 | 4,842,889 | 872,066 | 18,425,859 |
| 2009 | 7,343,308 | 3,341,338 | 1,770,684 | 12,455,330 |
| 2008 | 7,839,310 | 3,115,511 | 606,388 | 11,561,209 |
| 2007 | 7,576,070 | 3,042,249 | 463,670 | 11,081,989 |
| 2006 | 7,126,557 | 2,816,385 | 536,327 | 10,479,269 |

Admissions and Special Student Fee Receipts

The following table sets forth revenues received by the University from imposition of the Admissions Fee and the Special Student Fee for Athletic Debt Service for the past ten years.

| Fiscal Year | Admissions | | Total |
|-------------|--------------|--------------|--------------|
| | Fee | Student Fee | |
| 2015 | \$ 4,026,918 | \$ 1,724,044 | \$ 5,750,962 |
| 2014 | 4,072,001 | 1,691,154 | 5,763,155 |
| 2013 | 1,694,772 | 1,585,049 | 3,279,821 |
| 2012 | 1,708,602 | 1,550,886 | 3,259,488 |
| 2011 | 1,754,229 | 1,491,191 | 3,245,420 |
| 2010 | 1,803,288 | 1,497,605 | 3,300,893 |
| 2009 | 2,060,479 | 1,391,449 | 3,451,928 |
| 2008 | 2,024,374 | 1,315,867 | 3,340,241 |
| 2007 | 2,085,553 | 1,291,238 | 3,376,791 |
| 2006 | 2,114,703 | 765,609 | 2,880,312 |

Historical Net Revenues of the Athletics Department, and Debt Service Coverage Ratio

The following table sets forth the historical Net Revenues of the Athletic Facilities (excluding other University Facilities and Subsidies) and the gross receipts from the imposition of an Admissions Fee and Special Student Fee, as well as debt service coverage on the outstanding bonds for the Fiscal Years indicated.

| | Fiscal Year Ended June 30 | | | | |
|--|---------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| Net Revenues Available for Debt Service | \$ 13,498,997 | \$ 7,980,741 | \$ 10,873,426 | \$ 9,605,749 | \$ 11,254,599 |
| Special Student Fee | 1,491,191 | 1,550,886 | 1,585,049 | 1,691,154 | 1,724,044 |
| Admissions Fee | 1,754,229 | 1,708,602 | 1,694,772 | 4,072,001 | 4,026,918 |
| Interest Earnings and Miscellaneous | 277,430 | 261,505 | 213,804 | 161,074 | 125,670 |
| Funds Available for Debt Service | 17,021,847 | 11,501,734 | 14,367,051 | 15,529,978 | 17,131,231 |
| Debt Service | | | | | |
| Principal ⁽¹⁾ | \$ 1,920,000 | \$ 2,195,000 | \$ 2,535,000 | \$ 2,665,000 | \$ 2,770,000 |
| Interest and Other | 4,582,342 | 5,472,231 | 5,790,570 | 5,644,280 | 5,794,301 |
| Total Debt Service | 6,502,342 | 7,667,231 | 8,325,570 | 8,309,280 | 8,564,301 |
| Coverage Ratio | 2.62 | 1.50 | 1.73 | 1.87 | 2.00 |

⁽¹⁾ Principal payments include the servicing of the outstanding Bonds and the net annual principal reduction of outstanding bond anticipation notes.

Special Higher Education Revenue Bonds

Historical Collection of Pledged Revenues

Set forth below is a five year history of the Revenues and Additional Funds pledged under the Resolution to the Special Higher Education Revenue Bonds.

| | Fiscal Year Ended June 30 | | | | |
|--|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| REVENUES | | | | | |
| Federal Grants and Contracts | \$ 24,877,065 | \$ 23,916,286 | \$ 20,751,436 | \$ 22,640,258 | 23,190,019 |
| State Grants and Contracts | 898,266 | 607,913 | 801,035 | 407,015 | 256,140 |
| Local Grants and Contracts | 321,153 | 388,477 | 401,254 | 310,446 | 522,394 |
| Non-Governmental Grants & Contracts | 2,523,963 | 15,009,437 | 11,172,007 | 14,118,536 | 15,145,228 |
| Private Gifts, Grants & Contracts | 27,143,319 | 27,575,283 | 31,322,969 | 33,151,508 | 32,248,755 |
| Rental Income | 2,661,157 | 2,927,291 | 2,835,206 | 2,933,911 | 2,900,432 |
| Total Revenues | 58,424,923 | 70,424,687 | 67,283,907 | 73,561,674 | 74,262,968 |
| ADDITIONAL FUNDS | | | | | |
| Student Fees and Tuition ⁽¹⁾ | 520,996,243 | 552,920,843 | 584,593,734 | 625,370,035 | 680,012,353 |
| State Appropriations | 122,678,755 | 117,145,340 | 128,630,225 | 135,812,763 | 142,342,994 |
| Endowment Income | 1,767,971 | 1,605,559 | 1,445,297 | 1,463,297 | 612,433 |
| Interest Income | 2,089,580 | 2,033,038 | 1,342,994 | 1,483,251 | 761,821 |
| Sales & Services of Educational & Other Activities | 23,954,376 | 24,327,008 | 24,937,170 | 27,320,081 | 28,378,665 |
| Sales and Services of Aux. Enterprises | 120,369,939 | 129,178,455 | 131,948,493 | 135,188,694 | 150,720,283 |
| Telephone Income | 1,006,211 | 1,086,042 | 1,057,951 | 1,042,073 | 1,046,516 |
| Royalty Income | 2,310,543 | 15,959 | 19,682 | 48,160 | 37,749 |
| Other Fees | 4,344,563 | 4,258,867 | 4,286,986 | 5,070,895 | 5,823,388 |
| Other Sources | 6,549,099 | 5,522,104 | 5,518,686 | 1,704,298 | 4,270,864 |
| Total Available Funds and Academic Fees Excluding Revenues or Otherwise Restricted Revenues | 806,067,280 | 838,093,215 | 883,781,218 | 934,503,547 | 1,014,007,066 |
| Less State Appropriations | (122,678,755) | (117,145,340) | (128,630,225) | (135,812,763) | (142,342,994) |
| Less Parking Revenues | (6,913,085) | (7,030,119) | (7,521,350) | (8,135,840) | (7,960,901) |
| Less Housing Revenues | (39,692,840) | (44,014,509) | (44,349,342) | (47,325,655) | (51,751,036) |
| Less Bookstore Revenues | (2,739,036) | (2,660,745) | (2,608,677) | (2,532,904) | (2,537,338) |
| Less Athletic Revenues | (84,009,553) | (87,608,352) | (90,484,422) | (98,619,479) | (110,243,343) |
| Total Additional Funds | \$ 550,034,011 | \$ 579,634,150 | \$ 610,187,202 | \$ 642,076,906 | \$ 699,171,454 |

⁽¹⁾ Net of tuition pledged for debt service on State Institution Bonds. See "Debt Structure of University—Outstanding Debt."

Set forth below is a five year history of Pledged Revenues pledged under the Resolution to the Special Higher Education Revenue Bonds.

| | Fiscal Year Ended June 30 | | | | |
|-------------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| Revenues | \$ 58,424,923 | \$ 70,424,687 | \$ 67,283,907 | \$ 73,561,674 | \$ 74,262,968 |
| Additional Funds | 550,034,011 | 579,634,150 | 610,187,202 | 642,076,906 | 699,171,454 |
| PLEGGED REVENUES | \$ 608,458,934 | \$ 650,058,837 | \$ 677,471,109 | \$ 715,638,580 | \$ 773,434,422 |

The University

History

The University is the 25th oldest institution of higher education in the nation and the first to be fully supported by any state. Founded in 1801, it opened its doors in 1805. The University is the largest teaching and research institution of higher education in the State, with eight campuses enrolling more than 49,000 students. It is expanding academically and physically to meet the challenges of the times and to better perform its function of service to the citizens of the State and nation. The University has a prime influence on the economic and social growth of the State and region.

The University's central campus is located in downtown Columbia within two blocks of the State Capitol. Midway between New York and Miami on US 1 (with Interstate 20, Interstate 26, Interstate 77, and many other federal highways intersecting there), Columbia has twice been designated an "All-America City" in national competition. With a population of over 500,000 in the Columbia metropolitan area, Columbia lies almost at the geographical center of the State. Major airlines offer jet service only 15 minutes from the University's Columbia campus. A widespread system of modern highways brings the Columbia campus of the University within a three-hour drive of any point in South Carolina.

Organization and Administration

The University is governed by a Board of Trustees composed of three *ex officio* members – the Governor of the State (or their designee), the State Superintendent of Education, and the President of the University of South Carolina Alumni Association – and seventeen other members, including one member from each of the sixteen judicial circuits elected by the general vote of the General Assembly, and one at-large member appointed by the Governor. The administrative structure includes: president; provost; vice presidents; chancellors; and deans of each of the schools, colleges, and regional campuses.

The following sets forth the members of the Board of Trustees elected by the State General Assembly:

| Name | Term Expires | Residence |
|-------------------------------------|---------------------|------------------|
| Eugene P. Warr, Jr., Chairman | 6/30/2016 | Lamar |
| John C. Von Lehe, Jr. Vice Chairman | 6/30/2018 | Mt. Pleasant |
| Miles Loadholt , Chairman Emeritus | 6/30/2016 | Barnwell |
| Chuck Allen | 6/30/2016 | Anderson |
| J. Egerton Burroughs | 6/30/2016 | Conway |
| A.C. "Bubba" Fennell, III | 6/30/2016 | Greenwood |
| C. Edward Floyd, M.D. | 6/30/2018 | Florence |
| William C. Hubbard | 6/30/2018 | Columbia |
| William W. Jones, Jr. | 6/30/2016 | Bluffton |
| Toney J. Lister | 6/30/2018 | Spartanburg |
| Hubert F. "Hugh" Mobley | 6/30/2016 | Lancaster |
| Leah B. Moody | 6/30/2016 | Rock Hill |
| C. Dorn Smith, III | 6/30/2018 | Lake City |
| Thad H. Westbrook | 6/30/2018 | Lexington |
| Mack I. Whittle, Jr. | 6/30/2018 | Greenville |
| Charles H. Williams | 6/30/2018 | Orangeburg |

The following are the appointed and *ex officio* members of the Board of Trustees:

- Mark W. Buyck, Jr., Representing The Honorable Nikki R. Haley, Governor and *Ex Officio Chairman*
- Thomas C. Cofield, Gubernatorial Appointee
- Molly Spearman, State Superintendent of Education
- Paula Harper Bethea, President, University of South Carolina Alumni Association

The following are the Executive Officers of the University:

- Dr. Harris Pastides, President
- Leslie G. Brunelli, Vice President for Finance and Chief Financial Officer
- Chris Byrd, Vice President for Human Resources
- Dr. Susan Elkins, Palmetto College Chancellor
- Joan T. A. Gabel, Executive Vice President for Academic Affairs and Provost
- Dr. William F. Hogue, Vice President for Information Technology and Chief Information Officer
- Jancy L. Houck, Vice President for Development & Alumni Relations
- Derrick E. Huggins, Vice President for Facilities and Transportation
- Dr. Sandra J. Jordan, USC Aiken Chancellor
- Pat Lardner, University Treasurer
- Dr. Tom Moore, USC Upstate Chancellor
- Dr. Prakash Nagarkatti, Vice President for Research
- Dr. Al M. Panu, USC Beaufort Chancellor
- Walter H. Parham, Esquire, General Counsel
- Dr. Dennis A. Pruitt, Sr., Vice President for Student Affairs, Vice Provost for Academic Support, and Dean of Students
- Amy E. Stone, Secretary, Board of Trustees, University Secretary
- Ray Tanner, Director of Athletics
- Edward L. Walton, Senior Vice President for Administration and Chief Operating Officer

The President of the University is the chief executive and administrative officer appointed by the Board of Trustees.

Set forth below is selected biographical information relating to the current President and other Executive Officers referred to above.

Dr. Harris Pastides, President, age 61. Dr. Pastides became president on August 1, 2008. Before joining the University of South Carolina, Dr. Pastides served as a professor of epidemiology and chairman of the Department of Biostatistics and Epidemiology at the University of Massachusetts at Amherst. He received his Master's of Public Health and his Ph.D. in Epidemiology from Yale University. Dr. Pastides served as dean of the University's Arnold School of Public Health from 1998-2003. He was named Vice President for Research and Health Sciences at the University of South Carolina in 2003. In that role he was charged with achieving major growth in federal and industrially sponsored research. Dr. Pastides managed the university's research budget and directed investments toward faculty hiring, enhancing research infrastructure, and developing the *Innovista* research and innovation district. In his economic development role, Dr. Pastides was the University's chief contact with business, industry, and the state's Department of Commerce.

Leslie G. Brunelli, Vice President for Finance and Chief Financial Officer, age 47. Leslie Brunelli was named Vice President for Finance and Chief Financial Officer on February 21, 2014. Ms. Brunelli coordinates the day-to-day and long-term planning of the financial operations of the University system including overseeing the compilation of financial and budget reporting. In this role, she is responsible for perfecting and implementing University finance policies and procedures from an institutional perspective and for coordinating the institutional mission and plans into operational reality. Ms. Brunelli has 18 years of experience in higher education previously serving as Associate Vice President for Finance, University Budget Director and also the Vice Chancellor for Finance and Operations at the USC Beaufort campus. Ms. Brunelli is a Phi Beta Kappa graduate of the University of South Carolina with a bachelor's degree in Philosophy and she also received a Master of Business Administration from the University.

Chris Byrd, Vice President for Human Resources, age 55. Mr. Byrd joined the University in October 2007 and was appointed to the Vice President position in February 2011. Mr. Byrd was named to this position after several years in an administrative leadership position at the University and over 20 years in a management role with the State of South Carolina's central human resources organization. Mr. Byrd received both his B.S. in Financial Management and his M.Ed. in Personnel Services from Clemson University.

Dr. Susan Elkins, Palmetto College Chancellor, age 59. Dr. Susan Elkins was named Chancellor of the University of South Carolina Palmetto College in February 2013. Dr. Elkins previously served as Vice President of Extended Programs and Regional Development and Dean of the College of Interdisciplinary Studies at Tennessee Technological University (TTU). She holds bachelor's and master's degrees in Education from TTU and completed her doctoral work in Educational Leadership with an emphasis in Higher Education Administration at Vanderbilt University. Her publications and numerous presentations have focused on leadership, continuing higher education, and student success issues such as retention and dropout prevention. Elkins has spent her career of over 35 years focusing on student access and success issues in K-12 and higher education, coupled with internal and external partnerships involving P-16 education, business/industry, and government.

Joan T. A. Gabel, Executive Vice President for Academic Affairs and Provost, age 47. Ms. Gabel was named Provost of the University effective August 24, 2015. Prior to joining the University, she served as the Dean of the Trulaske College of Business at the University of Missouri. She also served on the faculty of Florida State University and Georgia State University colleges of business. Ms. Gabel has earned numerous awards including the Bunche, Kemper and Holmes-Cardozo Awards for Excellence in Research and has served as the Editor-in-Chief of the American Business Law Journal. She earned her Bachelor's Degree from Haverford College and her Juris Doctor from The University of Georgia.

Dr. William F. Hogue, Vice President for Information Technology and Chief Information Officer, age 64. Dr. Hogue obtained his B.A. and M.Ed. degrees from the University of South Carolina and the Ed.D. degree from Harvard University. Dr. Hogue was named to this position in September 2000 after serving as Director of IT Support at Massachusetts Institute of Technology. He also served in various capacities at Vanderbilt University and the University of Wisconsin-Eau Claire.

Jancy L. Houck, Vice President for Development & Alumni Relations, age 62. Ms. Houck joined the University in September, 2013. Since 2006, Houck has served as Yale University's associate vice president for development and director of medical development. At Yale, she managed development and alumni affairs programs for the schools of medicine, public health and nursing, playing a central role in university's YaleTomorrow \$3.5 billion capital campaign. Under her leadership, she raised more than \$800 million for the three schools for the campaign, which exceeded its goal, raising \$3.88 billion. A native of Albany, N.Y., Houck is a graduate of SUNY Albany with bachelor's and master's degrees in rhetoric and communication.

Derrick E. Huggins, Vice President for Facilities and Transportation, age 49. Mr. Huggins was appointed Vice President in February of 2014. In this position, he is responsible for facilities operations, maintenance and construction projects as well as parking and transportation operations. Prior to this position, he served as Associate Vice President for Vehicle Management/Parking Services, and Director of Transportation. In addition, he has served in various other capacities throughout the university with over 20 years of experience in higher education; Mr. Huggins holds a B.S. degree from University of South Carolina.

Dr. Sandra J. Jordan, USC Aiken Chancellor, age 58. Dr. Sandra J. Jordan became the fourth Chancellor of the University of South Carolina Aiken on July 1, 2012 and, as Chancellor, serves as the chief executive officer and principal spokesperson for the University. Over the past 30 years, Dr. Jordan has served in a number of leadership positions at universities, including Department Chair, Dean, Vice Provost, and Provost before becoming Chancellor. Dr. Jordan received her Doctorate (Ph.D.) and Master of Arts degree in the History of Art from the University of Georgia. Dr. Jordan attended the Management Development Program at Harvard University's Institute for Higher Education; the 21st Century Leadership Institute sponsored by ALIA and AASCU, and was a summer fellow at Vanderbilt University's Institute for Higher Education Management. Through her career, she has worked extensively to expand international educational partnerships by negotiating agreements and building alliances with universities in Malaysia, Indonesia, Japan, China, Thailand, Bahrain, Jordan, Korea, Taiwan, Great Britain, the Caribbean, and India.

Pat Lardner, Treasurer, age 51. Mr. Lardner was named University Treasurer on November 1, 2014. Mr. Lardner has 28 years of experience in the Administration and Finance division at the University of South Carolina to include experience in the Bursar's, Payroll offices and was University Controller for seven years. Mr. Lardner is a graduate of the University of South Carolina with a bachelor's degree in Accounting.

Dr. Tom Moore, USC Upstate Chancellor, age 64. Dr. Moore became Chancellor on August 1, 2011. Prior to coming to USC Upstate, Dr. Moore served as vice president for academic affairs and dean of the faculty at Winthrop University. Dr. Moore earned his bachelor's degree in chemistry from Huntingdon College in Montgomery, Alabama, and his doctorate in inorganic chemistry from the University of South Carolina. He has attended professional development programs at Harvard, Yale and Northwestern universities. Dr. Moore has also held positions at Georgia Southern College and Birmingham-Southern College.

Dr. Prakash Nagarkatti, Vice President for Research, age 63. Dr. Nagarkatti joined the University in 2005 and was named Vice President for Research in 2011. He also serves as Carolina Distinguished Professor, and Director of the NIH Center of Research Excellence in Inflammatory and Autoimmune Diseases. From 2005-2011, he served as Associate Dean at the School of Medicine. His research has been continuously supported by numerous grants from NIH, NSF/EPA, and American Cancer Society, totaling more than \$20 million. Dr. Nagarkatti has published over 160 scientific papers and book chapters and has trained over 28 graduate students, 16 post-doctoral fellows and 17 junior faculty. He has chaired and served as a member on numerous NIH Review Panels. Dr. Nagarkatti is a Fellow of the American Association for the Advancement of Science.

Dr. Al M. Panu, USC Beaufort Chancellor, age 59. Dr. Panu assumed the leadership of USC Beaufort on August 16, 2015. Prior to his appointment as Chancellor at USC Beaufort, he served as Senior Vice President for University Affairs at University of North Georgia. Most recent administrative roles include Vice President for Academic Affairs; Dean, School of Science, Technology, Engineering & Mathematics; and Chair, Division of Science, Engineering & Technology at Gainesville State College in Georgia where he also held the rank of Professor of Chemistry. At Kennesaw State University in Kennesaw, Georgia, Dr. Panu served as Associate Dean of the College of Science and Mathematics. He holds a bachelor's degree in chemistry from Tuskegee Institute, Tuskegee, Alabama; a master's degree in chemistry from the University of Alabama Birmingham; and a Ph.D. in chemistry from the University of Georgia. After completing his Ph.D., he worked as a post-doctoral fellow at Emory University, Atlanta, Georgia prior to beginning his academic career.

Walter H. Parham, Esquire, General Counsel, age 59. Mr. Parham graduated from the University of South Carolina with B.A. and Juris Doctor degrees. He came to the University in November 1988 as Associate General Counsel and became General Counsel in 1991. Prior to that time he served as the Greenville County (South Carolina) Attorney.

Dr. Dennis A. Pruitt, Sr., Vice President for Student Affairs, Vice Provost for Academic Support, and Dean of Students, age 65. Dr. Pruitt obtained a B.A. degree from Armstrong State College, a M.Ed. degree from West Georgia College, and a Ph.D. degree from the University of South Carolina. Dr. Pruitt has served the University in various capacities since 1980, including Director of the Russell House University Union and Acting Dean of Student Affairs.

Amy E. Stone, Secretary, Board of Trustees, University Secretary, age 65. Ms. Stone assumed this role effective January 1, 2012. Prior to her current role, she was Interim Executive Director of the Carolina Alumni Association. She holds both a BA and Masters in Education from the University of South Carolina. She spent over 25 years in the Development area for schools and non-profits. Ms. Stone served on the University's Board of Trustees from 2008 through 2010 while also serving as the President of the Carolina Alumni Association.

Ray Tanner, Director of Athletics, age 57. Mr. Tanner began his duties as Athletics Director on Aug. 2, 2012. Prior to being appointed athletics director, Tanner completed 16 years as the head baseball coach establishing one of the premier programs in college baseball. He led the Garnet & Black to two NCAA Division I Baseball Championships in 2010 and 2011. He posted a 738-316 record with a .700 winning percentage, second highest all-time among SEC coaches. Tanner has a bachelor of science degree in recreational administration from NC State (1980) and a master's of public affairs, public administration (1983).

Edward L. Walton, Senior Vice President for Administration and Chief Operating Officer, age 55. Mr. Walton was named Senior Vice President for Administration and Chief Operating Officer on March 1, 2014. Prior to that, he served as Chief Financial Officer since March 1, 2011. Mr. Walton joined the University of South Carolina in 1997. With over 20 years of experience in finance, accounting, and auditing, Mr. Walton has spent the past 15 years in positions of increasing responsibilities across a wide spectrum of USC. His service in various financial positions at the University include: Director of Contract and Grant Accounting; Chief Financial Officer of the University of South Carolina Research Foundation; Chief Financial Officer for Health Sciences South Carolina, Chief Research Administrator, and Associate Provost for Finance and Administration. Prior to joining the University he served as Audit Supervisor in the State Auditor's Office. Mr. Walton graduated Summa Cum Laude with a BA in Accounting from Saint Leo College and is a Certified Public Accountant.

The Schools and Colleges

The University consists of the following schools and colleges:

| | |
|---|--------------------------------|
| Arnold School of Public Health | College of Social Work |
| College of Arts and Sciences | Graduate School |
| College of Education | School of Law |
| College of Engineering and Computing | School of Medicine |
| College of Hospitality, Retail and Sport Management | School of Music |
| College of Information and Communication | South Carolina Honors College |
| College of Nursing | Darla Moore School of Business |
| College of Pharmacy | |

The University is accredited by the Southern Association of Colleges and Secondary Schools. All of its colleges and schools are fully accredited by accrediting agencies in their respective fields.

Tuition and Fees

Set forth below are the Tuition and Fees charged by the University for resident and non-resident students for the 2014-2015 academic year for full-time students on a semester basis.

| | | | | | |
|---|---------------------------------------|-----------|---|--|---------|
| I. Columbia | | | III. Beaufort (Undergraduate) ⁽³⁾ | | |
| A. | Undergraduate | | A. | Resident | \$4,731 |
| 1. | Resident | \$5,541 | B. | Non-Resident | 9,798 |
| 2. | Non-Resident | 14,949 | C. | Non-Resident Scholarship | 7,350 |
| 3. | Non-Resident Dept. Scholarship | 8,229 | D. | Matriculation Fee (entering semester) | 75 |
| 4. | Active Duty Military ⁽¹⁾ | 3,243 | E. | Technology Fee | 168 |
| 5. | Matriculation Fee (entering semester) | 80 | | | |
| B. | Graduate ⁽¹⁾ | | IV. Upstate (Undergraduate) | | |
| 1. | Resident | \$6,192 | A. | Resident | \$5,184 |
| 2. | Non-Resident | 13,266 | B. | Non-Resident | 10,509 |
| C. | Law | | C. | Non-Resident Scholarship | 7,881 |
| 1. | Resident | \$ 11,904 | D. | Matriculation Fee (entering semester) | 75 |
| 2. | Non-Resident | 24,036 | E. | Technology Fee | 140 |
| 3. | Non-Resident Scholarship | 13,164 | F. | Health Fee (on campus students only) | 50 |
| D. | Technology Fee | 200 | | | |
| E. | Medical (MD students only) | | V. Palmetto College Campuses | | |
| 1. | Resident | \$ 19,257 | A. | Lancaster, Salkehatchie, Sumter, Union | |
| 2. | Non-Resident | 43,575 | 1. | Resident (Less than 75 credit hours) | \$3,243 |
| 3. | Non-Resident Scholarship | 24,150 | 2. | Non-Resident (Less than 75 credit hours) | 8,103 |
| 4. | Technology Fee | 300 | 3. | Resident (75 or more credit hours) | 4,794 |
| | | | 4. | Non-Resident (75 or more credit hours) | 9,591 |
| II. Aiken (Undergraduate) ⁽²⁾ | | | B. | Matriculation Fee (entering semester) | 50 |
| A. | Resident | \$4,794 | C. | Technology Fee | 196 |
| B. | Non-Resident | 9,591 | | | |
| C. | Non-Resident Scholarship | 7,194 | | | |
| D. | Matriculation Fee (entering semester) | 85 | | | |
| E. | Technology | 120 | | | |

(1) Rates apply to all campuses.

(2) Aiken resident rate applies to students who are legal residents of Richmond and Columbia counties of Georgia.

(3) Beaufort resident rate applies to students who are legal residents of Chatham and Effingham Counties of Georgia.

Enrollment

Total final *Fall semester* enrollments for the *Columbia Campus*, years 2011 through 2015 are as follows:

| Year (Fall) | Undergrad | Law | Grad/Prof | Medical ⁽¹⁾ | Total | Other Campuses | Total |
|----------------|-----------|-----|-----------|------------------------|--------|-------------------|--------|
| 2011 | 22,556 | 686 | 7,131 | 348 | 30,721 | 15,053 | 45,774 |
| 2012 | 23,363 | 648 | 6,863 | 414 | 31,288 | 14,976 | 46,264 |
| 2013 | 24,180 | 621 | 6,691 | 472 | 31,964 | 14,708 | 46,672 |
| 2014 | 24,864 | 621 | 6,927 | 560 | 32,972 | 15,195 | 48,167 |
| 2015 | 25,237 | 620 | 7,215 | 652 | 33,724 | 15,725 | 49,449 |

The University received 25,738 freshman applications for the Fall 2015 semester, compared with 23,341 applications received for the Fall 2014 semester (10.3% increase).

(1) Doctorate of Pharmacy and graduate medical enrollment as shown is contained in Grad/Prof amounts all years.

Total final *Spring semester* enrollments for the *Columbia Campus*, years 2011 through 2015 are as follows:

| Year (Spring) | Undergrad | Law | Grad/Prof | Medical ⁽¹⁾ | Total | Other Campuses | Total |
|------------------|-----------|-----|-----------|------------------------|--------|-------------------|--------|
| 2011 | 20,373 | 685 | 7,081 | 331 | 28,470 | 13,865 | 42,335 |
| 2012 | 21,650 | 669 | 6,880 | 339 | 29,538 | 13,549 | 43,087 |
| 2013 | 22,040 | 628 | 6,677 | 407 | 29,752 | 13,201 | 42,953 |
| 2014 | 22,767 | 609 | 6,419 | 467 | 30,262 | 13,117 | 43,379 |
| 2015 | 22,969 | 618 | 6,736 | 544 | 30,867 | 13,344 | 44,211 |

(1) Doctorate of Pharmacy and graduate medical enrollment as shown is contained in Grad/Prof amounts all years.

Total final *Summer semester* enrollments for the *Columbia Campus*, years 2011 through 2015 are as follows:

| Year (Summer) | Undergrad | Law | Grad/Prof | Medical ⁽¹⁾ | Total | Other Campuses | Total |
|------------------|-----------|-----|-----------|------------------------|--------|-------------------|--------|
| 2010 | 9,967 | 144 | 5,891 | 0 | 16,002 | 5,813 | 21,815 |
| 2011 | 10,950 | 151 | 5,750 | 0 | 16,851 | 6,617 | 23,468 |
| 2012 | 11,537 | 130 | 5,729 | 1 | 17,397 | 5,322 | 22,719 |
| 2013 | 10,680 | 132 | 4,919 | 0 | 15,731 | 5,496 | 21,227 |
| 2014 | 8,969 | 147 | 4,376 | 0 | 13,492 | 5,076 | 18,568 |
| 2015 | 6,330 | 123 | 4,318 | 0 | 11,071 | 4,072 | 15,143 |

Note: Prior to 2014, there were two summer sessions combined for the reported figures, resulting in some duplication of the student enrollments. For 2014 and beyond, a single summer semester was instituted.

(1) Doctorate of Pharmacy and graduate medical enrollment as shown is contained in Grad/Prof amounts all years.

The Fall 2014 head count enrollment of other public colleges and universities in the State is as follows:

| College/University | Fall 2014 Enrollment |
|--------------------------------------|----------------------|
| Clemson University | 21,857 |
| College of Charleston | 11,456 |
| Coastal Carolina University | 9,976 |
| Winthrop University | 6,024 |
| Francis Marion University | 3,944 |
| South Carolina State University | 3,331 |
| The Citadel | 3,592 |
| Lander University | 2,787 |
| Medical University of South Carolina | 2,898 |

*Fall 2015 head count enrollment figures are not yet available.

Geographic Distribution of Student Population

The following table sets forth the geographic origin of the student population by state for the Fall of 2014:

| State | Number Enrolled | Percentage Enrolled |
|--|-----------------|---------------------|
| South Carolina | 35,306 | 73.3% |
| North Carolina | 2,149 | 4.5 |
| Georgia | 1,435 | 3.0 |
| Virginia | 1,194 | 2.5 |
| Maryland | 1,173 | 2.4 |
| New Jersey | 779 | 1.6 |
| Pennsylvania | 700 | 1.5 |
| Ohio | 458 | 1.0 |
| New York | 411 | 0.9 |
| Florida | 395 | 0.8 |
| Remaining States (Including U.S. Territories) | 2,547 | 5.2 |
| Non-U.S. | 1,619 | 3.3 |

Marketing

Undergraduate. The recruitment staff of the Office of Undergraduate Admissions at the Columbia Campus of the University strives to take a personalized approach in its student recruitment efforts. Each admissions counselor is assigned geographic areas, both in-state and out-of-state, as their target recruitment areas. Counselors travel in those areas for college-day programs and high school private visits, and communicate with applicants and prospective applicants from those areas. All accepted students receive a series of personalized letters from various offices on campus and many receive telephone calls from faculty members or deans in their chosen academic area. Information sessions and receptions are held in cities throughout the State and select out-of-State areas so that prospective students and their parents have an opportunity to talk with representatives from the University. Campus visitation days for special groups are held several times a year.

Graduate. The Graduate School provides assistance and support to applicants seeking information or admission to the University's graduate program. Applicants to a graduate program generally seek out the University. However, recruiting is conducted along the east coast and in the southeastern United States.

The Graduate School publishes the Graduate Bulletin and provides it free of charge. The Graduate School also advertises in popular graduate publications. Limited counseling to applicants choosing between two courses of study is also available through the Graduate School.

Brochures, applications and other materials which could be used to solicit enrollment are collected by the Graduate School from individual departments and distributed at graduate affairs and similar functions.

Selected Undergraduate Enrollment Data (Columbia Campus Only)

Certain selected data relating to Fall undergraduate enrollment for the years 2011 through 2015 is as follows:

| Year (Fall) | Applications | Applications Accepted | Acceptance Rate | Enrollment | Matriculation Rate ⁽¹⁾ | Median SAT Scores ⁽²⁾ |
|-------------|--------------|-----------------------|-----------------|------------|-----------------------------------|----------------------------------|
| 2011 | 21,311 | 13,451 | 63.1 | 4,636 | 34.5 | 1198 |
| 2012 | 23,429 | 14,199 | 61.1 | 4,625 | 32.6 | 1200 |
| 2013 | 23,035 | 14,843 | 64.4 | 5,049 | 34.0 | 1200 |
| 2014 | 23,341 | 15,455 | 66.2 | 4,982 | 32.0 | 1190 |
| 2015 | 25,738 | 16,611 | 64.5 | 5,194 | 31.3 | 1200 |

(1) Based on enrollment in relation to applicants accepted.

(2) Based on first-time, full-time freshmen.

Faculty

The following table sets forth certain information relating to the faculty for the Fiscal Years ended June 30, 2011 through 2015. Faculty data is reported with Integrated Postsecondary Education Data System (IPEDS) A1, A2, and D1 faculty, and does not include librarians.

| Year | Full-Time | Part-Time | Tenure Track |
|------|-----------|-----------|--------------|
| 2011 | 2,006 | 1,037 | 1,340 |
| 2012 | 2,072 | 1,036 | 1,371 |
| 2013 | 2,089 | 1,109 | 1,390 |
| 2014 | 2,229 | 1,043 | 1,486 |
| 2015 | 2,329 | 1,376 | 1,567 |

Research

One of the primary functions of the University is research. Total research and service grants at the University to bureaus, departments and individual professors during the Fiscal Year ended June 30, 2015 amounted to \$243 million.

Permanently established research bureaus and institutes include:

| | |
|--|--|
| Belle W. Baruch Institute for Marine Biology & Coastal Research | Center of Global Supply Chain and Process Management |
| Carolina Institute for Leadership and Engagement in Music | Center of Management of Risk Behavior |
| Center for Advancement of Accounting | Constitutional Law Resource Center |
| Center for Applied Real Estate Education Research | Daniel Management Center |
| Center for Asian Studies | Earth Sciences & Resources Institute |
| Center for Bioethics and Medical Humanities | Electron Microscopy Center |
| Center for Child and Family Studies | End of Life Care Center |
| Center for Citizenship | Farber Entrepreneurship Center |
| Center for Disability Resources | Frank L. Roddey Small Business Development Center |
| Center for Economic and Community Development | Hazards & Vulnerability Research Institute |
| Center for Electrochemical Engineering | Industrial Mathematics Institute |
| Center for Enterprise Development | Institute for Families in Society |
| Center for Environmental Policy | Institute for Public Service and Policy Research |
| Center for Geographic Info Systems & Remote Sensing | Institute for Southern Studies |
| Center for Health Policy | Institute for Superconductivity |
| Center for Health Promotion & Risk Reduction in Special Populations | Institute for Tourism Research |
| Center for Health Promotion and Disease Prevention | Institute of Biological Research and Technology |
| Center for Health Services and Policy Research | Insurance Studies Center |
| Center for Information Assurance Engineering | International Institute for Foodservice Research |
| Center for Information Technology | L. DeQuincey Newman Institute for Peace & Social Change |
| Center for International Business Education & Research | National Resource Center for First-Year Experience and Student in Transition |
| Center for Literary Biography | Nelson Mullins Riley & Scarborough Center on Professionalism |
| Center for Marketing Studies | Nutrition Research Center |
| Center for Mass Communications Research | Palmetto Poison Center |
| Center for Mechanics Materials & Non-Destructive | Penn Education Center (joint w/ USC Beaufort) |
| Center for Mediation and Conflict Resolution | Richard L. Walker Institute of International Studies |
| Center for Nursing Leadership | Riegel and Emory Human Resource Research Center |
| Center for Oral Narration at USC-Sumter | SC Cancer Center |
| Center for Outcome Research and Evaluation Studies (CORE) | SC Educational Policy Center |
| Center for Reliability and Quality Sciences | SC Institute of Archaeology & Anthropology |
| Center for Retailing | SC Rural Health Research Center (SC RHRC) |
| Center for Science Education | Science Education Center |
| Center for Southern African-American Music (CSAM) | Sea Island Institute |
| Center for the Advancement of Engineering and Computing Education | Small Business Development Center |
| Center for Water Research & Policy | South Carolina Center for Gerontology |
| Center of Excellence for the Assessment of Student Learning | Southern Regional Violence & Substance Abuse Center |
| Center of Excellence in Geographic Education/ South Carolina Geographic Alliance | The SC Center for Children's Books and Literacy |
| | Travel and Tourism Industry Center |
| | USC Nano Center |
| | USC Speech & Hearing |

Degrees Offered

The University System offers more than 345 unique degree programs, in over 120 areas of study, including professional doctorates in law, medicine and pharmacy.

Libraries

The University's library collection of over three million volumes, 800,000 government documents, 300,000 maps and aerial photographs, and rare books and manuscripts, is held in seven libraries on the Columbia campus.

Alumni

The University of South Carolina Alumni Association serves more than 250,000 alumni in 50 states and 154 foreign countries. More than half of alumni live in South Carolina.

Reserve Officer Training

Military training is not compulsory at the University. Through Army, Naval and Air Force Reserve Officers Training programs, the University is cooperating with the United States Department of Defense in an effort to provide a steady supply of well-educated officers for active and reserve forces of the nation.

System Campuses

Three comprehensive and four regional campuses complement the flagship campus in Columbia. USC Aiken, USC Beaufort and USC Upstate are separately accredited institutions offering four year degree programs. The four regional campuses, USC Lancaster, USC Salkehatchie, USC Sumter and USC Union, are the Palmetto College Campuses and are accredited as two-year degree-granting institutions under the USC Columbia umbrella. The Palmetto College concept was launched in the fall of 2013 as an academic program coordinating unit to expand baccalaureate degree programs to rural populations via on-line learning.

By making its freshman-sophomore and some upper level offerings available in areas close to the homes of prospective students, the University has been able to devote increased space to its academic program with consequent savings to both students and taxpayers. Additionally, graduate programs are offered at the Aiken and Upstate campuses.

Economic Impact

Based on an economic impact study conducted by the Darla Moore School of Business in November 2011, the University contributes more than \$4.1 billion in annual state output to the state through alumni impact and the impact from non-state funded expenditures. More specifically, this economic output represents the total dollar value of all goods and services associated with the University, including both increases in alumni wages and business activity resulting from non-state funded expenditures. In addition, the University contributes approximately \$1.3 billion toward personal income, approximately \$2.3 billion towards gross state product (value added), and supports approximately 53,000 jobs.

Debt Structure

Outstanding Debt

The University's debt consists of the following categories:

General Obligation. State Institution Bonds of the State of South Carolina, which are secured by a pledge of the full faith, credit and taxing power of the State and in addition by a pledge of tuition fees collected at the University. State Institution Bonds are issued by the State on behalf of the University.

Revenue bonds. The proceeds of revenue bonds are used by the University for, but not limited to:

(A) dormitories, apartment buildings, dwelling houses, bookstores and other University operated stores, laundries, dining halls, cafeterias, parking facilities, student recreational, entertainment and fitness related facilities, inns, conference and other non-degree educational facilities and similar auxiliary facilities of the University and any other facilities which are auxiliary to any of the foregoing excluding, however, athletic department projects which primarily serve varsity athletic teams of the University; and

(B) those academic facilities as may be authorized by joint resolution of the General Assembly. The Bonds are payable from and secured by a pledge of the revenues derived by the University from the operation of the student and faculty housing facilities and the parking facilities; and are additionally secured by a pledge of subsidies and available funds and academic fees of the University not otherwise designated or restricted. Funds of the University derived from appropriations received from the South Carolina General Assembly and any tuition funds pledged to the repayment of State Institution Bonds are not considered available funds.

Athletic Facilities Revenue Bonds. The proceeds of Athletic Facilities Revenue Bonds are used by the University for the financing or refinancing of the costs of acquisition, construction, renovation, and improvements of the athletic facilities of the University. The Athletic Facilities Revenue Bonds are payable from and secured by a pledge of the Net Revenues and the gross receipts from the imposition by the University of the Admissions Fee and Special Student Fees.

The following table shows the categories of outstanding long-term obligations of the University as of December 31, 2015.

| Category of Indebtedness | Amount Outstanding |
|-----------------------------------|----------------------|
| State Institution Bonds | \$159,830,000 |
| Revenue Bonds | 280,645,000 |
| Athletic Facilities Revenue Bonds | <u>154,750,000</u> |
| Total | <u>\$595,225,000</u> |

Debt Payment Record

There has been no default in the payment of principal or interest on any bonds issued by or on behalf of the University. The University has never borrowed for the purpose of refunding any bonds in order to prevent a default, nor has the University borrowed for the purpose of paying the cost of operations or for funding a deficit.

Financial Matters

Budget

The University is a State institution of higher learning, governed by the Board of Trustees. The amount of State appropriations received is determined by the State Legislature upon recommendation from the South Carolina Commission on Higher Education, a coordinating body for all South Carolina public higher education institutions. The Board of Trustees must approve the annual operating budget and is empowered to establish tuition and fee amounts, subject to such limits as may be imposed from time to time by the General Assembly of the State of South Carolina.

The internal University budget process is that generally used by public higher education institutions. The budget is determined in the following manner:

1. Amount of expense budget to sustain current operations is determined.
2. Expense budget reductions are made to continuing operations where programmatically warranted.
3. Expense budget increases for institutional priorities are determined.
4. Realistic revenue budget estimates are determined.
5. Necessary expense budget reductions are made to current operating bases or planned institutional priorities as circumstances warrant in order to insure that the expense budget does not exceed the revenue budget.

The total current funds budget of the University for the Fiscal Year ended June 30, 2015 was approximately \$1.338 million as approved by the University Board of Trustees. Of that amount, \$144 million was appropriated by the State with the remainder derived from student tuition and fees, grants, contracts, auxiliary enterprises and other revenue.

The total current funds budget approved by the University Board of Trustees on June 19, 2015 for Fiscal Year 2016 is \$1.442 million. Of that amount, state appropriations are \$147 million.

Total revenues of the University for the Fiscal Years ended June 30, 2011 through 2015 are as follows:

| Year | Total Revenues |
|------|----------------|
| 2011 | 1,150,249,504 |
| 2012 | 1,088,884,624 |
| 2013 | 1,061,103,742 |
| 2014 | 1,132,092,169 |
| 2015 | 1,187,037,902 |

The percentages of the sources of the revenues shown above are as follows:

| | Fiscal Years Ended June 30, | | | | |
|--|-----------------------------|------|------|------|------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| State Appropriations (including Capital) | 12% | 11% | 14% | 14% | 12% |
| Tuition and Fees | 30 | 33 | 36 | 36 | 38 |
| Gifts, Grants and Contracts | 35 | 33 | 33 | 32 | 31 |
| Sales and Services and Other Sources | 23 | 13 | 17 | 18 | 19 |

Pension Plans

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 five 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 its own 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 available on PEBA's website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to South Carolina Public Employee Benefit Authority, Retirement Systems Finance, 202 Arbor Lake Dr., Columbia, SC 29223. PEBA is considered a division of the primary government of the State of South Carolina and therefore, retirement trust fund financial information is also included in the annual 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 one of four 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.

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.

ORP - As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (ORP), which is a defined contribution plan. ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the retirement systems for financial statement purposes.

Employee and Employer contributions to the 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 (8.0 percent) and a portion of the employer contribution (5.0 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (5.75 percent) and an incidental death benefit contribution (0.15 percent), 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.

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 services, 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 five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years of 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 eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class II and Class III members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively.

The benefit formula for full benefits effective since July 1, 1989 for the SCRS is 1.82 percent 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 one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 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 the 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 five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of credited service regardless of age. A Class III member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of credited service regardless of age. Both Class II and Class III members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

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

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 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of one percent 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 thirty 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 thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

Required **employee** contribution rates for fiscal year 2014-2015 are as follows:

SCRS

| | |
|--------------------|--------------------------------|
| Employee Class II | 8.00% of earnable compensation |
| Employee Class III | 8.00% of earnable compensation |

ORP

8.00% of earnable compensation

PORS

| | |
|--------------------|--------------------------------|
| Employee Class I | \$21 per month |
| Employee Class II | 8.41% of earnable compensation |
| Employee Class III | 8.41% of earnable compensation |

Required **employer** contribution rates for fiscal year 2014-2015 are as follows:

SCRS

| | |
|-----------------------------------|---------------------------------|
| Employer Class II | 10.75% of earnable compensation |
| Employer Class III | 10.75% of earnable compensation |
| Employer Incidental Death Benefit | 0.15% of earnable compensation |

ORP

| | |
|-----------------------------------|---------------------------------|
| Employer Contribution | 10.75% of earnable compensation |
| Employer Incidental Death Benefit | 0.15% of earnable compensation |

PORS

| | |
|-----------------------------------|---------------------------------|
| Employer Class I | 7.80% of earnable compensation |
| Employer Class II | 13.01% of earnable compensation |
| Employer Class III | 13.01% of earnable compensation |
| Employer Incidental Death Benefit | 0.20% of earnable compensation |
| Employer Accidental Death Program | 0.20% of earnable compensation |

Of the ORP employer contribution of 10.75% 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.

SCRS - The University's actual retirement and incidental death program contributions to the SCRS for the years ended June 30, 2015, 2014, and 2013 were:

| Fiscal Year Ended | Retirement | | Incidental Death | |
|----------------------|------------|--------------|------------------|--------------|
| | Rate | Contribution | Rate | Contribution |
| 2015 | 10.750% | \$28,671,000 | 0.150% | \$400,000 |
| 2014 | 10.450% | \$26,410,000 | 0.150% | \$379,000 |
| 2013 | 10.450% | \$26,289,000 | 0.150% | \$377,000 |

PORS - The University's actual retirement, incidental death program and accidental death program contributions to the PORS for the years ended June 30, 2015, 2014, and 2013 were:

| Fiscal Year Ended | Retirement | | Incidental Death | | Accidental Death | |
|----------------------|------------|--------------|------------------|--------------|------------------|--------------|
| | Rate | Contribution | Rate | Contribution | Rate | Contribution |
| 2015 | 13.010% | \$850,000 | 0.200% | \$13,100 | 0.200% | \$13,100 |
| 2014 | 12.440% | \$791,000 | 0.200% | \$12,700 | 0.200% | \$12,700 |
| 2013 | 11.900% | \$706,000 | 0.200% | \$11,900 | 0.200% | \$11,900 |

For fiscal year 2015, total contributions requirements to the ORP were approximately \$24,351,571 (excluding the surcharge) from the University as employer and approximately \$18,122,100 from its employees as plan members.

Teacher and Employee Retention Incentive - 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 five 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 cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit, and are ineligible to receive group life insurance benefits or 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, 2015, the University reported liabilities of \$703,562,633 and \$10,102,838 for its proportionate share of the SCRS and PORS net pension liability, 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 that date. The University's proportionate shares of the net pension liabilities were based on the University's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the University's proportionate shares of the SCRS and PORS plans were 4.086408% and 0.52740%, which was the same as its proportionate shares of the net pension liabilities measured as of June 30, 2013, respectively.

Pension Expense - For the year ended June 30, 2015, the University recognized pension expense of \$49,310,432 and \$883,331 for SCRS and PORS, respectively.

Deferred inflows of resources and deferred outflows of resources - At June 30, 2015, 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:

South Carolina Retirement System

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 19,935,471 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | - | 59,313,877 |
| University contributions subsequent to the measurement date | 41,694,195 | - |
| Total | <u>\$ 61,629,666</u> | <u>\$ 59,313,877</u> |

Police Officers Retirement System

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 269,434 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | - | 1,168,254 |
| University contributions subsequent to the measurement date | 871,294 | - |
| Total | <u>\$ 1,140,728</u> | <u>\$ 1,168,254</u> |

The \$41,694,195 and \$871,294 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, 2015 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2016.

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

| | <u>SCRS</u> |
|---------------------|------------------------|
| Year ended June 30: | |
| 2016 | \$ (8,662,222) |
| 2017 | (8,662,222) |
| 2018 | (8,662,222) |
| 2019 | (13,391,734) |
| | <u>\$ (39,378,400)</u> |
| | |
| | <u>PORS</u> |
| Year ended June 30: | |
| 2016 | \$ (222,188) |
| 2017 | (222,188) |
| 2018 | (222,188) |
| 2019 | (232,254) |
| | <u>\$ (898,818)</u> |

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 five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2013. 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, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification by GRS.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2013 valuations for SCRS and PORS.

| | SCRS | PORS |
|----------------------------|-----------------------|-----------------------|
| Actuarial cost method | Entry age | Entry age |
| Actuarial assumptions | | |
| Investment rate of return | 7.5% | 7.5% |
| Projected salary increases | levels off at 3.5% | levels off at 4.0% |
| Includes inflation at | 2.75% | 2.75% |
| Benefit adjustments | lesser of 1% or \$500 | lesser of 1% or \$500 |

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 90% |
| Public Safety, Firefighters, and members of the South Carolina National Guard | RP-2000 Males (with Blue Collar adjustment) multiplied by 115% | RP-2000 Females (with Blue Collar adjustment) multiplied by 115% |

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

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

| Asset Class | Target Allocation | Expected Arithmetic Real Rate of Return | Long-Term Expected Portfolio Real Rate of Return |
|----------------------------------|--------------------------|--|---|
| Short Term | | | |
| Cash | 2.0% | 0.3% | 0.01% |
| Short Duration | 3.0% | 0.6% | 0.02% |
| Domestic Fixed Income | | | |
| Core Fixed Income | 7.0% | 1.1% | 0.08% |
| High Yield | 2.0% | 3.5% | 0.07% |
| Bank Loans | 4.0% | 2.8% | 0.11% |
| Global Fixed Income | | | |
| Global Fixed Income | 3.0% | 0.8% | 0.02% |
| Emerging Markets Debt | 6.0% | 4.1% | 0.25% |
| Global Public Equity | 31.0% | 7.8% | 2.42% |
| Global Tactical Asset Allocation | 10.0% | 5.1% | 0.51% |
| Alternatives | | | |
| Hedge Funds (Low Beta) | 8.0% | 4.0% | 0.32% |
| Private Debt | 7.0% | 10.2% | 0.71% |
| Private Equity | 9.0% | 10.2% | 0.92% |
| Real Estate (Broad Market) | 5.0% | 5.9% | 0.29% |
| Commodities | 3.0% | 5.1% | 0.15% |
| Total Expected Real Return | 100.0% | | 5.88% |
| Inflation for Actuarial Purposes | | | 2.75% |
| Total Expected Nominal Return | | | 8.63% |

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina 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. The following table presents the sensitivity of the net pension liability to changes in the discount rate.

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 percent, 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 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

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

| System | 1.00% Decrease (6.5%) | Current Discount Rate (7.5%) | 1.00% Increase (8.5%) |
|---------------|----------------------------------|---|----------------------------------|
| SCRS | \$910,429,448 | \$703,562,633 | \$530,942,151 |
| PORS | 14,109,782 | 10,102,838 | 6,776,085 |

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 No. 67 less that System's fiduciary net position. As of June 30, 2014, 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 Pension Liability (Asset) | Plan Fiduciary Net Position as a Percentage of the Total Pension |
|---------------|------------------------------------|--|---|---|
| SCRS | \$42,955,205,796 | \$25,738,521,026 | \$17,216,684,770 | 59.9% |
| PORS | 5,899,529,434 | 3,985,101,996 | 1,914,427,438 | 67.5% |

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

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing the financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publically available on PEBA's Retirement Benefits' website.

Deferred Compensation Plans - Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the University have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Restatement for Adoption of New Accounting Standard - The University implemented Governmental Accounting Standards Board (GASB) Statement 68, Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27), in the fiscal year ended June 30, 2015. The implementation of the statement required the University to record beginning net pension liability and the effects on unrestricted net position of contributions made by the University during the measurement period (fiscal

year ended June 30, 2014). As a result, ending unrestricted net position for the University for the year ended June 30, 2014 decreased by \$703,748,934. This decrease resulted in the restatement of unrestricted net position to a deficit balance of \$367,318,310 for the year ended June 30, 2014.

Postemployment and Other Employee Benefits

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. The University contributes to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), cost-sharing multiple employer defined benefit postemployment healthcare, and long-term disability plans administered by the Insurance Benefits Division (IB), a part of the South Carolina Public Employee Benefit Authority (PEBA). Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15 through 24 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.

Funding Policies - Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the IB and participating retirees to the PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the IB, for its active employees who are not funded by State General Fund appropriations. Employers participating in the Retiree Medical Plan are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 5.00% of annual covered payroll for 2015 and 4.92% of annual covered payroll for 2014. The IB sets the employer contribution rate based on a pay-as-you-go basis. The University paid approximately \$24,685,000 and \$23,474,000 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2015 and 2014, respectively. BLTD benefits are funded through a person's premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to IB was \$3.22 for the fiscal years ended June 30, 2015 and 2014. The University recorded employer contributions expenses applicable to these insurance benefits for active employees in the amount of approximately \$247,000 and \$243,000 for the years ended June 30, 2015 and 2014, respectively.

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 SCRHITF is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated IB reserves, and income generated from investments. The SCLTDITF is primarily funded through investment income and employer contributions.

One may obtain a copy of the complete financial statements for the benefit plans and the trust funds from PEBA Retirement Benefits and Insurance Benefits, 202 Arbor Lake Drive, Suite 360, Columbia, SC 29223.

Insurance

The University is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. The University believes such coverage is sufficient to preclude any significant uninsured losses to the University. Settled claims have not exceeded this coverage in any of the past three years. The University pays insurance premiums to certain other State agencies to cover risks that may occur in normal operations. Several State funds accumulate assets and the State itself assumes substantially all risks for the following:

- (1) Claims of State employees for unemployment compensation benefits;
- (2) Claims of covered employees for workers' compensation benefits; and
- (3) Claims of covered employees for health, dental, and group-life insurance benefits.

In addition, the University pays premiums to the State's Insurance Reserve Fund which accumulates assets to cover the risks of loss related to the following assets and activities:

- (1) Real property and its contents;
- (2) Motor vehicles and aircraft;
- (3) General tort liability claims;
- (4) Medical malpractice claims against covered employees, faculty and students;
- (5) Business interruption;
- (6) Builder's risk;
- (7) Inland marine; and
- (8) Data processing.

The State's Insurance Reserve Fund reinsures for a portion of the coverage for these liabilities.

The University also purchases a portion of its medical malpractice insurance coverage for health care providers through the State's public entity risk pool, the Patients' Compensation Fund. The University obtains employee fidelity bond and directors' and officers' liability insurance coverage through a commercial insurer for financial losses arising from mismanagement, theft or misappropriation.

The University has implemented a comprehensive Enterprise Risk Management (ERM) program which incorporates the fundamentals of risk identification, assessment, treatment, monitoring, and review. The University has established an ERM process using the guidance of International Standards Organization (ISO) 3100-2009 "Risk Management - Principals and Guidelines". ISO provides a framework and process for managing any form of risk in a systematic, transparent and credible manner. The ERM program is committed to preventing losses through training, education and inspection; advising and assisting university managers in identifying potential risks and losses; and advising and assisting university managers in implementing controls to mitigate risks.

Tort Liability and Insurance

The State Supreme Court, in the case of McCall v. Batson on April 18, 1985, abolished the doctrine of sovereign immunity in the State of South Carolina. In response to this decision, the South Carolina General Assembly in its 1986 session enacted the South Carolina Torts Claim Act which reestablished a qualified doctrine of sovereign immunity with respect to local government in South Carolina. Subject to specific

immunity set forth in the South Carolina Tort Claims Act, local governments including the University are liable for damages not to exceed \$300,000 per incident/person and \$600,000 per occurrence/aggregate (except in the case of physicians and dentists employed by local governments, for which the per incident limit is \$1,200,000). No punitive or exemplary damages are permitted under the South Carolina Tort Claims Act. Insurance protection to local government is provided by either the Insurance Reserve Fund, private carriers, self-insurance or pooled insurance funds. The University currently maintains liability insurance coverage with the Insurance Reserve Fund.