

# University of South Carolina

## Columbia, South Carolina

**Annual Comprehensive Financial Report**  
For the Year Ended June 30, 2024



A Component Unit of the State of South Carolina



## **ON THE COVER**

The fountain in front of the Thomas Cooper Library is flanked by benches and flowering trees and is the go-to photo-op for incoming students. The towering smokestack is all that remains of a former campus coal heating plant that was built around 1913.

*Photo provided by University Communications and Public Affairs*



# **Annual Comprehensive Financial Report**

For the year ended June 30, 2024

A Component Unit of the State of South Carolina

Prepared by the Controller's Office

-This page intentionally left blank-



# Table of Contents

## INTRODUCTORY SECTION

President's Letter	9
University Strategic Priorities	10
Letter of Transmittal	11
Certificate of Achievement	16
University Board of Trustees	17
University Organizational Chart	18

## FINANCIAL SECTION

Independent Auditor's Report	20
Management's Discussion and Analysis	24
Basic Financial Statements:	
Statement of Net Position	38
Statement of Revenues, Expenses and Changes in Net Position	40
Statement of Cash Flows	41
Nongovernmental Discretely Presented Component Units - Statements of Financial Position	43
Nongovernmental Discretely Presented Component Units - Statements of Activities	44
Notes to the Financial Statements:	
Note 1 - Summary of Significant Accounting Policies	45
Note 2 - Cash and Cash Equivalents, Other Deposits, and Investments	50
Note 3 - Receivables	52
Note 4 - Capital Assets	53
Note 5 - Pension Plans	54
Note 6 - Postemployment and Other Employee Benefits	62
Note 7 - Contingencies, Litigation, and Project Commitments	65
Note 8 - Leases, Subscriptions, and Other Arrangements	66
Note 9 - Bonds and Notes Payable	69
Note 10 - Long-Term Liabilities	72
Note 11 - Component Units	72
Note 12 - Risk Management	73
Note 13 - Operating Expenses by Function	75
Note 14 - Endowments	75
Note 15 - Subsequent Events	75
Required Supplementary Information to the Financial Statements:	
Schedule of the University's Proportionate Share of the Net Pension Liability	78
Schedule of the University's Contributions Related to the Pension Liability	79
Schedule of the University's Proportionate Share of the Net OPEB Liability	80
Schedule of the University's Contributions Related to the OPEB Liability	81
Supplementary Information to the Financial Statements:	
Combining Schedule of Net Position	84
Combining Schedule of Revenues, Expenses and Changes in Net Position	85

## Table of Contents

### STATISTICAL SECTION

Schedule of Revenues by Source	89
Schedule of Expenses by Use	91
Schedule of Expenses by Function	92
Schedule of Net Position and Changes in Net Position	93
Schedule of Ratios of Outstanding Debt	94
Schedule of Bond Coverage	95
Schedule of Capital Asset Information	97
Schedule of Enrollment Statistics	98
Schedule of Degree Data	99
Schedule of Admissions Statistics	100
Faculty and Staff Statistics	101
Undergraduate Required Tuition and Fees - Resident	102
Undergraduate Required Tuition and Fees - Nonresident	103
State of South Carolina Demographic Statistics	104
State of South Carolina Ten Largest Employers	105



# Introductory Section

(Unaudited)

UNIVERSITY OF SOUTH CAROLINA

-This page intentionally left blank-





Michael D. Amiridis  
President

September 26, 2024

Dear Carolina community,

Earlier this month, in my second annual State of the University address, I reflected on a year of great achievement across the University of South Carolina. It was a moment to reiterate a defining characteristic of the work we are doing together – driving the university forward with great momentum. The results of our efforts are fully evident.

Overall enrollment on our Columbia campus has reached a new high of over 38,000 students, with about 7,250 new freshmen entering this fall. They include our first students to benefit from a new policy guaranteeing admission to S.C. students who graduate in the top 10 percent of their high school classes, as well as the first freshmen to receive our new USC Commitment Grant, covering tuition and fees for top 10 percent students from families with incomes below \$80,000. As the state’s flagship university, we are serving South Carolina through our commitment to access and affordability,

At USC, these students find not only the nation’s best first-year experience, but also a great four-year experience. We have upgraded Wi-Fi, expanded campus dining and transportation options, and implemented a successful four-year advising model, among other steps forward. Our students are taking advantage of programs that prepare them for the workforce, including the S.C. Internship Program, supported by the General Assembly, and interdisciplinary certificate studies that help them gain workplace skills that are most valued by employers.

USC achieved a 25 percent increase in external funding awards during the last fiscal year, reaching \$309 million in sponsored awards – a new record, demonstrating the impact of our faculty in critical research areas. We have also increased industry partnerships, providing valuable experiential learning for students and contributing solutions to real-world problems.

We are grateful for another year of strong legislative funding support, which ensures that we can keep tuition frozen for the sixth consecutive year for in-state students. The General Assembly’s support includes investment in our planned 16-acre Health Sciences Campus, which will make a profound impact on health care in South Carolina through education, research and practice.

The latest study by the Darla Moore School of Business shows USC having a \$7.4 billion economic impact across the state of South Carolina. As we continue to create career-readiness experiences for our students and increase the retention and graduation rates, we are making greater contributions to the economic growth of the Midlands and the state.

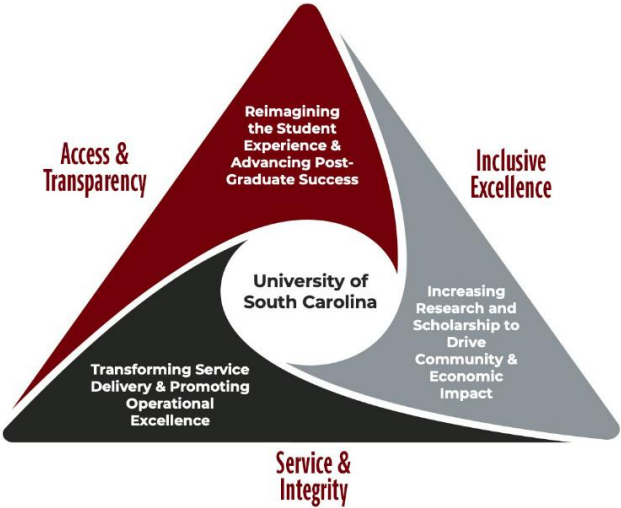
Through these efforts and many others, USC is helping to build a strong future for our students and our entire state and fulfilling its essential role for South Carolina.

Sincerely,

Michael D. Amiridis



Our leadership stands by and values the priorities included in For South Carolina: A Path to Excellence, and will continue to further our important work in those areas. Each priority reflects our foundational values of **Access and Transparency**, **Inclusive Excellence**, and **Service and Integrity**, which are also the core of our Carolinian Creed.



**Reimagining the Student Experience and Advancing Post-Graduate Success**

We empower USC undergraduate and graduate students to pursue purpose-filled careers and become global citizens and life-long learners by providing them access to affordable, high-quality academic and experiential learning opportunities.

**Signature Initiatives**

- Foster Access and Belonging
- Empower Diverse Students
- Support Student Excellence
- Promote Teaching Excellence
- Drive Post-Graduate Success

**Increasing Research and Scholarship to Drive Community and Economic Impact**

We aim to increase impactful research to advance knowledge-creation, spur workforce development, and address socioeconomic challenges in South Carolina and beyond by supporting and empowering USC’s diverse researchers and scholars.

**Signature Initiatives**

- Elevate Research Focus Areas
- Support Research Faculty and Scholars
- Elevate Health in South Carolina
- Advance Team Science
- Expand Mentorship
- Impact Communities in South Carolina and Beyond
- Pursue Workforce Development Integration

**Transforming Service Delivery and Promoting Operational Excellence**

We create and sustain a user-friendly environment for students, faculty, staff, and other stakeholders by strengthening engagement and accessibility, increasing process efficiency and effectiveness, and delivering outstanding service.

**Signature Initiatives**

- Enhance Resource Effectiveness
- Exemplify Organizational Excellence
- Redesign Processes and Services



*Letter of Transmittal*

September 26, 2024

President Amiridis,  
Members of the Board of Trustees, and  
Friends of the University of South Carolina

We are pleased to present our Annual Comprehensive Financial Report of the University of South Carolina for the year ended June 30, 2024. This Annual Comprehensive Financial Report includes the financial statements for the year ended June 30, 2024, as well as other useful information that helps ensure the University's accountability to the public. Responsibility for the accuracy of the information and for the completeness and fairness of its presentation, including all disclosures, rests with the University's management. We believe the information is accurate in all material respects and fairly presents the University's financial position, revenues, expenses, and other changes in net position.

We believe our system of internal controls is sound and sufficient to disclose material deficiencies in controls to the auditors and the audit committee and to provide management with reasonable, although not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe our system of internal controls is sound and sufficient to disclose material deficiencies in controls to the auditors and to the Audit and Compliance Committee of the Board of Trustees and to provide management with reasonable, although not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition.

State law, federal guidelines, and certain bond covenants require that the University's accounting and financial records be audited each year. For the fiscal year ended June 30, 2024, the University contracted with the independent certified public accounting firm of CliftonLarsonAllen, LLP to perform the University's annual audit. The auditors have issued an unmodified opinion, the most favorable outcome of the audit process. The University's internal auditors also perform fiscal, compliance, and performance audits. The reports resulting from these audits are shared with University administration. Internal and external audit reports are provided to the Audit, Compliance and Risk Committee of the Board of Trustees.

As a lump sum agency of the State of South Carolina, the University is required to provide a complete set of audited financial statements by October of each year for incorporation into the statewide Annual Comprehensive Financial Report. This report fulfills that requirement for the fiscal year ending June 30, 2024. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative overview and analysis of the basic financial statements. The Annual Comprehensive Financial Report includes Management's Discussion and Analysis and all disclosures necessary for the reader to gain a broad understanding of the University's financial position and results of operations for the fiscal year ended June 30, 2024. The letter of transmittal complements the MD&A and should be read in conjunction with it.

## **Profile of the University**

The University of South Carolina is a state-supported, coeducational institution of higher education. The University is home to more than 200 years of history and tradition, rising from a single building in 1805 to what would become the heart of the campus, the Horseshoe. The Palmetto State established South Carolina College, the precursor to the University of South Carolina, on December 19, 1801, as part of an effort to unite South Carolinians in the wake of the American Revolution. Located in the Capital City, the University was purposefully located and positioned to become the State's higher education leader. The University is one of only 32 public universities to receive both the top-tier research designation and the community engagement designation from the Carnegie Foundation. The University's mission is to educate the state's diverse citizens through teaching, research, creative activity, and service.

The University of South Carolina is governed by the Board of Trustees in accordance with Title 59 Chapter 117 of the State of South Carolina Code of Laws. The Board of the University of South Carolina is composed of 20 members including sixteen members elected by the General Assembly with one from each judicial circuit. Additionally, there are three *ex officio* members including the Governor (or designee), the State Superintendent of Education, and the President of the Greater University of South Carolina Alumni Association. The Governor also appoints one member at-large.

The accompanying financial statements present all funds belonging to the University and its component units. While the multi-campus University of South Carolina System's Board of Trustees has ultimate responsibility, the president and University management have both delegated and statutory responsibilities for financial accountability of the University's funds. The University prepares its financial statements and related disclosures in accordance with standards set by the Governmental Accounting Standards Board (GASB) and implements new GASB statements as they are required.

The financial reporting entity for the financial statements is comprised of the Columbia campus, including the School of Medicine with locations in Columbia and Greenville, and seven system campuses. The accompanying financial statements present all funds belonging to the University



and its component units. Three separately chartered legal entities, whose activities are related to those of the University and whose primary purpose is to provide financial assistance and other support to the University and its education program, are discretely presented as component units of the University. These include the University of South Carolina Development Foundation; the University of South Carolina Educational Foundation; and the University of South Carolina Business Partnership Foundation. Because the activities and resources of these entities are significant, provide a direct benefit, and are accessible to the University, they are considered component units of the University and are discretely presented in the University's financial statements. All discretely presented component units are audited annually by a public accounting firm. All audit reports are available for public inspection.

The University conducts business under a comprehensive set of policies and procedures to improve communication, promote administrative consistency and efficiency and ensure compliance with pertinent state and federal laws as well as state and regional accreditation requirements. Financial policies are in place for University accounting to include revenue and expenditures, contract and grant accounting, tuition and fee assessment, payroll, and capital debt. Following the implementation of new administrative finance systems, policies have been updated to conform to revised practices.

The University is responsible for controlling its budget and using the funds to fulfill its educational, research and public service missions. It is also responsible for planning, developing, and controlling budgets and expenditures within authorized allocations in accordance with University, state and federal policies and procedures. The University maintains budgetary controls to ensure compliance with provisions embodied in the annual appropriated budget approved by the South Carolina General Assembly, and as further directed by the Board of Trustees.

## **Economic Condition**

The economic position of the University remains robust evidenced by consistent operating revenue growth, strong demand for enrollment, and stable, manageable changes in operating expenditures. As a state-supported higher education institution, the University's economic position is closely tied to the State of South Carolina. The State finished the 2024 fiscal year on a positive note with full funding of the State's Rainy-Day Fund at 5.5 percent of the prior year's General Fund Revenues and fully funded the Capital Reserve Account at 3 percent of the prior year's General Fund Revenues.

South Carolina's unemployment rate was 3.6 percent at the end of June 2024, which was 0.5 percent higher than June 2023. The national average was 4.1 percent and South Carolina ranked 23rd, compared to other states, per the U.S. Bureau of Labor Statistics. According to the Economic Outlook, published by the South Carolina Department of Commerce, trends in non-farm jobs continue to be positive for the state with the most recent increase in June totaling 8,500, with the largest gains in leisure and hospitality services and trade, transportation, and utilities.

## **University Highlights**

The 2023-2024 academic and fiscal year was another productive year for University. The University's overall financial position remains strong and stable. The University once again raised the bar in admissions, enrollment, research, graduation, and retention rates.

For fiscal year 2024, the University has received additional state funding to support academic initiatives that promote access and affordability through tuition mitigation for residents of South Carolina and continued funding to support the maintenance and capital needs of our campuses. The University relies on tuition and fees to support the general operating budget and with added state support for fiscal year 2025 the University has been able to mitigate tuition increases for 2025.

Student interest in the University remains strong and demand for enrollment continues to grow, with a record number 52,708 applications received for the Fall 2024 freshman class, an increase of 13% over last year's record. Preliminary data indicates approximately 9,200 new undergraduate students on the Columbia campus, of which 7,290 are new freshmen, the second largest freshman class in University history. Student success is also at an all-time high, with a freshman to sophomore retention rate climbing to 92% for the first time. As a result of these gains, overall enrollment for the Columbia campus stands at 38,353, the highest ever in University history, and for the University System at 55,332. Both are increases of over 5% from last Fall 2023's record enrollment highs for Columbia and the USC System.

The University is classified as an R1 University by the Carnegie Classification for Institutions of Higher Education. Research grant awards were \$309.4 million in the 2024 fiscal year. Awards in fiscal year 2025 are up 4% to date and are estimated to surpass 2024.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the University for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the thirteenth consecutive year that the University has been honored with this prestigious award. To receive a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this Annual Comprehensive Financial Report in a timely manner would not have been possible without the efforts of the University Controller's Office and the coordinated efforts of the University community and all campuses, with special assistance from the Office of Research, Assessment and Analytics, Student Affairs, Enrollment Management,

University Athletics, Sponsored Awards Management, Bursar's Office, Office of Financial Aid and University Communications. In addition, the Office of the State Auditor, the State Comptroller General's Office, and the Office of the State Treasurer provided invaluable assistance.

Sincerely,



Mr. Edward L. Walton  
Executive Vice President for Administration  
& Chief Financial Officer



Ms. Mandy M. Kibler  
Associate Vice President for  
Administration and Finance  
& University Controller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**University of South Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrill*

Executive Director/CEO





UNIVERSITY OF  
**South Carolina**  
Board of Trustees



**Thad H. Westbrook**  
**Chair**  
11th Judicial Circuit  
Attorney  
Term: 2023-2026



**Rose Buyck Newton**  
**Vice Chair**  
14th Judicial Circuit  
Banker  
Term: 2020-2024



**C. Dan Adams**  
Governor's Designee  
Investment Banker  
Term: Appointment



**Alex English**  
5th Judicial Circuit  
Retired  
Term: 2023-2026



**C. Edward Floyd, M.D.**  
12th Judicial Circuit  
Surgeon  
Term: 2023-2026



**Brian C. Harlan**  
8th Judicial Circuit  
Chief Executive Officer  
Term: 2020-2024



**Henry L. Jolly Jr., D.M.D.**  
7th Judicial Circuit  
Dentist  
Term: 2023-2026



**Richard A. Jones, Jr.**  
Governor's Appointee  
Attorney  
Term: Appointment



**Hubert F. "Hugh"  
Mobley**  
6th Judicial Circuit  
Pharmacist  
Term: 2020-2024



**Elizabeth Scott Moise**  
USC Alumni Association  
Attorney  
Term: 2022-2024



**Leah B. Moody**  
16th Judicial Circuit  
Attorney  
Term: 2020-2024



**Emma W. Morris**  
10th Judicial Circuit  
Attorney  
Term: 2020-2024



**Reid T. Sherard**  
13th Judicial Circuit  
Attorney  
Term: 2023-2026



**C. Dorn Smith, III M.D.**  
**Chair Emeritus**  
3rd Judicial Circuit  
Physician  
Term: 2023-2026



**John C. von Lehe, Jr.**  
9th Judicial Circuit  
Attorney  
Term: 2023-2026



**Charles H. Williams, II**  
1st Judicial Circuit  
Attorney  
Term: 2023-2026



**Vacant**  
2nd Judicial Circuit



**Vacant**  
4th Judicial Circuit



**Vacant**  
15th Judicial Circuit



**Ellen Weaver**  
State Superintendent of  
Education

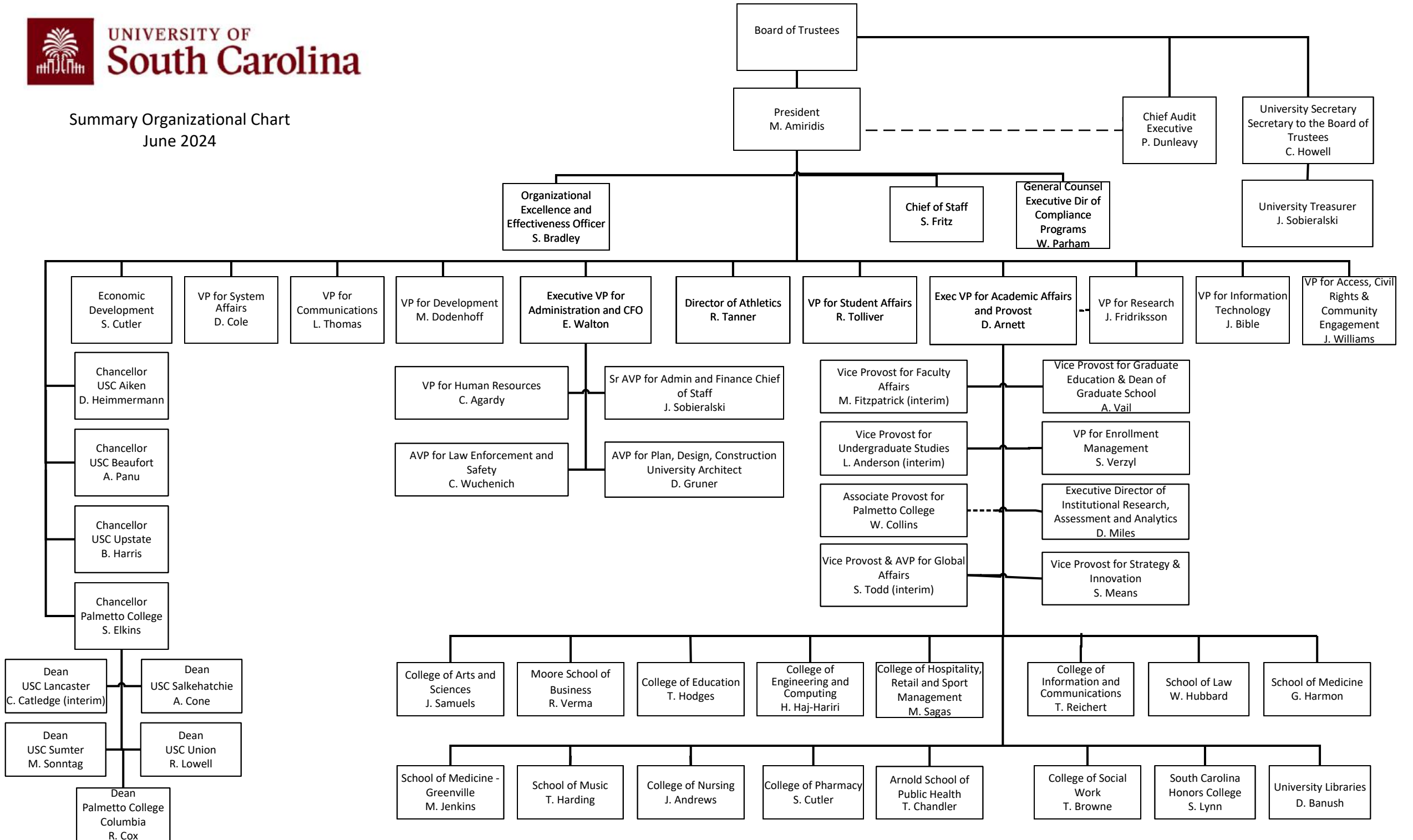


**Cameron Howell**  
Secretary of the Board



**Henry McMaster**  
Governor  
State of South Carolina

Summary Organizational Chart  
June 2024





## **Financial Section**



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
University of South Carolina  
Columbia, South Carolina

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the University of South Carolina (USC) (the University), a component unit of the State of South Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the USC Development Foundation; the USC Educational Foundation; and the USC Business Partnership Foundation, which represent 100 percent of the assets, net position/assets and revenues of the University's aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the University are based solely on the reports of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the USC Development Foundation; the USC Educational Foundation; and the USC Business Partnership Foundation were not audited in accordance with *Government Auditing Standards*.



### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the University's Proportionate Share of the Net Pension Liability, the Schedule of the University's Contributions Related to the Net Pension Liability, the Schedule of the University's Proportionate Share of the Net OPEB Liability, and the Schedule of the University's Contributions Related to the Net OPEB Liability be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The Combining Schedule of Net Position and the Combining Schedule of Revenues, Expenses and Changes in Net Position (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

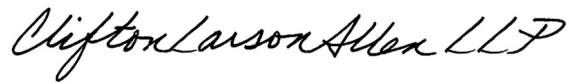
***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering University's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
September 23, 2024

**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

Management's Discussion and Analysis provides an overview and analysis of the University of South Carolina's (the University) financial activities for the fiscal year ended June 30, 2024, with comparative information for the fiscal year ended June 30, 2023. Management has prepared the discussion and analysis to be read in conjunction with the financial statements and accompanying notes to the financial statements. The financial reporting entity for the financial statements is comprised of the University and its component units. The emphasis of discussions about these statements will be on current year data and will not include the discretely presented component units.

The University's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes standards for external financial reporting for public colleges and universities. These statements are presented on a consolidated basis to focus on the University as a whole. The full scope of the University's activities is a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

The University's financial report includes five financial statements and related notes:

1. The Statement of Net Position for the University of South Carolina
2. The Statement of Revenues, Expenses and Changes in Net Position for the University of South Carolina
3. The Statement of Cash Flows for the University of South Carolina
4. The Combined Statement of Financial Position for the Nongovernmental Component Units
5. The Combined Statement of Activities for the Nongovernmental Component Units

**FINANCIAL OVERVIEW**

The University maintained its solid and stable financial position at June 30, 2024. The current ratio at June 30, 2024 was 7.6 times, compared to 6.7 times at June 30, 2023. The University's assets and deferred outflows of resources was \$3.9 billion at June 30, 2024, up from \$3.7 billion at June 30, 2023.

Total assets increased by 7.8 percent from the prior year, and total liabilities decreased 4.8 percent for the same period. Total assets changes were largely due to the increase in cash and cash equivalents, accounts receivable, and capital assets, net of accumulated depreciation and amortization. Total liabilities decreased largely due to a decrease in net Other Post Employment Benefits (OPEB) liability.

Operating revenues increased 6.9 percent as compared to the prior year due to increases in sponsored awards grants and contracts revenue and increases in sales and services revenue from auxiliary enterprises to include housing, dining, parking, and athletics. Net nonoperating revenues increased 36.6 percent over the prior year, due to increases in state and local appropriations for tuition mitigation funding and an increase in investment and endowment revenues due primarily to the change in unrealized gains. State appropriations, tuition and fees, and sales and services along with campus auxiliary operations are important resources to the University. As a major research university, funding from grants and contracts is also of key importance to the University's success in fulfilling its mission.

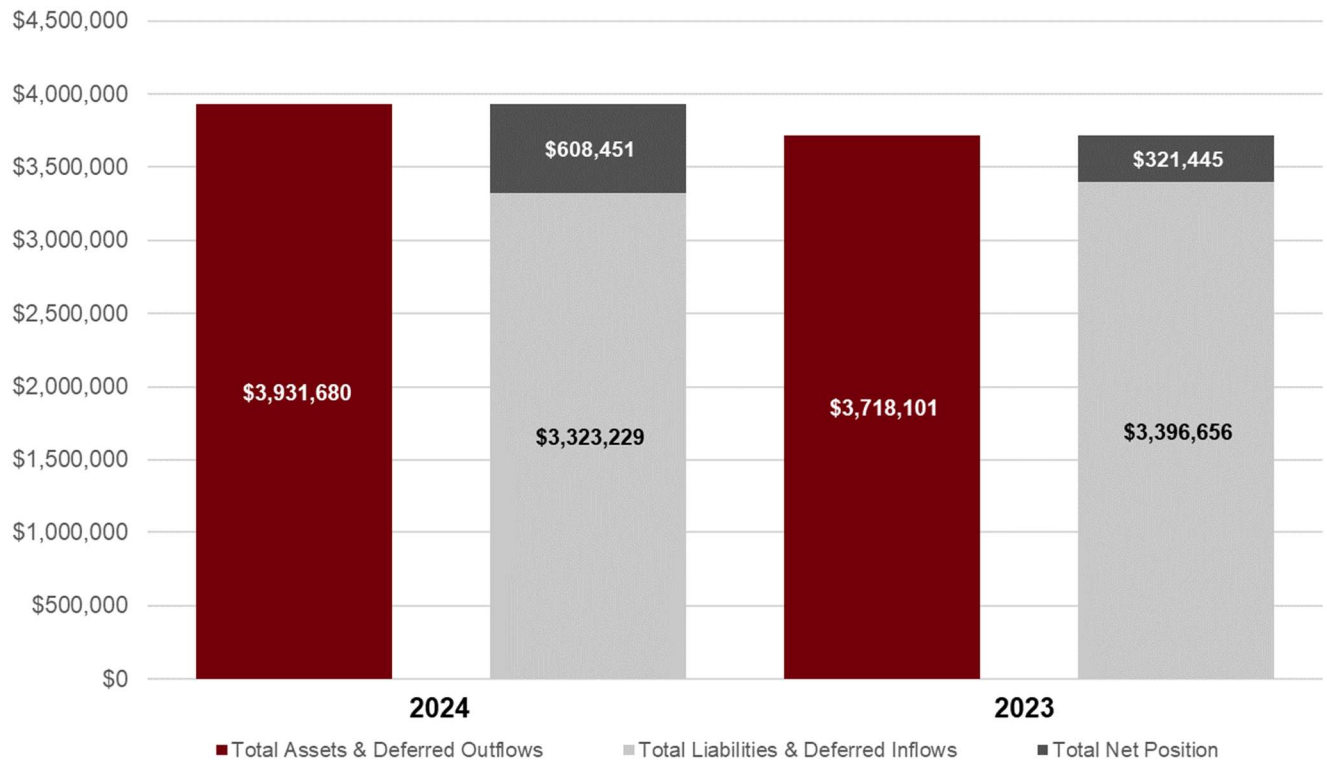
Operating expenses increased 8.5 percent, due to an increase in cost-of-living salary adjustments and inflation impacts on goods and services and utilities.

**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

A comparison of the total assets and deferred outflows of resources, liabilities and deferred inflows of resources and net position and the major components of the changes in net position at June 30, 2024, and June 30, 2023, respectively, is presented below. Net position increased \$287.0 million at June 30, 2024, from the prior year.

**Net Position**

*Dollars in thousands*



**STATEMENT OF NET POSITION**

The Statement of Net Position presents the financial position of the University at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the University. The net position is an indicator of the prudent utilization of financial resources and the overall health of the University, while the change in net position reflects the current year's activities. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost, less an allowance for depreciation and amortization. Depreciation and amortization are methods of allocating the cost of an asset over its useful life to indicate how much of an asset's value has been consumed.

**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

The following table summarizes the University's assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position on June 30, 2024, and June 30, 2023:

**Condensed Statement of Net Position**

*Dollars in thousands*

	2024	2023	Increase (Decrease)	
			Amount	Percent
<b>Assets:</b>				
Current assets	\$ 1,740,353	\$ 1,465,915	\$ 274,438	18.7%
Noncurrent assets				
Endowment and investments	93,022	90,110	2,912	3.2%
Accounts receivable	87,998	146,576	(58,578)	-40.0%
Capital assets, net	1,623,669	1,585,185	38,484	2.4%
Other noncurrent assets	7,693	8,799	(1,106)	-12.6%
<b>Total assets</b>	<b>3,552,735</b>	<b>3,296,585</b>	<b>256,150</b>	<b>7.8%</b>
<b>Deferred outflows of resources</b>	<b>378,945</b>	<b>421,516</b>	<b>(42,571)</b>	<b>-10.1%</b>
<b>Liabilities:</b>				
Current liabilities	230,639	218,039	12,600	5.8%
Noncurrent liabilities	2,521,958	2,673,576	(151,618)	-5.7%
<b>Total liabilities</b>	<b>2,752,597</b>	<b>2,891,615</b>	<b>(139,018)</b>	<b>-4.8%</b>
<b>Deferred inflows of resources</b>	<b>570,632</b>	<b>505,041</b>	<b>65,591</b>	<b>13.0%</b>
<b>Net Position:</b>				
Net investment in capital assets	898,035	844,709	53,326	6.3%
Restricted	655,212	533,959	121,253	22.7%
Unrestricted	(944,796)	(1,057,223)	112,427	10.6%
<b>Total net position</b>	<b>\$ 608,451</b>	<b>\$ 321,445</b>	<b>\$ 287,006</b>	<b>89.3%</b>

**CURRENT ASSETS AND LIABILITIES**

Current assets consist of current cash and cash equivalents, accounts receivable, and inventories. Current liabilities consist of accounts payable, unearned revenue, and the current portion of long-term liabilities.

Current assets cover current liabilities 7.6 times, an indicator of good liquidity and the ability to weather short-term demands on working capital. Current assets, excluding restricted cash and cash equivalents, cover 9.4 months of total operating expenses, excluding depreciation and amortization. For fiscal year 2024, one month of operating expenses was approximately \$130.3 million.

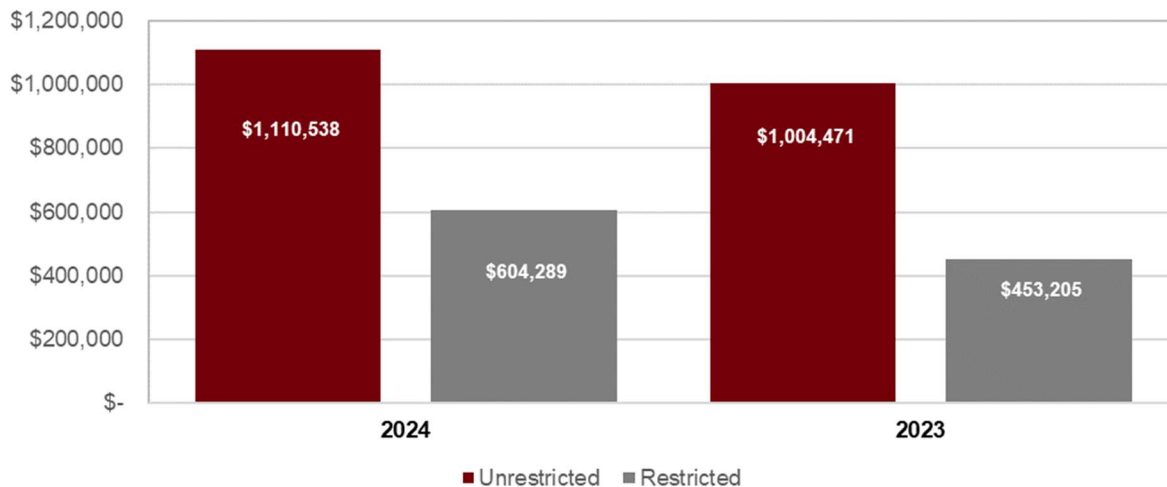
**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**CASH AND CASH EQUIVALENTS**

The University's increase in cash and cash equivalents of \$257.2 million was due in part to unspent non-recurring capital infrastructure appropriations totaling \$244.3 million.

**Unrestricted and Restricted Cash**

*Dollars in thousands*



**ACCOUNTS RECEIVABLE**

The University's decrease in current and non-current accounts receivable of \$38.3 million includes the net of receiving \$72.0 million from prior year receivables for state capital appropriations and an increase in public private partnership receivables of \$28.1 million.

**CAPITAL ASSETS AND DEBT MANAGEMENT**

A critical factor in sustaining the quality of the University's academic and research programs and residential life is the development and maintenance of its capital assets. The University continues to invest in its capital assets to modernize its older teaching and research facilities, construct new facilities, and fund major maintenance obligations.

The University has \$1.6 billion invested in capital assets as of June 30, 2024, an increase of \$38.5 million net of accumulated depreciation and amortization over June 30, 2023. The increase is due primarily to the net of land purchases of \$12.2 million, additions of \$182.5 million of building and improvements due to a recategorization from construction in progress of \$167.1 million, additions of \$16.5 million in machinery, equipment and vehicles, and a decrease of \$7.3 million in intangibles. A summary of changes in capital assets is disclosed in Note 4.



**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

Capital assets, net of accumulated depreciation and amortization, at June 30, 2024, and June 30, 2023, were as follows:

**Capital Assets**

*Dollars in thousands*

	2024	2023	Percent Change
Land and Other Nondepreciable Assets	\$ 169,069	\$ 153,424	10.2%
Construction in Progress	35,610	202,661	-82.4%
Land Improvements, <i>Net</i>	41,336	45,470	-9.1%
Buildings and Improvements, <i>Net</i>	1,236,704	1,054,240	17.3%
Machinery, Equipment and Vehicles, <i>Net</i>	89,137	72,651	22.7%
Intangibles, <i>Net</i>	12,977	20,203	-35.8%
Leased and Subscription Assets, <i>Net</i>	38,836	36,536	6.3%
<b>Total</b>	<b>\$ 1,623,669</b>	<b>\$ 1,585,185</b>	<b>2.4%</b>

Capital projects consist of replacement, renovation, and new construction of academic and research facilities, purchase of land, as well as significant investments in equipment and information systems.

Completed construction or infrastructure projects totaling \$228.2 million were reclassified from construction in progress (CIP) to other asset categories during fiscal year 2024. These reclassifications included completion of the Campus Village Residential Project, land acquisition for River Property, building acquisition for 1430 Senate Street and renovation for School of Music performance and practice center at Greene Street for the Columbia campus.

**Construction activity** —Several projects are in progress on the Columbia campus including the new Health Sciences Medical Education and Research campus, comprehensive renovations of the Honors College Residence Hall, McBryde Residence Hall, and Thornwell College Residence Hall, development of Medical Park – Brain Health Institute Building renovation and enhancement energy plant enhancement and improvements, and Jones Biology Instructional Lab improvements and renovations. Maintenance work and other renovations are ongoing in Columbia and on the system campuses to preserve the functionality of the campuses' physical assets. Upstate campus has a renovation and expansion project for the Library and Classroom Building. Aiken campus has projects for renovations to include the Business and Education Building and constructing an Athletic Softball Facility. All campuses have multiple projects for maintenance, renovation, and replacement due to the additional capital appropriations from the State.

**Capital appropriations** – The State has recognized the importance of the capital infrastructure and provided increased non-recurring appropriations and Capital Reserve Fund funding in fiscal year 2024 totaling \$88.0 million which includes funding for the following: \$48.5 million for maintenance, renovation and replacement for University capital assets, \$29.0 million for the Columbia Science and Technology Center, and \$10.0 million for the Beaufort Convocation Center.

**Capital financing** — During fiscal year 2024, the University closed on a partial refunding of 2013 Higher Education Revenue Bonds. See Note 9 for additional details.

The University completed a comprehensive rating review with both Moody's Investors Service and Fitch Ratings as a part of the partial refunding of 2013 Higher Education Revenue Bonds. Moody's and Fitch rated the 2023 bonds at Aa2 and AA respectively, and they affirmed Aa2 and AA ratings, respectively for the University's outstanding bonds for Higher Education Revenue Bonds and Special Higher Education Revenue Bonds. Moody's affirmed Aa3 on outstanding athletic bonds.

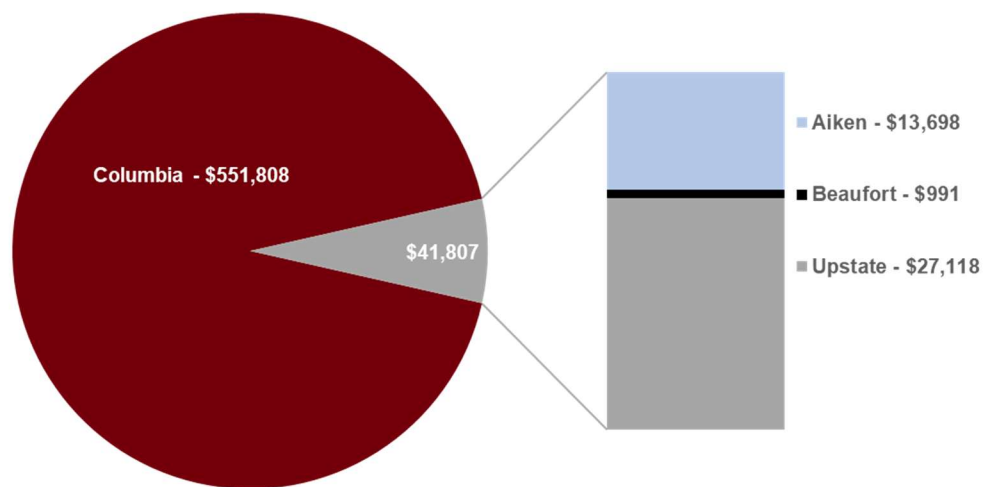
**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

A comprehensive annual review of the University's current bond portfolio includes looking at current and future debt service and future bond maturities. The review includes looking for opportunities for refunding for all bond types, an analysis of the bond market and current interest rates, and a discussion on future bond issuances. This review of the University's portfolio helps identify and maximize future opportunities for savings.

**Debt management** — The University's outstanding bond indebtedness on June 30, 2024 is \$593.6 million of which \$551.8 million or 92.9 percent of this debt is for the Columbia campus. The University's outstanding bond indebtedness decreased due to normal debt service payments during the fiscal year.

**Outstanding Bonds Payable by Campus**

*Dollars in thousands*



The University believes it is in compliance with all related bond covenants of its issued debt. See Statistical Section for coverage ratios and additional details.

**CURRENT LIABILITIES**

The University's increase in current liabilities of \$12.6 million is partially due to the increase in advance ticket sales for athletic events.

**OTHER NONCURRENT ASSETS AND LIABILITIES**

Excluding capital assets and accounts receivable discussed above, other noncurrent assets were \$100.7 million at June 30, 2024, and \$98.9 million at June 30, 2023, reflecting a 1.8 percent increase. Other noncurrent assets include restricted cash and cash equivalents, federal loan receivables, investments and other assets. This increase is attributable to an increase in endowments.

Total noncurrent liabilities were \$2.5 billion at June 30, 2024, and \$2.7 billion at June 30, 2023. These noncurrent liabilities for 2024 include net OPEB liability of \$780.3 million, net pension liability of \$1.0 billion and \$664.3 million in bonds and notes payable. The overall decrease in noncurrent liabilities is primarily due to the decrease of \$128.3 million in net OPEB liabilities. For additional information on the change in net pension and OPEB, refer to Notes 5 and 6.

**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**NET POSITION**

Net position represents the value of the University's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. The University's net position was \$608.5 million at June 30, 2024, and \$321.4 million at June 30, 2023.

**Net Position Summary**

*Dollars in thousands*

			Increase (Decrease)	
	2024	2023	Amount	Percent Change
Net investment in capital assets	\$ 898,035	\$ 844,709	\$ 53,326	6.3%
Restricted for:				
Nonexpendable	91,292	87,653	3,639	4.2%
Expendable	563,920	446,306	117,614	26.4%
Unrestricted	(944,796)	(1,057,223)	112,427	10.6%
<b>Total Net Position</b>	<b>\$ 608,451</b>	<b>\$ 321,445</b>	<b>\$ 287,006</b>	<b>89.3%</b>

Net investment in capital assets represents the University's capital assets net of accumulated depreciation and amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The increase in net investment in capital assets of \$53.3 million is due to normal capitalization of assets offset by depreciation, amortization, and payments on debt.

Restricted nonexpendable net position represents the historical value (corpus) of the University's permanent endowments, which cannot be expended due to donor restrictions.

Restricted expendable net position includes spendable earnings on permanent and quasi-endowments, gifts, capital project funds, and loan funds that are subject to externally imposed restrictions governing their use. Restricted expendable net position increased \$117.6 million primarily due to Capital Reserve Fund and non-recurring project appropriations from the State of \$117.0 million.

Unrestricted net position includes all other activities that are both spendable and not subject to externally imposed restrictions. The majority of the University's unrestricted net position has been internally designated for the core mission activities of instruction and research and associated programs and initiatives, and capital projects that align with the University's highest priorities. The unrestricted net position demonstrates the impact of the GASB 68 and GASB 75 through the noncurrent liabilities of net pension liability of \$1.0 billion and OPEB liability of \$780.3 million which decreased overall by \$123.3 million in the current year.

**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

Excluding the impact of GASB 68 and GASB 75 on unrestricted net position, the University's unrestricted net position was \$2.5 billion at June 30, 2024, and \$2.3 billion at June 30, 2023, reflecting an increase of \$242.5 million or 10.6 percent.

**Net Position Excluding GASB 68 and GASB 75**

*Dollars in thousands*

			<b>Increase (Decrease)</b>	
	<b>2024</b>	<b>2023</b>	<b>Amount</b>	<b>Percent Change</b>
Net investment in capital assets	\$ 898,035	\$ 844,709	\$ 53,326	6.3%
Restricted for:				
Nonexpendable	91,292	87,653	3,639	4.2%
Expendable	563,920	446,306	117,614	26.4%
Unrestricted	981,920	914,047	67,873	7.4%
<b>Total Net Position excluding GASB 68 and GASB 75</b>	<b>\$ 2,535,167</b>	<b>\$ 2,292,715</b>	<b>\$ 242,452</b>	<b>10.6%</b>

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. A public university's dependency on state and federal aid and gifts will result in operating deficits. GASB requires state appropriations, federal Pell grants, and gifts to be classified as nonoperating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation and amortization, which amortizes the cost of an asset over its expected useful life.

Changes in net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the institution, both operating and nonoperating, and the expenses paid by the institution, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the institution.

Operating revenues are received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the institution. Nonoperating revenues are revenues received for which goods and services are not provided. State capital appropriations and capital grants and gifts are revenue sources with restrictions to be used on capital projects and capital initiatives and are considered neither operating nor nonoperating revenues and are presented as standalone sources according to GASB.

**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

The Statement of Revenues, Expenses and Changes in Net Position presents the University's results of activities for the year. Presented below is a summarized condensed statement for the years ended June 30, 2024, and June 30, 2023:

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

*Dollars in thousands*

	2024	2023	Increase (Decrease)	
			Amount	Percent
<i>Operating Revenues:</i>				
Student Tuition and Fees, Net	\$ 580,826	\$ 555,057	\$ 25,769	4.6%
Grants and Contracts	416,796	380,415	36,381	9.6%
Sales and Services, Net	261,660	240,129	21,531	9.0%
Other Operating Revenues	22,596	23,523	(927)	-3.9%
<b>Total Operating Revenues</b>	<b>1,281,878</b>	<b>1,199,124</b>	<b>82,754</b>	<b>6.9%</b>
<b>Operating Expenses</b>	<b>1,682,473</b>	<b>1,550,251</b>	<b>132,222</b>	<b>8.5%</b>
<b>Operating Loss</b>	<b>(400,595)</b>	<b>(351,127)</b>	<b>(49,468)</b>	<b>14.1%</b>
<i>Nonoperating Revenues (Expenses):</i>				
State and Local Appropriations	431,466	293,184	138,282	47.2%
Federal Grants	61,079	66,334	(5,255)	-7.9%
Gifts	59,812	56,075	3,737	6.7%
Investment and Endowment Income (Loss)	24,387	10,835	13,552	125.1%
Nonoperating Expenses	(32,640)	(27,967)	(4,673)	16.7%
<b>Net Nonoperating Revenues</b>	<b>544,104</b>	<b>398,461</b>	<b>145,643</b>	<b>36.6%</b>
<b>Income before Other Revenues</b>	<b>143,509</b>	<b>47,334</b>	<b>96,175</b>	<b>203.2%</b>
Capital Appropriations	88,463	114,350	(25,887)	-22.6%
Capital Grants and Gifts	50,597	9,112	41,485	455.3%
Additions to Permanent Endowments	4,437	254	4,183	1646.7%
<b>Increase in Net Position</b>	<b>287,006</b>	<b>171,050</b>	<b>115,956</b>	<b>67.8%</b>
<b>Net Position - July 1</b>	<b>321,445</b>	<b>150,395</b>	<b>171,050</b>	<b>113.7%</b>
<b>Net Position - June 30</b>	<b>\$ 608,451</b>	<b>\$ 321,445</b>	<b>\$ 287,006</b>	<b>89.3%</b>

**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**OPERATING REVENUES**

Operating revenues represent resources generated by the University in fulfilling its instruction, research, and public service missions.

**Student Tuition and Fees** — Student tuition and fees (net) for fiscal year 2024 increased 4.6 percent over the prior year. Student tuition and fees are reported net of scholarship discounts, which totaled \$580.8 million for fiscal year 2024 and \$555.1 million for the prior year. Tuition rates for fiscal year 2024 did not increase.

**Sales and Services** — Sales and services, net revenues increased 9.0 percent or \$21.5 million in fiscal year 2024 and includes the revenues of campus auxiliary and educational operations (student housing, campus health services, parking and transportation, athletics, study abroad, and campus events).

**Grants and Contracts** — Revenues and expenditures from all sponsored projects increased in fiscal year 2024 reflecting a continued upward trajectory which aligns with University priorities to increase research with an increase in revenue of \$36.4 million or 9.6 percent.

Federal Grants and contract revenues increased 16.6 percent in fiscal year 2024 due to increased activities and projects related to sponsored awards. Sponsored project funding comes in the form of grants and contracts awarded by federal and state agencies, foundations and other nonprofit organizations, corporations and associations, with the federal government providing the majority of the awards. Securing sponsored program funding has become increasingly competitive. A key factor in dealing with such competitive pressures is diversifying funding sources and bringing in more awards from foundations and private industry.

The National Institutes of Health (NIH) remained the University's single largest funding source, with expenditures totaling \$63.2 million, which was up from the fiscal year 2023 total of \$55.2 million. The NIH's strong and ongoing support reflects positively on the University's health-related professional schools (public health, medicine, nursing, and pharmacy), and basic and social science units in the College of Arts & Sciences.

The University's other top sponsored program expenditures were funded by the National Science Foundation at \$18.0 million; the U.S. Department of Energy at \$7.8 million; the Health Resources and Services Administration (HRSA) at \$4.6 million; the Centers for Disease Control and Prevention (CDC) at \$4.0 million; the U.S. Department of Education at \$10.4 million; Office of Naval Research (ONR) at \$8.5 million; the U.S. Department of State at \$2.0 million; Small Business Administration at \$1.9 million, and the U.S. National Aeronautics and Space Administration at \$3.0 million.

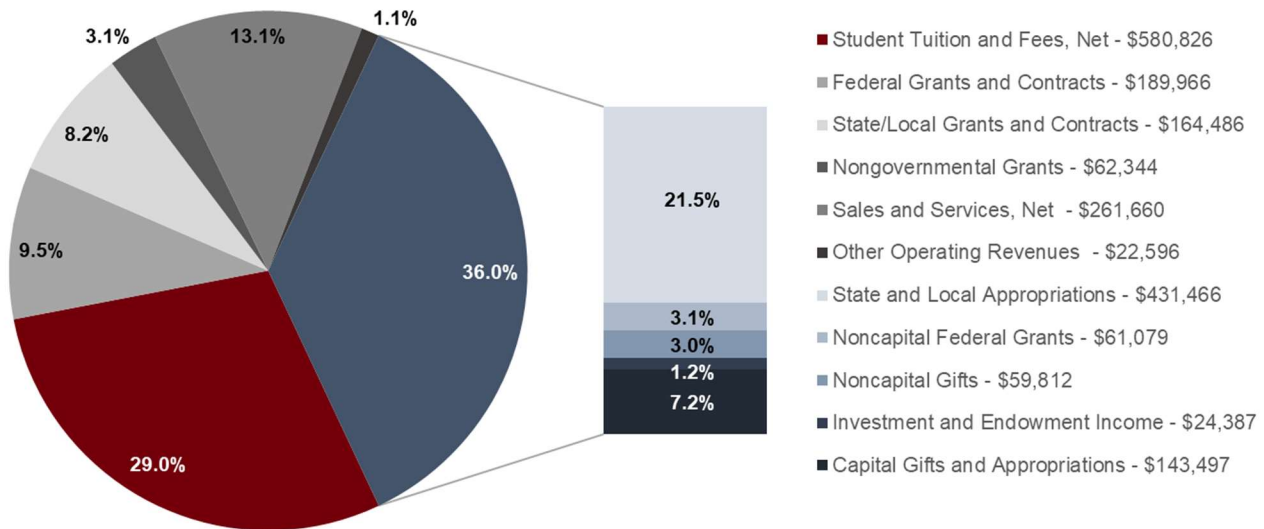
**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**REVENUES AND OTHER SOURCES OF OPERATIONAL FUNDING**

The revenues below were used to fund the University's operating activities for the fiscal year ended June 30, 2024. As noted earlier, GASB requires state appropriations, current gifts, and federal Pell grants as nonoperating revenues. Endowment and investment earnings and losses can fluctuate and vary greatly from year to year with market gains and losses. However, they are an important funding source for current operations and are included in the chart below to present a more accurate picture of the University's funding of current operations.

**Revenues by Source**

*Dollars in thousands*



Net student tuition and fees, and grants and contracts were the largest revenues providing 29.0 percent and 20.8 percent respectively. Sales and services, net revenue was 13.1 percent.

State appropriations, noncapital gifts and grants, federal Pell funds, and net investment income are considered nonoperating because they are not generated by the University's principal, ongoing operations. State appropriations are provided from the State of South Carolina annually to help fund education and general operating expenses. State and local appropriations revenue totaled \$431.5 million for fiscal year 2024, an increase of \$138.3 million from the \$293.2 million received during the prior year. The increase in state appropriations is due to the tuition mitigation funding of \$43.5 million, cost-of-living salary increases, state bonuses and annual state health insurance allocation of \$24.9 million, and program specific projects on the Columbia campus Rural Brain Health Institute, School of Law programs and student support, University programs in STEM and High Demand Areas, School of Medicine programs, Battelle Alliance and Savannah River National Lab, and Rural Health Initiatives of \$69.5 million.

Noncapital gifts increased \$3.7 million and nonoperating federal grants decreased \$5.3 million which is attributed to the decrease in HEERF student emergency grants. The University's investments and endowments are held and invested by the South Carolina State Treasurer's Office and increased by \$13.6 million. Investment income includes investment yield and realized and unrealized gains and losses, net of investment management fees.

**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

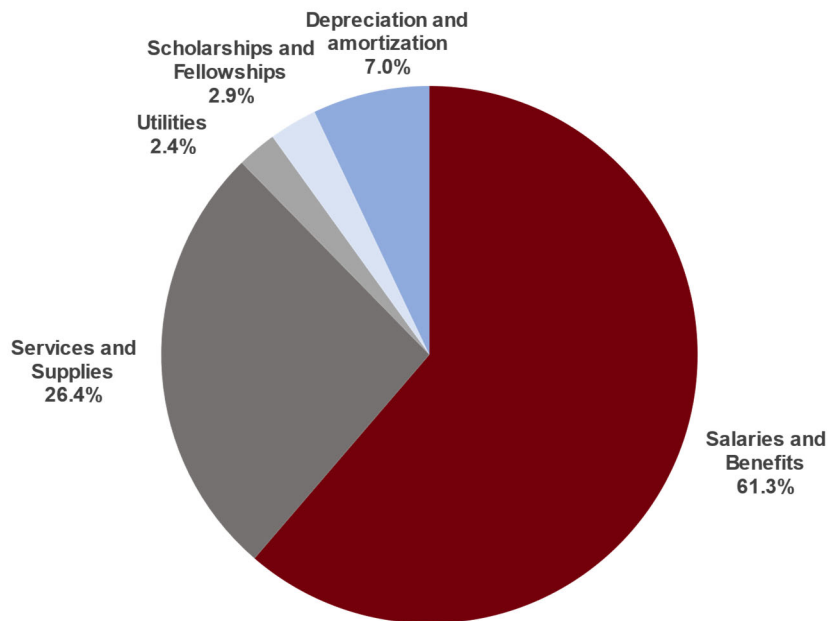
**OPERATING EXPENSES**

The University's operating expenses were \$1.7 billion for the fiscal year ended June 30, 2024, an increase of 8.5 percent from the prior year. The salary and benefits increase of \$62.5 million is due to a cost-of-living adjustment for employees from the State, the services and supplies increase of \$36.7 million is due to inflation, and utilities increased \$3.1 million due to the increase in energy costs worldwide. The scholarship and fellowship increase of \$5.0 million is due to general scholarships for need based students. The depreciation and amortization increase of \$24.9 million is due primarily to an increase in building depreciation related to public private partnership arrangements.

**Operating Expenses by Natural Classification**

*Dollars in thousands*

	2024	2023	Increase (Decrease)	
			Amount	Percent
Salaries and Benefits	\$ 1,031,392	\$ 968,875	\$ 62,517	6.5%
Services and Supplies	443,503	406,767	36,736	9.0%
Utilities	40,227	37,118	3,109	8.4%
Scholarships and Fellowships	48,806	43,802	5,004	11.4%
Depreciation and amortization	118,545	93,689	24,856	26.5%
<b>Total Operating Expenses</b>	<b>\$ 1,682,473</b>	<b>\$ 1,550,251</b>	<b>\$ 132,222</b>	<b>8.5%</b>





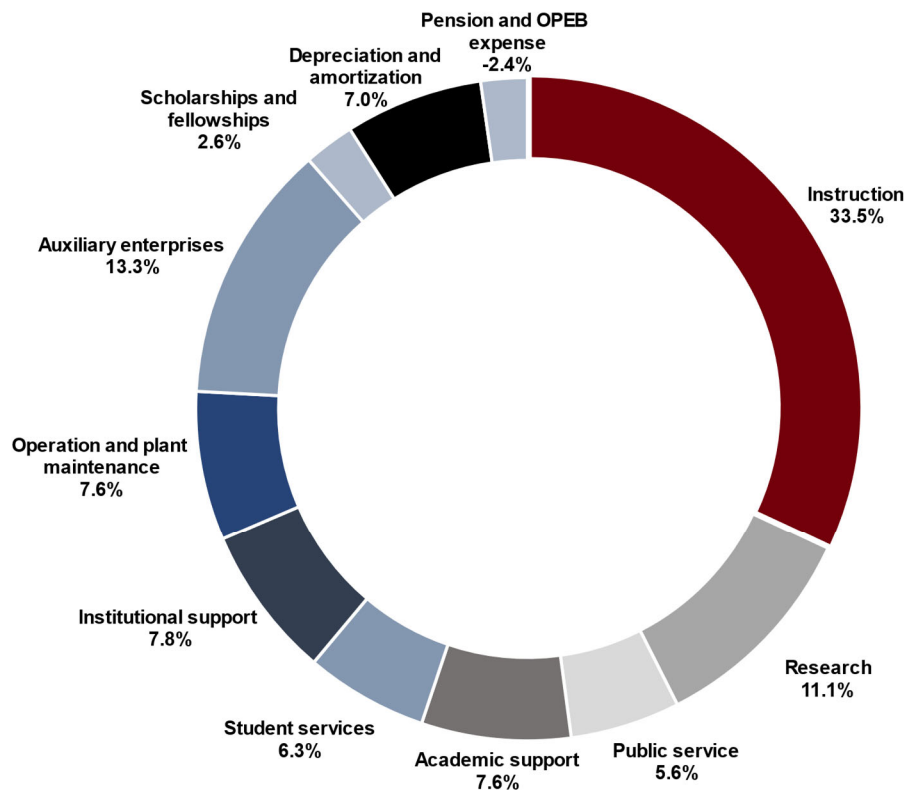
**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

Instruction and research have historically represented the largest non-auxiliary functional expense categories: 44.6 percent of total operating expenses in fiscal year 2024 and 44.0 percent in fiscal year 2023. The next largest functional category, auxiliary expenses, represented 13.3 percent of total operating expenses in fiscal year 2024 and 12.5 percent in fiscal year 2023. The pension and OPEB expense represents the adjustment needed to properly reflect the net pension liability and OPEB liability in accordance with GASB Statements No. 68 and 75. The negative pension and OPEB expense in the current fiscal year is attributable to actuarial fluctuations as provided in the State's pension and OPEB audit. See Notes 5 and 6 for additional details. Across all functional categories, salaries and benefits represent the largest component followed by services and supplies.

**Operating Expenses by Function**

*Dollars in thousands*

	2024	2023	Increase (Decrease)	
			Amount	Percent
Instruction	\$ 563,004	\$ 518,896	\$ 44,108	8.5%
Research	186,458	164,334	22,124	13.5%
Public service	94,382	78,335	16,047	20.5%
Academic support	128,346	124,155	4,191	3.4%
Student services	105,169	95,751	9,418	9.8%
Institutional support	130,591	120,470	10,121	8.4%
Operation and plant maintenance	128,608	118,715	9,893	8.3%
Auxiliary enterprises	223,681	194,376	29,305	15.1%
Scholarships and fellowships	43,540	38,377	5,163	13.5%
Pension and OPEB expense	(39,851)	3,153	(43,004)	-1363.9%
Depreciation and amortization	118,545	93,689	24,856	26.5%
<b>Total Operating Expenses</b>	<b>\$ 1,682,473</b>	<b>\$ 1,550,251</b>	<b>\$ 132,222</b>	<b>8.5%</b>



**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**ECONOMIC OUTLOOK**

The economic position of the University remains robust as evidenced by consistent operating revenue growth, strong demand for enrollment, and stable, manageable changes in operating expenditures. As a state-supported higher education institution, the University's economic position is closely tied to the State of South Carolina. The State finished the 2024 fiscal year on a very positive note with full funding of the State's Rainy-Day Fund at 5.5 percent of the prior year's General Fund Revenues and fully funded the Capital Reserve Account at 3 percent of the prior year's General Fund Revenues.

South Carolina's unemployment rate was 3.6 percent at the end of June 2024, which was 0.5 percent higher than June 2023. The national average was 4.1 percent and South Carolina ranked 23rd, compared to other states, per the U.S. Bureau of Labor Statistics. According to the Economic Outlook, published by the South Carolina Department of Commerce, trends in non-farm jobs continue to be positive for the state with the most recent increase in June totaling 8,500, with the largest gains in leisure and hospitality services and trade, transportation, and utilities.

The University's overall financial position remains strong and stable. For fiscal year 2025, the University has received additional state funding to support academic initiatives that promote access and affordability through tuition mitigation for residents of South Carolina and continued funding to support the maintenance and capital needs of our campuses. The University relies on tuition and fees to support the general operating budget, with added state support for tuition mitigation for fiscal year 2024. For fiscal year 2024, the University of South Carolina did not have a tuition increase. An average increase of 5.3 percent in student housing and 5.3 percent in dining plans will be used to improve dining, housing, and student life facilities.

Student interest in the University remains strong and demand for enrollment continues to grow, with a record number 52,708 applications received for the Fall 2024 freshman class, an increase of 13% over last year's record. Preliminary data indicates approximately 9,200 new undergraduate students on the Columbia campus, of which 7,290 are new freshmen, the second largest freshman class in University history. Student success is also at an all-time high, with a freshman to sophomore retention rate climbing to 92% for the first time. As a result of these gains, overall enrollment for the Columbia campus stands at 38,353, the highest ever in University history, and for the University System at 55,332. Both are increases of over 5% from last Fall 2023's record enrollment highs for Columbia and the USC System.

University of South Carolina students from the state are eligible for tuition assistance based on entrance exams, rank in class, and GPA. The State funding commitment for merit scholarships remains strong with funding from the South Carolina Education Lottery. Students at the University campuses annually receive more than \$116.8 million across the different scholarship programs.

The University is classified as an R1 University by the Carnegie Classification for Institutions of Higher Education. Research grant awards were \$309.4 million in the 2024 fiscal year. Awards in fiscal year 2025 are up 4% to date and are estimated to surpass 2024.

The University's Columbia campus makes up approximately 96.0 percent of total research awards or approximately \$296.7 million. University researchers were particularly successful in competing for federal research funds, which totaled \$245.4 million in fiscal year 2024.

The University's total endowment is currently \$835.0 million, with \$710.2 million held by the University Foundations. The endowment is comprised of a mix of unrestricted funds, quasi endowed, term endowed, and permanently endowed funds.

**UNIVERSITY OF SOUTH CAROLINA**  
**Statement of Net Position**  
**As of June 30, 2024**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 1,110,538,184
Restricted - cash and cash equivalents	516,224,256
Accounts receivable, net	107,691,276
Inventories	2,667,512
Prepaid items	1,683,460
Funds due from others	1,548,751
	1,740,353,439
Total current assets	1,740,353,439

Noncurrent assets:

Restricted - cash and cash equivalents	88,065,133
Investments	4,957,294
Accounts receivable	87,997,605
Prepaid items	1,200,000
Restricted - federal student loans receivable	5,024,917
Capital assets, net	1,623,668,878
Other assets	1,468,063
	1,812,381,890
Total noncurrent assets	1,812,381,890
Total assets	3,552,735,329

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred loss on debt refunding	11,348,800
Deferred outflows related to net OPEB liability	224,083,286
Deferred outflows related to net pension liability	143,512,601
	378,944,687
Total deferred outflows of resources	378,944,687

**LIABILITIES**

Current liabilities:

Accounts payable	28,297,427
Retainage payable	1,500,696
Accrued interest payable	5,143,401
Accrued payroll and related liabilities	40,967,760
Accrued compensated absences - current portion	33,605,109
Lease and subscription obligations - current portion	9,690,024
Bonds and notes payable - current portion	36,854,490
Unearned revenues	63,239,852
Deposits	2,720,078
Other liabilities	870,939
Funds held for others	7,748,829
	230,638,605
Total current liabilities	230,638,605

Noncurrent liabilities:

Accrued compensated absences	9,610,143
Federal loan liability	5,703,329
Lease and subscription obligations	28,641,611
Bonds and notes payable	664,259,488
Net OPEB liability	780,312,925
Net pension liability	1,033,430,779
	2,521,958,275
Total noncurrent liabilities	2,521,958,275
Total liabilities	2,752,596,880

**UNIVERSITY OF SOUTH CAROLINA**  
**Statement of Net Position**  
**As of June 30, 2024**

**DEFERRED INFLOWS OF RESOURCES**

Deferred gain on debt refunding	10,388,883
Deferred inflows related to leases	51,576,056
Deferred inflows related to public private partnerships	28,099,199
Deferred inflows related to net OPEB liability	469,224,968
Deferred inflows related to net pension liability	11,342,855
	570,631,961
Total deferred inflows of resources	570,631,961

**NET POSITION**

Net investment in capital assets	898,035,384
Restricted for:	
Nonexpendable	91,291,623
Expendable	
Scholarships, research, instruction, and other	106,365,496
Loans	958,853
Capital projects	452,190,040
Debt service	4,405,359
Unrestricted	(944,795,580)
	(944,795,580)
<b>Total net position</b>	<b>\$ 608,451,175</b>

**UNIVERSITY OF SOUTH CAROLINA**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the year ended June 30, 2024**

**OPERATING REVENUES**

Student tuition and fees (\$36,993,102 pledged for bonds)	\$ 942,698,199
Less: scholarship allowance	(361,872,634)
Federal grants and contracts	189,966,066
State grants and contracts	163,200,298
Local grants and contracts	1,285,371
Nongovernmental grants and contracts	62,344,760
Sales and services of educational and other activities	36,982,599
Sales and services of auxiliary enterprises (\$36,068,765 pledged for bonds)	234,541,774
Less: scholarship allowance	(9,864,612)
Interest collected on student loans	135,713
Other fees (\$6,543,057 pledged for bonds)	19,128,774
Other operating revenues	3,331,895
	<u>1,281,878,203</u>

**OPERATING EXPENSES**

Salaries and wages	773,384,360
Fringe benefits	258,007,461
Services and supplies	443,503,282
Utilities	40,227,416
Scholarships and fellowships	48,806,255
Depreciation and amortization expense	118,543,827
	<u>1,682,472,601</u>
Total operating expenses	<u>1,682,472,601</u>
Operating loss	<u>(400,594,398)</u>

**NONOPERATING REVENUES (EXPENSES)**

State appropriations	428,131,419
Local appropriations	3,334,698
Federal grants	61,079,458
Gifts	59,811,541
Investment income (loss)	19,981,279
Endowment income (loss)	4,405,884
Loss on disposal of capital assets	(5,276,259)
Interest on capital asset related debt	(27,363,586)
	<u>544,104,434</u>
Net nonoperating revenues	<u>544,104,434</u>
Income before other revenues	143,510,036
State capital appropriations	88,462,659
Capital grants and gifts	50,596,879
Additions to permanent endowments	4,436,577
	<u>287,006,151</u>
Change in net position	<u>287,006,151</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>321,445,024</u>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 608,451,175</b>

**UNIVERSITY OF SOUTH CAROLINA**  
**Statement of Cash Flows**  
**For the year ended June 30, 2024**

<b>OPERATING ACTIVITIES</b>	
Student tuition and fees	\$ 581,700,843
Grants and contracts	401,022,006
Sales and services of educational and other activities	37,076,087
Sales and services of auxiliary enterprises	246,049,732
Student loans disbursed	(405,327)
Student loans collected	1,206,383
Interest collected on student loans	135,713
Inflows from federal direct student loans	295,361,472
Outflows from federal direct student loans	(295,361,472)
Payments to employees for services	(763,859,255)
Payments to employees for benefits	(300,378,916)
Payments to suppliers	(480,788,868)
Payments to students for scholarships and fellowships	(48,806,255)
Other receipts	22,305,638
Inflows from funds due to and held for others	66,769,846
Outflows from funds due to and held for others	<u>(71,530,645)</u>
Net cash used by operating activities	<u>(309,503,018)</u>
<b>NONCAPITAL FINANCING ACTIVITIES</b>	
State and local appropriations	430,628,877
Federal grants	61,164,960
Gifts	59,649,088
Additions to permanent endowments	4,436,577
Federal loan liability	<u>(1,181,298)</u>
Net cash provided by noncapital financing activities	<u>554,698,204</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
State capital appropriations	164,661,951
Capital grants and gifts	735,072
Purchase and construction of capital assets	(86,427,127)
Principal paid on capital asset related debt	(58,052,336)
Interest paid on capital asset related debt	(30,516,128)
Lessor payments received	<u>(1,102,167)</u>
Net cash used by capital and related financing activities	<u>(10,700,735)</u>
<b>INVESTING ACTIVITIES</b>	
Investment income	17,920,554
Endowment income	<u>4,737,232</u>
Net cash provided by investing activities	<u>22,657,786</u>
Net increase (decrease) in cash and cash equivalents	<u>257,152,237</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>1,457,675,336</u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$1,714,827,573</b></u>
<b>Reconciliation of cash and cash equivalents</b>	
Cash and cash equivalents	\$1,110,538,184
Restricted - cash and cash equivalents, current	516,224,256
Restricted - cash and cash equivalents, noncurrent	<u>88,065,133</u>
	<u><b>\$1,714,827,573</b></u>



**UNIVERSITY OF SOUTH CAROLINA**  
**Statement of Cash Flows**  
**For the year ended June 30, 2024**

**Reconciliation of net operating loss to net cash  
used by operating activities**

Operating loss	(400,594,398)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation and amortization expense	118,543,827
Student loans canceled	312,458
Change in current assets and liabilities:	
Accounts receivable, net	(10,870,730)
Student loans receivable	802,045
Inventories	513,694
Prepaid items	(60,279)
Accounts payable	2,193,121
Retainage payable	(17,164)
Accrued payroll	5,829,280
Accrued benefits	2,183,259
Accrued compensated absences	3,798,596
Unearned revenues	17,245,840
Deposits	39,860
Other liabilities	(106,913)
Accrued benefits related to net pension liability	(15,151,172)
Accrued benefits related to OPEB	(29,403,541)
Funds held for and due from others	(4,760,801)
Net cash used by operating activities	<u><u>\$ (309,503,018)</u></u>

**NONCASH TRANSACTIONS**

Gifts of capital assets reducing proceeds of capital grants and gifts	<u><u>\$ 52,824,231</u></u>
Net change in capital grants and gifts receivable, state capital appropriations and unearned revenues	<u><u>\$ 58,399,628</u></u>
Loss on disposal of capital assets, net	<u><u>\$ (5,276,259)</u></u>
Capital assets acquired through leases and subscriptions	<u><u>\$ 22,701,819</u></u>
Change in value of other assets for cash surrender value of life insurance recognized in endowment income	<u><u>\$ 109,498</u></u>
Change in value of investments recognized in endowment and investment income	<u><u>\$ (440,846)</u></u>
Proceeds paid on USC's behalf to refinance existing bonds payable	<u><u>\$ 20,015,000</u></u>

**UNIVERSITY OF SOUTH CAROLINA**  
**Nongovernmental Discretely Presented Component Units**  
**Statements of Financial Position**  
**June 30, 2024**

	<b>USC Development Foundation</b>	<b>USC Educational Foundation</b>	<b>USC Business Partnership Foundation</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 15,023,343	\$ 6,057,290	\$ 4,761,082	\$ 25,841,715
Investments	37,550,125	665,834,788	153,375,097	856,760,010
Real estate held for investment	44,761,762	-	-	44,761,762
Assets held by others	40,000	6,358,036	-	6,398,036
Accounts receivable, net	786,662	12,540,926	966,832	14,294,420
Contributions receivable, net	437,152	40,831,765	141,347	41,410,264
Prepaid expenses	10,006	62,146	31,270	103,422
Other assets	1,989,219	251	95,959	2,085,429
Fixed assets, net	250,420,552	5,716	-	250,426,268
Total assets	<b>\$ 351,018,821</b>	<b>\$ 731,690,918</b>	<b>\$ 159,371,587</b>	<b>\$ 1,242,081,326</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 27,988,455	\$ 4,308,392	\$ 1,661,139	\$ 33,957,986
Lines of credit	9,808,202	-	-	9,808,202
Advances from others	6,416,763	-	-	6,416,763
Bonds, notes, and other payable	242,802,885	10,350,992	-	253,153,877
Other liabilities	403,288	13,203,131	-	13,606,419
Total liabilities	<b>287,419,593</b>	<b>27,862,515</b>	<b>1,661,139</b>	<b>316,943,247</b>
<b>NET ASSETS</b>				
Without donor restrictions	52,883,861	119,075,818	77,825,305	249,784,984
With donor restrictions	10,715,367	584,752,585	79,885,143	675,353,095
Total net assets	<b>63,599,228</b>	<b>703,828,403</b>	<b>157,710,448</b>	<b>925,138,079</b>
Total liabilities and net assets	<b>\$ 351,018,821</b>	<b>\$ 731,690,918</b>	<b>\$ 159,371,587</b>	<b>\$ 1,242,081,326</b>

See Notes to the Financial Statements

**UNIVERSITY OF SOUTH CAROLINA**  
**Nongovernmental Discretely Presented Component Units**  
**Statements of Activities**  
**For the year ended June 30, 2024**

	USC Development Foundation	USC Educational Foundation	USC Business Partnership Foundation	Total
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>				
Revenues, gains and other support				
Contributions	\$ 782,164	\$ 29,022,901	\$ 2,958,121	\$ 32,763,186
Investment returns (losses)	3,008,326	2,741,802	10,232,973	15,983,101
Net realized and unrealized gains (losses)	-	21,366,920	-	21,366,920
Earned income	18,840,964	-	4,138,471	22,979,435
Other	1,617,788	1,439,583	-	3,057,371
Net assets released from restrictions:				
Transfers	-	-	924,075	924,075
Satisfaction of program restrictions	1,965	107,587	3,601,627	3,711,179
Expiration of time restrictions	-	20,026,250	-	20,026,250
Total revenues, gains and other support	<u>24,251,207</u>	<u>74,705,043</u>	<u>21,855,267</u>	<u>120,811,517</u>
Expenses				
Scholarships and student assistance	-	19,075,723	3,431,505	22,507,228
Program services	26,279,936	47,242,005	9,222,128	82,744,069
Supporting services	907,547	6,207,889	946,252	8,061,688
Total expenses	<u>27,187,483</u>	<u>72,525,617</u>	<u>13,599,885</u>	<u>113,312,985</u>
Excess revenues over (under) expenses	(2,936,276)	2,179,426	8,255,382	7,498,532
Interest rate swap fair value adjustment	7,233,681	-	-	7,233,681
Change in net assets without donor restrictions	<u>\$ 4,297,405</u>	<u>\$ 2,179,426</u>	<u>\$ 8,255,382</u>	<u>\$ 14,732,213</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>				
Contributions	\$ (131,552)	\$ 25,237,556	\$ 2,924,304	\$ 28,030,308
Investment returns (losses)	82,370	6,242,687	9,644,195	15,969,252
Net realized and unrealized gains (losses)	-	51,890,279	-	51,890,279
Other	-	322,559	-	322,559
Net assets released from restrictions:				
Transfers	-	-	(924,075)	(924,075)
Satisfaction of program restrictions	(1,965)	(107,587)	(3,601,627)	(3,711,179)
Expiration of time restrictions	-	(20,026,250)	-	(20,026,250)
Change in net assets with donor restrictions	<u>(51,147)</u>	<u>63,559,244</u>	<u>8,042,797</u>	<u>71,550,894</u>
Change in net assets	4,246,258	65,738,670	16,298,179	86,283,107
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>59,352,970</u>	<u>638,089,733</u>	<u>141,412,269</u>	<u>838,854,972</u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>\$ 63,599,228</b></u>	<u><b>\$ 703,828,403</b></u>	<u><b>\$ 157,710,448</b></u>	<u><b>\$ 925,138,079</b></u>

See Notes to the Financial Statements

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations** - The University of South Carolina (the University) is a State-supported, coeducational institution of higher education. The University's primary purpose is to provide undergraduate, graduate, and professional education to students and conduct research and other activities that advance fundamental knowledge.

**Reporting Entity** - The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Codification Section 2100, *Defining the Financial Reporting Entity*, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. GASB Codification Section 2600, *Reporting Entity and Component Unit Presentation and Disclosure*, provides criteria for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with a primary government and classifies reporting requirements for those organizations. The financial statements include the University as the primary government and other related entities as discretely presented component units based on the nature and significance of their relationship to the University. The University's discretely presented component units are discussed further in Note 11.

The University is composed of the Columbia campus, including the Columbia School of Medicine, the Greenville School of Medicine, and seven system campuses. The University is a component unit of the State of South Carolina (the State). As a discretely presented component unit of the State, the University is financially accountable to and fiscally dependent on the State. Its Board of Trustees is appointed by the Governor and/or is elected by the General Assembly of the State.

**Financial Statements** - The financial statement presentation for the University meets the requirements of GASB Codification Sections 2100-2900, *Financial Reporting*, and Co5, *Universities*. The financial statement presentation provides a comprehensive, entity-wide perspective of the University's net position, revenues, expenses and changes in net position and cash flows.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and affect disclosure of contingent assets and liabilities at the date of the financial statements. Significant estimates used include separation of accrued compensated absences between current and noncurrent and depreciation and amortization expense. Estimates are also used for the net OPEB and net pension liabilities as calculated by the South Carolina Public Employee Benefit Authority (PEBA). Actual results could differ from those estimates.

**Basis of Accounting** - For financial reporting purposes, the University is considered to be engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and auxiliary enterprise fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship and fellowship expenses. All significant intra-agency transactions have been eliminated.

**Cash and Cash Equivalents** - For purposes of the statement of cash flows, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The University participates in the State's internal cash management pool, administered by the State Treasurer. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents. For credit risk information pertaining to the cash management pool, see the deposits disclosures in Note 2.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

The State's internal cash management pool consists of a general deposit account and several special deposit accounts. The State records each fund's equity interest in the general deposit account; however, all earnings on that account are credited to the General Fund of the State. The University reports its deposits in the general deposit account at cost and its special deposit accounts at fair value. Interest earned, including interest income, by the University's special deposit accounts is posted at the end of each month based on the percentage of the University's accumulated daily income receivable to the total income receivable of the pool. Unrealized gains and losses are allocated at year end based on the percentage of ownership in the pool.

**Investments** - The University accounts for its investments at fair value in accordance with GASB Codification Section 150, *Investments*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment or endowment income in the statement of revenues, expenses, and changes in net position.

**Accounts Receivable** - Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also include amounts due from the Federal, State, and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Student accounts receivable are recorded net of estimated uncollectible amounts. Receivables related to lessor agreements, public-private partnership arrangements, as well as State capital appropriations are also included in accounts receivable.

**Inventories** – Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market.

**Noncurrent Cash and Investments** - Noncurrent cash and investments primarily consist of permanently endowed funds and federal student loan funds. These funds are externally restricted and are classified as restricted noncurrent assets in the statement of net position.

**Prepaid Items** - Expenditures for services paid for in the current or prior fiscal years and benefiting more than one accounting period are allocated among accounting periods. Amounts reported in this asset account consist primarily of maintenance, license, parking and service agreements, prepaid travel and participant cards, and deposits.

**Capital Assets** - Capital assets are recorded at cost at the date of acquisition. Donated capital assets, donated works of art, historical treasures and similar assets are recorded at acquisition value. The University follows capitalization guidelines established by the State. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The University capitalizes movable personal property and leased assets with a unit value in excess of \$5,000 and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred.

Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, generally 3 to 60 years for buildings and improvements and land improvements; 2 to 25 years for machinery, equipment, and vehicles; and 3 to 10 years for intangibles. A full month of depreciation or amortization is taken the month the asset is placed in service and no depreciation or amortization is taken in the month of disposition.

Leased assets are initially measured as the sum of the present value of expected payments over the term of the lease and are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the asset. Subscription-based information technology arrangements (SBITA) assets are initially measured as the present value of expected payments over the term of the subscription. The University capitalizes SBITAs with a value in excess of \$100,000. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Leases and Subscription Arrangements** – The University determines if an agreement is a lease or a subscription-based information technology arrangement at inception.

Lessee agreements are included in the statement of net position as capital assets (lease assets) and lease obligations. Lease assets represent the University's right to use an asset for the specified lease term. Lease assets and liabilities are recorded based on the present value of expected payments over the term of the leases. In accordance with University policy, payments on leases with a term of 12 months or less or leases with a present value of \$5,000 (for equipment leases) and \$100,000 (for property leases) or less are expensed as incurred. These leases are not included in assets or liabilities on the statement of net position.

Lessor agreements are included in the statement of net position as accounts receivable (lease receivables) and deferred inflows of resources. All lessor agreements are property leases. Leases receivable represent the University's claim to receive lease payments for the specified lease term and are recorded based on the present value of expected lease payments over the term of the leases. Interest revenue and deferred inflows of resources related to leases are recognized as revenue over the lease term. In accordance with University policy, payments received on leases with a term of 12 months or less or leases with a present value of \$100,000 or less are recognized as revenue as received. These leases are not included in accounts receivable or deferred inflows of resources on the statement of net position.

SBITAs are included in the statement of net position as capital assets and subscription obligations. SBITAs represent the University's right to use subscription-based information technology. SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. In accordance with University policy, payments on SBITAs with a term of 12 months or less or with a present value of \$100,000 or less are expensed as incurred. These SBITAs are not included in assets or liabilities on the statement of net position.

**Public-Private Partnership Arrangements (PPP)** - a PPP is an arrangement in which the University (the transferor) contracts with an operator (a private entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The University has PPP arrangements for catering, food services, and bookstore operations. In these arrangements the underlying assets (buildings) were existing assets of the University. Therefore, the University continues to recognize the underlying PPP assets and has also recognized a receivable and a deferred inflow of resources based on the present value of the payments expected to be received under the terms of the contracts.

**Unearned Revenues and Deposits** - Unearned revenues include amounts billed for tuition and fees and certain auxiliary activities (including, but not limited to, athletic ticket sales and parking revenues) prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Deposits represent dormitory room deposits, security deposits for possible room damage and key loss, and other miscellaneous deposits. Student deposits are recognized as revenue during the semester for which the fee is applicable and earned when the deposit is nonrefundable to the student.

**Compensated Absences** - Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued compensated absences in the statement of net position, and as a component of compensation and benefit expense in the statement of revenues, expenses and changes in net position.



**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Funds Due From Others and Funds Held for Others** - Current balances in Funds Due from Others and Funds Held for Others represent custodial funds held by or owed to the University on a short-term basis (three months or less) for groups and organizations that account for activities in the University accounting system and whose cash is part of the cash held on deposit with the State.

**Noncurrent Liabilities** - Noncurrent liabilities include (1) principal amounts of bonds payable, notes payable, and leases payable with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) net pension and net OPEB liabilities.

**Deferred Outflows of Resources** - The consumption of net assets that is applicable to future reporting periods. The University's deferred outflows of resources consist of (1) deferred loss on debt refunding – the defeasance of previously outstanding bonds resulted in deferred refunding losses. These deferred losses are recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter; (2) net pension and net OPEB liabilities – increases in net pension and net OPEB liabilities that were not included in expenses. Also, employer contributions subsequent to the measurement date of the net pension and net OPEB liabilities are reported as deferred outflows of resources.

**Deferred Inflows of Resources** - The acquisition of net assets that is applicable to future reporting periods. The University's deferred inflows of resources consist of decreases in the net pension and net OPEB liabilities that were not included in expenses, deferred gain on debt refunding and deferred inflows related to leases and PPP arrangements.

**Net Position** - Components of the University's net position are classified as follows:

**Net investment in capital assets:** This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

**Restricted - nonexpendable:** The restricted nonexpendable component of net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

**Restricted - expendable:** The restricted expendable component of net position includes resources which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

**Unrestricted:** The unrestricted component of net position presents all resources not included in net investment in capital assets or restricted categories.

When an expense is incurred that can use both restricted and unrestricted resources the expense is first applied to restricted resources then to unrestricted resources.

**Income Taxes** - The University is a political subdivision of the State and, is therefore, generally exempt from federal and state income taxes under applicable federal and state statutes and regulations on related income. Certain activities of the University may be subject to taxation as unrelated business income.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Classification of Revenues** - The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

**Operating revenues:** Operating revenues generally result from exchange transactions to provide goods or services related to the University's principal ongoing operations.

These revenues include:

- (1) student tuition and fees received in exchange for providing educational services, housing, and other related services to students;
- (2) receipts for scholarships where the governmental agency has identified the qualified student recipients;
- (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the University;
- (4) contracts that are essentially the same as contracts for services that finance programs the University would not otherwise undertake; and
- (5) payment by grants from governmental and non-governmental entities for the purpose of conducting research activities.

**Nonoperating revenues:** Nonoperating revenues include activities that have the characteristics of nonexchange transactions. These revenues include gifts and contributions, appropriations, investment income, Pell grants, and any other grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes.

**Scholarship Discounts and Allowances** - Student tuition and fee revenues, and certain other revenues from students, are reported with related scholarship discounts and allowances in the statement of revenues, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf.

**Rebatable Arbitrage** - Arbitrage involves the investment of proceeds from the sale of tax-exempt securities in a taxable investment that yields a higher rate of return, resulting in income in excess of interest costs. Federal law requires entities to rebate to the government such income on tax-exempt debt if the yield from these earnings exceeds the effective yield on the related tax-exempt debt issued.

Governmental units that issue no more than \$5 million in total of all such debt in a calendar year are exempt from the rebate requirements. For this purpose, tax-exempt indebtedness includes bonds and certain capital leases and installment purchases. Rebates are payable every five years or at maturity of the debt, whichever is earlier. However, the potential liability is calculated annually for financial reporting purposes. The University had no rebatable arbitrage liability at June 30, 2024.

**Donor-Restricted Endowments** - Endowments are subject to restrictions requiring that the principal be invested and that only the income be used for specific purposes. If a donor has not provided specific timing instructions, state law permits the Board of Trustees to authorize for expenditure the endowment's net appreciation. Any net appreciation that is spent is required to be spent for the purpose for which the endowment was established. The University has a total return policy for authorizing and spending endowment income.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 2 - CASH AND CASH EQUIVALENTS, OTHER DEPOSITS, AND INVESTMENTS**

Most deposits and investments of the University are under the control of the State Treasurer who, by law, has sole authority for investing State funds. Certain deposits and investments are deposited with or managed by financial institutions and brokers as restricted by donors.

The following schedule reconciles deposits and investments within the notes to the statement of net position amounts:

<b>Statement of Net Position</b>	
Cash and cash equivalents (current)	\$ 1,110,538,184
Restricted cash and cash equivalents (current) for:	
Debt service	10,471,996
Scholarship, research, instruction, and other	84,846,186
University administered loans	113,771
Capital projects	420,792,303
	516,224,256
Restricted cash and cash equivalents (noncurrent) for:	
Endowments	85,095,634
Federal student loans	1,529,780
Debt service reserves	1,439,719
	88,065,133
Investments (noncurrent)	4,957,294
<b>Total</b>	<b>\$ 1,719,784,867</b>

**Disclosure, Deposits and Investments**

Cash on hand	\$ 147,088
Deposits held by State Treasurer	1,714,680,485
Investments held by State Treasurer	3,606,349
Other investments	1,350,945
<b>Total</b>	<b>\$ 1,719,784,867</b>

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 2 - CASH AND CASH EQUIVALENTS, OTHER DEPOSITS, AND INVESTMENTS, Continued**

**Deposits Held by State Treasurer** - State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. Information pertaining to the reported amounts, fair values, and credit risk of the State Treasurer's deposits is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina.

With respect to the investments in the State's internal cash management pool, all of the State Treasurer's investments are insured or registered or are investments for which the securities are held by the State or its agents in the State's name. Information pertaining to the reported amounts, fair values, and the credit risk of the State Treasurer's investments is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina. For the fiscal year ending June 30, 2024, of the \$1,714,680,485 identified in the preceding schedule as "Deposits held by State Treasurer", \$22,928,159 is attributable to unrealized loss.

**Other Deposits** - The University's other deposits at year-end were entirely covered by federal depository insurance or were fully collateralized by securities held by the pledging bank's trust department.

**Investments Held by State Treasurer** - The University's investments include common stock held by the State Treasurer for the University. The investment assets held in the State's cash management pool are all Level 2 assets as defined below.

**Other Investments** - The University has other investments which are managed by financial institutions or brokers as specified by the donors. Purchased investments are valued at fair value. Investments received from donors are valued at the lesser of their fair value on the date promised or received or fair value as of fiscal year-end.

The University has adopted applicable accounting standards for its financial assets and liabilities which clarify that fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The University utilizes market data or assumptions that market participants would use in pricing the asset or liability. The standards establish a three tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

The University's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1: Investments reflect prices quoted in active markets for identical assets.

Level 2: Investments reflect prices that are based on similar significant observable assets either directly or indirectly, which may include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or model-driven valuations.

Level 3: Investments reflect prices based upon significant unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The University's other investments consist of \$1,247,159 Level 1 assets and \$103,786 Level 3 assets.

Custodial credit risk is the risk that in the event of a failure of the counterparty to a transaction, the University will not be able to recover the value of the investments or collateral securities that are in possession of an outside party.

The University does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Other investments totaling \$1,350,945 were collateralized by securities held by the pledging bank's trust department but not in the University's name.

The net change in unrealized depreciation of investments for the current fiscal year was \$440,846.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 3 - RECEIVABLES**

**Accounts Receivable** – Accounts receivable consisted of the following:

**Current**

Student	\$ 14,774,730
Auxiliary enterprises	5,481,222
Federal grants and contracts	33,370,558
State grants and contracts	10,484,197
Local grants and contracts	427,889
Non-governmental grants and contracts	4,758,008
State capital appropriations	27,219,851
Leases	1,370,738
Public private partnership	4,234,846
Accrued interest	7,440,091
	109,562,130
Less allowance for doubtful accounts	(1,870,854)
<b>Current accounts receivable, net</b>	<b>\$ 107,691,276</b>

**Noncurrent**

State capital appropriations	\$ 10,944,000
Leases	53,189,252
Public private partnership	23,864,353
<b>Noncurrent accounts receivable</b>	<b>\$ 87,997,605</b>

State capital appropriations receivable represent outstanding Capital Reserve funds that have been appropriated but not yet drawn. The State has authorized these funds for improvements and expansion of state facilities. The University is not obligated to repay these funds to the State.

Leases receivable represent the present value of expected payments over the term of the leases. See Note 8 for additional information.

Public private partnership (PPP) receivables include amounts related to PPPs for food services and bookstore operations identified and accounted for as prescribed under GASB Statement No. 94. See Note 8 for additional information.

Allowance for doubtful accounts is based upon actual losses experienced in prior years and evaluation of the current accounts.

**Student Loans Receivable and Federal Loan Liability** - Student loans made through the Federal Perkins and the Federal Nursing and Health Professions loan programs comprise substantially all of the student loans receivable, and are restricted for such loans. The loan programs provide various repayment options: students have the right to repay the loans over periods up to 10 years depending on the amount of the loan and loan cancellation privileges the student may exercise.

The Federal Perkins loans that are delinquent for 24 months are reassigned to the Department of Education and are no longer reported as University receivables and liabilities.

The amount reported as a federal loan liability is the amount of federal contributions and net earnings on the loans that would have to be repaid to the federal government if the University ceased to participate in the programs.

As the University determines that loans are uncollectible, the loans can be assigned to the federal agency administrating the loan programs.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 4 - CAPITAL ASSETS**

	<b>June 30, 2023</b>	<b>Additions</b>	<b>Reductions</b>	<b>Net Transfers</b>	<b>June 30, 2024</b>
Capital assets not being depreciated					
Land	\$ 97,869,652	\$ 12,157,021	\$ -	\$ 2,899,342	\$ 112,926,015
Construction in progress	202,660,535	61,104,830	-	(228,154,948)	35,610,417
Works of art and historical treasures	55,555,148	587,341	-	-	56,142,489
Total capital assets not being depreciated	<u>356,085,335</u>	<u>73,849,192</u>	<u>-</u>	<u>(225,255,606)</u>	<u>204,678,921</u>
Other capital assets					
Land improvements	110,487,776	-	-	-	110,487,776
Buildings and improvements	2,043,902,919	28,871,913	-	225,255,606	2,298,030,438
Machinery, equipment and other	248,048,683	34,285,831	9,780,647	-	272,553,867
Vehicles	18,303,453	2,755,680	238,786	-	20,820,347
Intangibles	93,820,598	460,709	2,750,136	-	91,531,171
Leased land and improvements	686,445	14,215	-	-	700,660
Leased buildings and improvements	42,048,200	7,099,087	17,704,136	-	31,443,151
Leased machinery, equipment and other	363,846	459,993	53,173	-	770,666
Software Subscriptions	19,448,908	15,128,527	4,696,033	-	29,881,402
Total capital assets at historical cost	<u>2,577,110,828</u>	<u>89,075,955</u>	<u>35,222,911</u>	<u>225,255,606</u>	<u>2,856,219,478</u>
Less accumulated depreciation/amortization for:					
Land improvements	65,018,395	4,133,065	-	-	69,151,460
Buildings and improvements	989,663,241	71,662,268	-	-	1,061,325,509
Machinery, equipment and other	179,145,184	16,657,655	7,296,970	-	188,505,869
Vehicles	14,556,358	1,406,348	231,722	-	15,730,984
Intangibles	73,617,948	4,942,106	5,892	-	78,554,162
Leased land and improvements	303,586	152,015	-	-	455,601
Leased buildings and improvements	17,635,077	9,080,870	17,571,561	-	9,144,386
Leased machinery, equipment and other	214,106	281,903	24,941	-	471,068
Software Subscriptions	7,857,204	10,227,597	4,194,319	-	13,890,482
Total accumulated depreciation/amortization	<u>1,348,011,099</u>	<u>118,543,827</u>	<u>29,325,405</u>	<u>-</u>	<u>1,437,229,521</u>
Other capital assets, net	<u>1,229,099,729</u>	<u>(29,467,872)</u>	<u>5,897,506</u>	<u>225,255,606</u>	<u>1,418,989,957</u>
Capital assets, net	<b><u>\$ 1,585,185,064</u></b>	<b><u>\$ 44,381,320</u></b>	<b><u>\$ 5,897,506</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,623,668,878</u></b>

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 5 - 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 State Fiscal Accountability Authority, 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.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The Annual Comprehensive Financial Report is publicly available through the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the annual comprehensive financial report of the State.

***Plan 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 SCRS 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.



**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 5 - PENSION PLANS, Continued**

ORP – As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (9.00 percent) and a portion of the employer contribution (5.00 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (13.41 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.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 5 - PENSION PLANS, Continued**

*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** - Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 5 - PENSION PLANS, Continued**

Required **employee** contribution rates for fiscal year 2023-2024 are as follows:

**SCRS**

Employee Class II	9.00% of earnable compensation
Employee Class III	9.00% of earnable compensation

**ORP**

9.00% of earnable compensation

**PORS**

Employee Class II	9.75% of earnable compensation
Employee Class III	9.75% of earnable compensation

Required **employer** contribution rates<sup>1</sup> for fiscal year 2023-2024 are as follows:

**SCRS**

Employer Class II	18.41% of earnable compensation
Employer Class III	18.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

**ORP**

Employer Contribution <sup>2</sup>	18.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

**PORS**

Employer Class II	20.84% of earnable compensation
Employer Class III	20.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

<sup>1</sup> Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

<sup>2</sup> Of this employer contribution, 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 the SCRS.

For fiscal year 2024, total University contributions were \$101,437,735 and \$1,947,812 for SCRS and PORS, respectively. The total contributions to the ORP were \$15,672,306 (excluding the surcharge) from the University as employer and \$28,210,151 from its employees as plan members.

**Net Pension Liability (NPL)** - At June 30, 2024, the University reported liabilities of \$1,017,988,841 and \$15,441,938 for its proportionate share of the SCRS and PORS NPL, respectively. The NPLs were measured as of June 30, 2023, and the total pension liabilities (TPL) used to calculate the NPLs were determined by an actuarial valuation as of that date. The University's proportionate shares of the NPLs 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. The University's proportionate share of the SCRS plan increased by 0.032653% from the prior year. The University's proportionate share of the PORS plan decreased by 0.013408% over the prior year. At June 30, 2024, the University's proportionate shares of the SCRS and PORS plans were 4.210491% and 0.507275%, respectively.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 5 - PENSION PLANS, Continued**

**Pension Expense** - For the year ended June 30, 2024, the University recognized pension expense of \$94,743,910 and \$1,308,920 for SCRS and PORS, respectively, for a total pension expense of \$96,052,830.

**Non-employer Contributions** - Employer's proportionate shares were calculated on the basis of employer contributions remitted to the plan. In an effort to offset a portion of the increased contribution requirements for employers, the General Assembly again provided nonemployer contributions to PEBA. Based on the criteria provided by the General Assembly, PEBA issued credit invoices to certain SCRS and PORS employers for fiscal year 2023 who then applied the credit invoices towards contributions otherwise due to the Systems. For the year ended June 30, 2023 measurement period, PEBA provided non-employer contributions to the University in the amount of \$4,562,757 which is shown as a reduction to net pension liability and other grant revenue in the year ended June 30, 2024.

**Deferred Inflows of Resources and Deferred Outflows of Resources** – At June 30, 2024, 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**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 17,674,059	\$ 2,823,033
Changes of assumptions	15,597,059	-
Net difference between projected and actual earnings on pension plan investments	-	1,393,405
Changes in proportion and differences between University contributions and proportionate share of contributions	5,480,497	6,101,633
University contributions subsequent to the measurement date	101,437,735	-
Total	\$ 140,189,350	\$ 10,318,071

**Police Officers Retirement System**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 726,711	\$ 190,366
Changes of assumptions	336,080	-
Net difference between projected and actual earnings on pension plan investments	-	26,502
Changes in proportion and differences between University contributions and proportionate share of contributions	312,648	807,916
University contributions subsequent to the measurement date	1,947,812	-
Total	\$ 3,323,251	\$ 1,024,784

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 5 - PENSION PLANS, Continued**

The \$101,437,735 and \$1,947,812 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, 2024 will be recognized as a reduction of the NPLs in the year ending June 30, 2025.

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:	
2025	\$ 15,502,527
2026	(17,778,956)
2027	31,307,051
2028	(597,078)
	\$ 28,433,544

	<u>PORS</u>
Year ended June 30:	
2025	\$ 38,673
2026	(340,654)
2027	668,791
2028	(16,155)
	\$ 350,655

**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. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future.

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2023, total pension liability (TPL), net pension liability (NPL), and sensitivity information were determined by PEBA's consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the actuarial valuation performed as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2023, using generally accepted actuarial principles.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 5 - PENSION PLANS, Continued**

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023 for SCRS and PORS:

	<b>SCRS</b>	<b>PORS</b>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return <sup>1</sup>	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service) <sup>1</sup>	3.5% to 10.5% (varies by service) <sup>1</sup>
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

<sup>1</sup> Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the June 30, 2023 TPL are as follows:

<b>Former Job Class</b>	<b>Males</b>	<b>Females</b>
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

**Net Pension Liability** - The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. As of June 30, 2023, NPL totals for SCRS and PORS are as follows (amounts expressed in thousands):

<b>System</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Employers' Net Pension Liability (Asset)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
SCRS	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%
PORS	9,450,021,576	6,405,925,370	3,044,096,206	67.8%

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

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 5 - PENSION PLANS, Continued**

**Long Term Expected Rate of Return** - The long-term expected rate of return on pension plan investments is based upon 20 year capital market assumptions. The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

<b>Allocation / Exposure</b>	<b>Policy Target</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long Term Expected Portfolio Real Rate of Return</b>
<b>Public Equity</b>	46.0%	6.62%	3.04%
<b>Bonds</b>	26.0%	0.31%	0.08%
<b>Private Equity <sup>1</sup></b>	9.0%	10.91%	0.98%
<b>Private Debt <sup>1</sup></b>	7.0%	6.16%	0.43%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate <sup>1</sup>	9.0%	6.41%	0.58%
Infrastructure <sup>1</sup>	3.0%	6.62%	0.20%
<b>Total Expected Return <sup>2</sup></b>	100.0%		5.31%
<b>Inflation for Actuarial Purposes</b>			2.25%
			<b>7.56%</b>

<sup>1</sup> RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

<sup>2</sup> Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 15% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

**Discount Rate** - The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

**Sensitivity Analysis** - The following table presents the collective NPL of the University calculated using the discount rate of 7.00 percent, as well as what the University's NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

<b>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</b>					
<b>System</b>	<b>1.00% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1.00% Increase (8.00%)</b>		
SCRS	\$ 1,315,338,666	\$ 1,017,988,841	\$ 770,841,929		
PORS	21,783,187	15,441,938	10,247,663		

⋮



**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 5 - PENSION PLANS, Continued**

**Additional Financial and Actuarial Information** - Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2023 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2023.

**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 Annual Comprehensive 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.

**NOTE 6 - 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, 6.35% of annual covered payroll for 2024. The IB sets the employer contribution rate based on a pay-as-you-go basis. The University paid \$42,989,574, including the implicit subsidy, applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal year ended June 30, 2024. 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 year ended June 30, 2024. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

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. The SCLTDITF is considered immaterial and is not included in the University financial statements as well as the related notes and required supplementary information.



**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 6 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS, Continued**

A copy of the separately issued financial statements for the benefit plans and the trust funds may be obtained by writing to the South Carolina Public Employee Benefit Authority – Insurance Benefits Division, P.O. Box 11960, Columbia, South Carolina 29211-1960.

**Net OPEB Liability** - At June 30, 2024, the University reported a liability of \$780,312,925 for its proportionate share of the SCRHITF net OPEB liability. The OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The University’s proportionate share of the OPEB liability was based on the University’s long-term share of contributions to the postemployment benefits plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the University’s proportionate share of the SCRHITF plan was 5.960461%.

**OPEB Expense** - For the year ended June 30, 2024, the University recognized OPEB expense of \$10,876,599 for SCRHITF.

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Post-Employment Benefits Other Than Pensions (OPEB)** – At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**South Carolina Retiree Health Insurance Trust Fund**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 13,805,118	\$ 177,815,557
Changes of assumptions	156,539,857	250,705,047
Net difference between projected and actual earnings on OPEB plan investments	7,836,599	-
Changes in proportion and differences between University contributions and proportionate share of contributions	2,912,138	40,704,364
University contributions subsequent to the measurement date	42,989,574	-
Total	\$ 224,083,286	\$ 469,224,968

The \$42,989,574 reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date for the SCRHITF plan during the year ended June 30, 2024 will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2025.

The net amount of deferred outflows of resources and deferred inflows of resources related to retiree health benefits will be recognized in retiree health benefit expense as follows for the SCRHITF plan:

<b>SCRHITF</b>	
Year ended June 30:	
2025	\$ (42,184,223)
2026	(41,346,519)
2027	(44,753,071)
2028	(63,864,046)
2029	(76,549,538)
Thereafter	(19,433,859)
	\$ (288,131,256)

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 6 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS, Continued**

**Actuarial Assumptions and Methods** - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table provides a summary of the actuarial assumptions and methods used in the June 30, 2022 actuarial valuation for SCRHITF:

**Actuarial Methods and Assumptions:**

Actuarial cost method	Individual Entry-Age Normal
Inflation	2.25%
Investment rate of return	2.75%, net of OPEB plan investment expense, including inflation
Single discount rate	3.86% as of June 30, 2023
Demographic assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality tables are used with multipliers based on plan experience. The rates projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Healthcare trend rate	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 13 years
Aging factors	Based on plan specific experience
Participation rates	79% participation for retirees who are eligible for Funded Premiums 59% participation for retirees who are eligible for Partial Funded Premiums 20% participation for retirees who are eligible for Non-Funded Premiums
Notes	The single discount rate changed from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023.

**Discount Rate** - The Single Discount Rate of 3.86% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent)

**UNIVERSITY OF SOUTH CAROLINA**  
Notes to the Financial Statements

**NOTE 6 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS, Continued**

**Long Term Expected Rate of Return**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>	<b>Allocation-Weighted Long-Term Expected Real Rate of Return</b>
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash	20.00%	0.35%	0.07%
Total	<u>100.00%</u>		<u>0.83%</u>
Expected Inflation			<u>2.25%</u>
Total Return			<u>3.08%</u>
Investment Return Assumption			2.75%

For the SCRHITF, the annual money-weighted rate of return on the plan investments was (3.60) percent.

**Sensitivity Analysis** - The following table presents the University's proportionate share of the SCRHITF net other postemployment benefits (OPEB) liability calculated using the discount rate of 3.86 percent, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.86 percent) or 1 percentage point higher (4.86 percent) than the current rate:

**Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Discount Rate**

<b>1% Decrease</b>	<b>Current Single Discount Rate Assumption</b>	<b>1% Increase</b>
<b>2.86%</b>	<b>3.86%</b>	<b>4.86%</b>
<u>\$921,127,798</u>	<u>\$780,312,925</u>	<u>\$666,744,596</u>

**Sensitivity of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

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

<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate Assumption</b>	<b>1% Increase</b>
<u>\$647,925,489</u>	<u>\$780,312,925</u>	<u>\$950,402,151</u>

**NOTE 7 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS**

The University is party to various lawsuits arising out of the normal conduct of its operations. Management is not aware of any material claims or lawsuits against the University that are not covered by insurance or whose settlement would materially affect the University's financial position.

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

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 7 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS, Continued**

The University had outstanding commitments of \$525,740,505 for capital and \$145,742,733 for noncapital projects as of June 30, 2024. The University anticipates funding these projects out of current resources, current bond issues, private gifts, student fees, and state capital appropriations.

**NOTE 8 – LEASES, SUBSCRIPTIONS, AND OTHER ARRANGEMENTS**

**Lessee Agreements** - The University leases land, space and equipment from external parties for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2039 and provide for renewal options ranging from one year to ten years. In accordance with GASB Statement No. 87, the University records lease assets and lease liabilities based on the present value of expected payments over the term of the leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using an estimated incremental borrowing rate. See Note 4 for information on lease assets and the related accumulated amortization. Future commitments for leases having remaining terms in excess of one year as of June 30, 2024, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 5,084,270	\$ 1,703,627	\$ 6,787,897
2026	4,350,118	1,383,565	5,733,683
2027	3,978,776	1,084,972	5,063,748
2028	3,453,159	814,567	4,267,726
2029	1,552,381	639,978	2,192,359
2030-2034	6,088,298	1,934,914	8,023,212
2035-2039	2,826,033	228,299	3,054,332
Total future minimum lease payments	<u>\$ 27,333,035</u>	<u>\$ 7,789,922</u>	<u>\$ 35,122,957</u>

In the current fiscal year, the University incurred expenses of \$956,077 for office copier contingent rentals on a cost per copy basis.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 8 – LEASES, SUBSCRIPTIONS, AND OTHER ARRANGEMENTS, Continued**

**Lessor Agreements** - The University leases land and space to both external and related parties. Lease receivables and deferred inflows of resources are recorded based on the present value of the expected receipts over the term of the leases. The expected receipts are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using an estimated incremental borrowing rate. During the year ended June 30, 2024, the University recognized revenues related to these lease agreements totaling \$4,769,889. Total minimum lease payments to be received under lessor agreements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,370,738	\$ 2,199,441	\$ 3,570,179
2026	1,313,865	2,137,727	3,451,592
2027	1,339,460	2,077,677	3,417,137
2028	1,402,586	2,016,903	3,419,489
2029	1,475,519	1,953,210	3,428,729
2030-2034	7,852,903	8,686,654	16,539,557
2035-2039	6,579,573	6,967,974	13,547,547
2040-2044	6,726,851	5,002,668	11,729,519
2045-2049	1,033,643	4,230,738	5,264,381
2050-2054	1,928,565	3,993,867	5,922,432
2055-2059	3,070,257	3,592,475	6,662,732
2060-2064	4,513,342	2,982,229	7,495,571
2065-2069	6,323,462	2,109,063	8,432,525
2070-2074	8,338,974	907,553	9,246,527
2075-2077	1,290,252	45,919	1,336,171
Total future receipts	<u>\$ 54,559,990</u>	<u>\$ 48,904,098</u>	<u>\$ 103,464,088</u>

**Subscription-Based Information Technology Arrangements (SBITAs)** – The University entered into arrangements with external parties for access to information technology for various terms under long-term, non-cancelable agreements. These subscription agreements expire at various dates through 2029 and provide for renewal options ranging from one to four years. In accordance with GASB Statement No. 96, the University records SBITA assets and liabilities based on the present value of expected payments over the term of the agreement. The expected payments are discounted using the interest rate charged, if available, or are otherwise discounted using the University’s incremental borrowing rate. See Note 4 for information on subscription assets and the related accumulated amortization. Future commitments for subscription assets having remaining terms in excess of one year as of June 30, 2024, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,605,754	\$ 279,372	\$ 4,885,126
2026	3,215,329	164,454	3,379,783
2027	1,848,646	78,028	1,926,674
2028	1,233,460	33,581	1,267,041
2029	95,411	2,320	97,731
Total future minimum lease payments	<u>\$ 10,998,600</u>	<u>\$ 557,755</u>	<u>\$ 11,556,355</u>

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 8 – LEASES, SUBSCRIPTIONS, AND OTHER ARRANGEMENTS, Continued**

**Public Private Partnership Arrangements (PPP)** - The University has several PPPs. These arrangements are for the operation of the on-campus dining halls, catering services, bookstore operations, and food concessions. These contracts expire at various dates through 2032 and require annual maintenance fund payments as well as significant contributions for capital projects. The present value of future PPP payments to be received are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,234,846	\$ 1,786,935	\$ 6,021,781
2026	4,477,222	1,235,527	5,712,749
2027	3,727,276	1,001,926	4,729,202
2028	2,702,958	807,775	3,510,733
2029	2,844,863	667,480	3,512,343
2030-2032	10,112,034	1,165,724	11,277,758
Total future receipts	<u>\$ 28,099,199</u>	<u>\$ 6,665,367</u>	<u>\$ 34,764,566</u>

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 9 - BONDS AND NOTES PAYABLE**

**Bonds Payable** – Bonds payable consisted of the following:

	Original Debt	Interest Rates (Outstanding)	Maturity Dates	June 30, 2024 Balance	Debt Retired in Fiscal Year 2024
<b>State Institution Bonds</b>					
Series 2012A Refunding	\$ 21,254,000	2.5%	04/01/24	\$ -	\$ 490,000
Series 2014A	15,190,000	3% to 5%	04/01/34	9,135,000	730,000
Series 2015A	56,725,000	3% to 5%	04/01/35	36,890,000	2,575,000
Series 2015B Refunding	30,625,000	5%	04/01/26	7,510,000	3,415,000
Series 2017B	39,450,000	2.625% to 5%	04/01/37	29,285,000	1,640,000
Series 2019B Refunding	4,290,000	5%	04/01/29	2,395,000	410,000
Series 2021C Refunding	11,840,000	5%	04/01/31	8,870,000	1,040,000
<b>Total State Institution Bonds</b>				<b>94,085,000</b>	<b>10,300,000</b>
<b>Revenue Bonds</b>					
Athletic Facilities Revenue Bonds					
Series 2015 Athletic	38,270,000	3% to 5%	05/01/45	31,470,000	905,000
Series 2016A Refunding Athletic	22,400,000	4% to 5%	05/01/38	17,680,000	885,000
Series 2017A Athletic	40,325,000	4% to 5%	05/01/47	35,010,000	870,000
Series 2017B Refunding Athletic	46,990,000	5%	05/01/40	39,285,000	2,065,000
Series 2022A Refunding	36,690,000	4% to 5%	05/01/52	35,435,000	645,000
Total Athletic Facilities Revenue Bonds				158,880,000	5,370,000
Special Higher Education Revenue Bonds					
Series 2022A Refunding	39,805,000	5%	05/01/35	35,200,000	2,360,000
Total Special Higher Education Revenue Bonds				35,200,000	2,360,000
Higher Education Revenue Bonds					
Series 2013	37,185,000	3% to 5%	05/01/43	5,930,000	22,200,000
Series 2015	47,605,000	3.5% to 5%	05/01/35	20,110,000	4,000,000
Series 2016A Refunding	67,820,000	4% to 5%	05/01/39	53,980,000	2,595,000
Series 2017A Refunding	20,840,000	5%	05/01/40	18,120,000	730,000
Series 2021A	169,780,000	4% to 5%	05/01/51	169,780,000	-
Series 2021B	10,265,000	0.592% to 1.135%	05/01/26	6,790,000	3,475,000
Series 2022A Refunding	14,140,000	5%	05/01/34	12,020,000	910,000
Series 2023A Refunding	20,015,000	5%	05/01/39	18,720,000	1,295,000
Total Higher Education Revenue Bonds				305,450,000	35,205,000
<b>Total Revenue Bonds</b>				<b>499,530,000</b>	<b>42,935,000</b>
Subtotal bonds payable				593,615,000	53,235,000
Plus unamortized bond premiums				107,266,136	6,907,283
<b>Total Bonds Payable</b>				<b>\$ 700,881,136</b>	<b>\$ 60,142,283</b>

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 9 - BONDS AND NOTES PAYABLE, Continued**

The University's currently outstanding debt falls within the following categories:

**State Institution Bonds** - General Obligation State Institution Bonds of the State of South Carolina (the "State Institution Bonds") are issued by the State on behalf of and at the request of the University for any University permanent improvement project and are secured by a pledge of the full faith, credit and taxing power of the State and by a pledge of Tuition Fees (as such term is defined in the State Institution Bond enabling act) designated by the Board of Trustees and collected at the University. State Institution Bonds are subject to a legal debt margin covenant whereby debt service cannot exceed ninety percent of Tuition Fees received in the immediate prior fiscal year. The incurrence of State Institution Bonds is subject to a legal debt margin test that required Tuition Fees for the immediately preceding fiscal year to exceed forecasted maximum annual debt service. The fiscal year 2023 Tuition Fees used to calculate the University's ability to issue additional State Institution Bonds totaled \$34,694,294, which resulted in a legal annual debt service limit for State Institution Bonds issued in 2024 of \$31,224,864. The annual debt service payments for the fiscal year 2024 were \$14,552,144. Tuition Fees in fiscal year 2024 totaled \$34,760,051.

**Higher Education Revenue Bonds and Special Higher Education Revenue Bonds** - The University issues certain revenue bonds under the Higher Education Revenue Bond Act (the "Revenue Bonds"), the proceeds of which finance (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 (issued as "Higher Education Revenue Bonds"), and (B) those academic facilities as may be authorized by joint resolution of the General Assembly (historically issued as "Special Higher Education Revenue Bonds").

The Higher Education Revenue Bonds are payable from and secured by a pledge of (A) certain revenues derived by the University from the operation of the student and faculty housing facilities, parking facilities, and certain other auxiliary facilities from time to time designated by the Board of Trustees (the "Net Revenues") and (B) all available funds and academic fees of the University, less all such revenues which are (i) otherwise designated or restricted, (ii) derived from appropriations received from the General Assembly, (iii) tuition funds pledged to the repayment of State Institution Bonds, or (iv) funds pledged to the payment of the University's Athletic Facilities Revenue Bonds. Net Revenues for fiscal year 2024 were \$38,093,192. The net available funds described in (B) above totaled \$1,003,885,872 in fiscal year 2024.

On July 12, 2023, the University issued \$20,015,000 in Higher Education Revenue Refunding Bonds, Series 2023 to partially refund the University's Higher Education Revenue Bonds, Series 2013. These transactions resulted in net present value savings of \$2,097,881 that will be realized in the form of annual cash flow savings ranging from \$134,000 to \$169,000 per year through 2039.

The Special Higher Education Revenue Bonds are payable from and secured by a pledge of all available funds and academic fees of the University, less all such revenues which are (i) otherwise designated or restricted, (ii) derived from appropriations received from the General Assembly, (iii) tuition funds pledged to the repayment of State Institution Bonds, (iv) funds pledged to the payment of the University's Athletic Facilities Revenue Bonds, or (v) the Net Revenues. Such pledged revenues for fiscal year 2024 were \$1,003,885,872.

**Athletic Facilities Revenue Bonds** - Athletic Facilities Revenue Bonds, the proceeds of which are used by the University for the financing or refinancing of the costs of acquiring, constructing, reconstructing, renovating, or equipping Athletic Facilities. The Athletic Facilities Revenue Bonds are payable from and secured by a pledge of (A) the net revenues of the Athletic Department, (B) the gross receipts from the imposition of the Admissions Fee (as defined in the bond resolution authorizing the Athletic Facilities Revenue Bonds), and (C) the gross receipts from the imposition of the Special Student Fee (as defined in the bond resolution authorizing the Athletic Facilities Revenue Bonds). Pledged revenues for athletic facilities revenue bonds in fiscal year 2024 were \$2,233,051 of special student fees, \$6,543,057 of special admission fees and \$5,537,050 of athletic department revenues.



**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 9 - BONDS AND NOTES PAYABLE, Continued**

The University believes it is in compliance with all related bond covenants of its issued debt.

The scheduled maturities of the University bonds payable by type are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>State Institution Bonds</b>			
2025	\$ 10,355,000	\$ 3,749,393	\$ 14,104,393
2026	10,915,000	3,231,644	14,146,644
2027	7,400,000	2,693,944	10,093,944
2028	7,760,000	2,332,344	10,092,344
2029	8,125,000	1,961,844	10,086,844
2030-2034	37,600,000	5,470,794	43,070,794
2035-2037	11,930,000	616,631	12,546,631
<b>Total</b>	<b>\$ 94,085,000</b>	<b>\$ 20,056,594</b>	<b>\$ 114,141,594</b>

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>Revenue Bonds</b>			
2025	\$ 21,395,000	\$ 23,423,670	\$ 44,818,670
2026	21,520,000	22,495,992	44,015,992
2027	22,615,000	21,575,944	44,190,944
2028	21,340,000	20,466,194	41,806,194
2029	22,400,000	19,419,444	41,819,444
2030-2034	122,490,000	79,539,950	202,029,950
2035-2039	108,400,000	50,497,475	158,897,475
2040-2044	73,440,000	28,154,150	101,594,150
2045-2049	60,980,000	12,545,700	73,525,700
2050-2052	24,950,000	1,638,150	26,588,150
<b>Total</b>	<b>\$ 499,530,000</b>	<b>\$ 279,756,669</b>	<b>\$ 779,286,669</b>

**Notes Payable** – Notes payable, which are all direct borrowings, consisted of the following:

Note payable to acquire energy savings equipment, dated April 2018, payable in annual installments of \$49,399 subject to amount drawn at any given time, matures February 2029, fixed interest rate of 2.00% \$ 232,842

The scheduled maturities of the notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 44,742	\$ 4,657	\$ 49,399
2026	45,637	3,762	49,399
2027	46,550	2,849	49,399
2028	47,481	1,918	49,399
2029	48,432	967	49,399
<b>Total</b>	<b>\$ 232,842</b>	<b>\$ 14,153</b>	<b>\$ 246,995</b>

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 10 - LONG-TERM LIABILITIES**

Long-term liability activity was as follows:

	June 30, 2023	Additions	Reductions	June 30, 2024	Due Within One Year	Long-Term Portion
Bonds Payable:						
State Institution Bonds	\$ 104,385,000	\$ -	\$ 10,300,000	\$ 94,085,000	\$ 10,355,000	\$ 83,730,000
Revenue Bonds	522,450,000	20,015,000	42,935,000	499,530,000	21,395,000	478,135,000
Subtotal Bonds Payable	626,835,000	20,015,000	53,235,000	593,615,000	31,750,000	561,865,000
Unamortized Bond Premiums	111,653,577	2,519,842	6,907,283	107,266,136	5,059,748	102,206,388
Total Bonds Payable	738,488,577	22,534,842	60,142,283	700,881,136	36,809,748	664,071,388
Notes Payable	276,707	-	43,865	232,842	44,742	188,100
<b>Total Bonds and Notes Payable</b>	<b>\$ 738,765,284</b>	<b>\$ 22,534,842</b>	<b>\$ 60,186,148</b>	<b>\$ 701,113,978</b>	<b>\$ 36,854,490</b>	<b>\$ 664,259,488</b>
Lease Obligations	\$ 32,250,255	\$ 7,642,031	\$ 12,559,251	\$ 27,333,035	\$ 5,084,270	\$ 22,248,765
Subscription Obligations	\$ 9,638,611	\$ 13,589,209	\$ 12,229,220	\$ 10,998,600	\$ 4,605,754	\$ 6,392,846
Accrued Compensated Absences	\$ 39,416,656	\$ 33,605,115	\$ 29,806,519	\$ 43,215,252	\$ 33,605,109	\$ 9,610,143

Additional information regarding bonds and notes payable is included in Note 9.

**NOTE 11 - COMPONENT UNITS**

Certain separately chartered legal entities whose activities are related to those of the University exist primarily to provide financial assistance and other support to the University and its educational program. They include the University of South Carolina Development Foundation; the University of South Carolina Educational Foundation; and the University of South Carolina Business Partnership Foundation. These entities are considered nongovernmental component units because they do not meet the definition of a governmental entity. Because the activities and resources of these entities are significant, provide a direct benefit, and are accessible to the University, they are considered component units of the University and are discretely presented in the University's financial statements accordingly as nongovernmental reporting entities. Management performs an annual review of its relationship with these entities to ensure continued compliance with accounting standards.

Following is a more detailed discussion of each of these entities and a summary of significant transactions (if any) between these entities and the University. These component units also hold endowments on behalf of the University, see Note 14 for details.

**Nongovernmental Discretely Presented Component Units**

The University of South Carolina Development Foundation (the Foundation) operates exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the University including, but not limited to, promoting, encouraging, and aiding scientific research and investigation at the University. The University receives funds for incidental administration and operational costs to include personnel provided by the University from the Foundation. The University also pays the Foundation for the lease of real property. Complete financial statements for the Foundation can be obtained at USC Foundations, 1027 Barnwell St. Columbia, SC 29208, Attention: Jason Caskey.

The University of South Carolina Educational Foundation (the Foundation) operates for the benefit and support of the University of South Carolina. Its objectives include the establishment and implementation of long-range fundraising programs to assist in the expansion and improvement of the educational functions of the University. The University receives from the Foundation funds for scholarships, awards and stipends to students, faculty and administrative staff; library collections; incidental administration and operational costs to include personnel provided by the University. Complete financial statements for the Foundation can be obtained at USC Foundations, 1027 Barnwell St. Columbia, SC 29208, Attention: Jason Caskey.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 11 - COMPONENT UNITS, Continued**

The University of South Carolina Business Partnership Foundation (the Foundation) was formed to bring together representatives of business and government to assist in conducting conferences, seminars, and management programs to further the education, development and effectiveness of management personnel in the State and region. The University receives funds for scholarships, reimbursement of personnel services, and other administrative costs from the Foundation. Complete financial statements for the Foundation can be obtained at University of South Carolina Business Partnership Foundation 1014 Green Street, Columbia, SC 29208, Attention: Jean Duke.

Various transactions occur between the University and the component units. A summary of those transactions follows:

**Funds and Assets Received from Component Units**

Development Foundation	\$	17,244,791
Educational Foundation		46,823,902
Business Partnership Foundation		5,696,245
<b>Total</b>	<b>\$</b>	<b>52,520,201</b>

**Funds Paid to Component Units**

Development Foundation	\$	11,953,080
Educational Foundation		227,689
<b>Total</b>	<b>\$</b>	<b>12,180,769</b>

**NOTE 12 - RISK MANAGEMENT**

The University has implemented a comprehensive Enterprise Risk Management (ERM) and Insurance program which incorporates the fundamentals of risk identification, risk assessment, risk treatment, risk monitoring and risk review. Currently, the Columbia campus has established an ERM process using the guidance of International Standards Organization (ISO) 3100-2018 "Risk Management - Guidelines". ISO provides principles, framework and process for managing any form of risk in a systematic, transparent and credible manner. The ERM and Insurance program is committed to: preventing adverse claim experience through training, education and inspection; advising and assisting University managers in identifying potential risks and losses; advising and assisting University managers in implementing controls to mitigate risks; and procuring appropriate insurance policies. The University mitigates the financial consequences of physical, human, and financial loss by purchasing insurance through the State Fiscal Accountability Authority Office of the Insurance Reserve Fund (IRF). As needed, the IRF policies are supplemented by the purchase of policies through the private insurance market. Several sections of the South Carolina Code of Laws authorize and require the State Fiscal Accountability Authority, through the IRF, to provide insurance to governmental entities. These statutes in turn require most state entities to purchase insurance through the IRF. These sections include:

**Title 1 - Administration of Government**, Section 1-11-140 - 141. Authority to provide tort liability insurance to governmental entities, their employees, and charitable medical facilities.

**Title 1 - Administration of Government**: Section 1-11-147. Automobile Liability Reinsurance.

**Title 10 - Public Buildings and Property**: Section 10-7-10 through 10-7-40. Authority to insure public buildings and contents.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 12 - RISK MANAGEMENT, Continued**

**Title 10 - Public Buildings and Property:** Section 10-7-12. Authority to purchase reinsurance.

**Title 10 - Public Buildings and Property:** Section 10-7-130. Authority to hold monies paid as premiums for the purpose of paying Insured losses.

**Title 11 - Public Finance:** Section 11-9-75. Debt Collection Procedures.

**Title 15 - Civil Remedies and Procedures:** Section 15-78-10 through 15-78-150. S.C. Governmental Tort Claims Act. Authority to provide liability insurance.

**Title 38 - Insurance:** Section 38-13-190. Requires South Carolina Insurance Department Audits of Insurance Reserve Fund Finance.

**Title 59 - Education:** Section 59-67-710 & 59-67-790. Authority to insure school buses and pupils transported by school bus.

**Title 59 - Education:** Section 59-67-790. Pupil Injury Fund.

The IRF functions as a governmental insurance operation with the mission to provide insurance specifically designed to meet the needs of governmental entities at the lowest possible cost. The IRF operates like an insurance company, by issuing policies, collecting premiums (based on actuarially calculated rates), and by paying claims from the accumulated premiums in accordance with the terms and conditions of the insurance policies it has issued.

All premiums received by the IRF are deposited with the Office of the State Treasurer where the funds are maintained as the IRF Trust Account. By statutory requirement, these funds are to be used to pay claims and operating expenses of the fund. The Office of the State Treasurer is responsible for investing these funds. The costs of settled claims have not exceeded the University's insurance coverage in any of the past three years.

The IRF uses no agents, brokers, or advertising, and does not actively solicit accounts. The lack of a profit motive and the lack of acquisition expenses such as agents' commissions, along with the use of the investment income in rate determination allow the IRF to maintain the lowest possible rate structure. Not all governmental entities elect to purchase their insurance through the IRF. The South Carolina Tort Claims Act allows political subdivisions of the State access to other mechanisms to meet their insurance needs at their discretion. Some entities participate in other self-insurance pools, some purchase commercial insurance, and some elect to self-insure their insurance exposures.

The various types of insurance policies maintained by the University include: Building and Personal Property, Inland Marine, Ocean Marine, Data Processing Equipment, Business Interruption, Builders' Risk, Automobile, Aircraft, Directors and Officers Liability, General Tort Liability, Cyber Liability, Medical Professional Liability, Employee Crime, and Workers' Compensation.

**UNIVERSITY OF SOUTH CAROLINA**  
**Notes to the Financial Statements**

**NOTE 13 - OPERATING EXPENSES BY FUNCTION**

Operating expenses by functional classification are summarized as follows:

	<u>Salaries and Wages</u>	<u>Fringe Benefits</u>	<u>Services and Supplies</u>	<u>Utilities</u>	<u>Scholarships and Fellowships</u>	<u>Depreciation and Amortization</u>	<u>Total</u>
Instruction	\$ 353,228,901	\$ 136,904,520	\$ 71,005,843	\$ 52,257	\$ 1,812,076	\$ -	\$ 563,003,597
Research	90,186,128	33,279,311	61,539,654	211,968	1,241,200	-	186,458,261
Public service	40,443,087	15,278,176	37,748,448	73,056	839,728	-	94,382,495
Academic support	59,839,604	23,110,126	45,359,247	8,568	28,069	-	128,345,614
Student services	49,943,088	18,890,433	33,807,840	1,644,857	883,081	-	105,169,299
Institutional support	69,105,787	27,918,922	33,482,363	72,702	10,907	-	130,590,681
Operation and plant maintenance	35,783,218	15,543,729	51,691,976	25,584,754	3,945	-	128,607,622
Auxiliary enterprises	74,766,104	24,881,421	108,859,427	12,579,254	2,594,949	-	223,681,155
Scholarships and fellowships	88,443	2,051,205	8,484	-	41,392,300	-	43,540,432
Depreciation and amortization	-	-	-	-	-	118,543,827	118,543,827
Pension and OPEB expense <sup>(1)</sup>	-	(39,850,382)	-	-	-	-	(39,850,382)
<b>Total operating expenses</b>	<b>\$ 773,384,360</b>	<b>\$ 258,007,461</b>	<b>\$ 443,503,282</b>	<b>\$ 40,227,416</b>	<b>\$ 48,806,255</b>	<b>\$ 118,543,827</b>	<b>\$ 1,682,472,601</b>

**NOTE 14 - ENDOWMENTS**

The University's endowment funds consist of the following:

<b>Net Position Classification</b>	<u>True Endowment</u>	<u>Quasi Endowment</u>	<u>Total</u>
Restricted - nonexpendable	\$ 91,291,623	\$ -	\$ 91,291,623
Unrestricted	-	33,492,720	33,492,720
<b>Total</b>	<b>\$ 91,291,623</b>	<b>\$ 33,492,720</b>	<b>\$ 124,784,343</b>
<b>Endowments held by Component Units</b>			
Business Partnership Foundation	\$ 75,788,779	\$ 65,566,168	\$ 141,354,947
Development Foundation	4,070,305	25,671,185	29,741,490
Education Foundation	527,198,144	11,888,340	539,086,484
<b>Total Endowments held by Component Units</b>	<b>\$ 607,057,228</b>	<b>\$ 103,125,693</b>	<b>\$ 710,182,921</b>

At June 30, 2024, \$13,435,898 of the amount reported as *net position, restricted expendable - scholarships, research, instruction and other*, represented cumulative net appreciation of donor-restricted endowments.

**NOTE 15 – SUBSEQUENT EVENTS**

In July 2024, the NCAA filed documents to settle various class-action lawsuits related to back damages and future benefits for Division I (DI) student-athletes. The settlement calls for total back damages of approximately \$2.78 billion to be paid over 10 years by the NCAA, the Power 5 conferences (of which the University is a member), and other DI conferences. In addition, going forward, the settlement allows the Power 5 conference member institutions (and other DI institutions that opt in the new structure) to provide increased benefits to student-athletes.

Currently, the settlement pending the approval of the courts, which could take several months. In addition, there are numerous other unresolved issues (state laws, employee designations, litigation by opposing parties, etc.) that could impact the timing and final results of the settlement. The impact to the University could be significant to the University's Athletic Department, however it is not estimable as of the date of this report.



# **Required Supplementary Information**

**to the Financial Statements**

-This page intentionally left blank-

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of the University's Proportionate Share of the Net Pension Liability**  
**As of June 30**

South Carolina Retirement System (SCRS)							
Fiscal year ended	Measurement period	University's Proportion of the Net Pension Liability	University's Proportionate Share of the Net Pension Liability	University's Covered Payroll During the Measurement Period	University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	
2024	2023	4.210491%	\$ 1,017,988,841	\$ 315,435,878	322.72%	58.60%	
2023	2022	4.177838%	1,012,797,979	300,548,411	336.98%	57.10%	
2022	2021	4.195422%	907,942,876	289,811,289	313.29%	60.70%	
2021	2020	4.271173%	1,091,360,231	290,807,945	375.29%	50.70%	
2020	2019	4.310566%	984,280,973	282,920,119	347.90%	54.40%	
2019	2018	4.290247%	961,307,644	282,488,211	340.30%	54.10%	
2018	2017	4.167883%	938,282,339	279,360,816	335.87%	53.30%	
2017	2016	4.057192%	866,637,424	266,242,277	325.51%	52.91%	
2016	2015	4.074340%	772,745,350	259,539,897	297.74%	56.99%	
2015	2014	4.086408%	703,562,633	254,916,138	276.00%	59.92%	
2014	2013	4.086408%	732,955,826	250,774,743	292.28%	56.39%	

Police Officers Retirement System (PORS)							
Fiscal year ended	Measurement period	University's Proportion of the Net Pension Liability	University's Proportionate Share of the Net Pension Liability	University's Covered Payroll During the Measurement Period	University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	
2024	2023	0.507275%	\$ 15,441,938	\$ 8,751,668	176.45%	67.80%	
2023	2022	0.520683%	15,615,187	8,119,977	192.31%	66.40%	
2022	2021	0.498057%	12,814,574	7,495,728	170.96%	70.40%	
2021	2020	0.560656%	18,592,551	8,427,441	220.62%	58.80%	
2020	2019	0.586371%	16,805,038	8,569,379	196.11%	62.70%	
2019	2018	0.565259%	16,016,847	7,928,895	202.01%	61.70%	
2018	2017	0.542530%	14,862,802	7,291,336	203.84%	60.90%	
2017	2016	0.516784%	13,108,096	6,589,396	198.93%	60.44%	
2016	2015	0.523020%	11,399,093	6,497,348	175.44%	64.57%	
2015	2014	0.527400%	10,102,838	6,360,804	158.83%	67.55%	
2014	2013	0.527400%	10,932,795	5,934,668	184.22%	62.98%	



**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of the University's Contributions**  
**Related to the Pension Liability**  
**For the Years Ended June 30**

<b>South Carolina Retirement System (SCRS)</b>						
<b>For the Year</b>	<b>Contractually Required Contribution</b>	<b>Contributions Made to Pension Plan</b>	<b>Contribution Deficiency (Excess)</b>	<b>University's Covered Payroll</b>	<b>Contributions as a Portion of Covered Payroll</b>	
2024	\$ 101,437,735	\$ 101,437,735	-	\$ 350,990,743	28.90%	
2023	85,786,862	85,786,862	-	315,435,878	27.20%	
2022	77,400,097	77,400,097	-	300,548,411	25.75%	
2021	69,466,008	69,466,008	-	289,811,289	23.97%	
2020	69,325,682	69,325,682	-	290,807,945	23.84%	
2019	61,758,365	61,758,365	-	282,920,119	21.83%	
2018	55,930,269	55,930,269	-	282,488,211	19.80%	
2017	48,557,480	48,557,480	-	279,360,816	17.38%	
2016	43,476,291	43,476,291	-	266,242,277	16.33%	
2015	41,640,003	41,640,003	-	259,539,897	16.04%	
2014	39,325,215	39,325,215	-	254,916,138	15.43%	

<b>Police Officers Retirement System (PORS)</b>						
<b>For the Year</b>	<b>Contractually Required Contribution</b>	<b>Contributions Made to Pension Plan</b>	<b>Contribution Deficiency (Excess)</b>	<b>University's Covered Payroll</b>	<b>Contributions as a Portion of Covered Payroll</b>	
2024	\$ 1,947,812	\$ 1,947,812	-	\$ 9,522,092	20.46%	
2023	1,673,352	1,673,352	-	8,751,668	19.12%	
2022	1,488,776	1,488,776	-	8,119,977	18.33%	
2021	1,295,723	1,295,723	-	7,495,728	17.29%	
2020	1,435,502	1,435,502	-	8,427,441	17.03%	
2019	1,397,134	1,397,134	-	8,569,379	16.30%	
2018	1,275,284	1,275,284	-	7,928,895	16.08%	
2017	1,038,286	1,038,286	-	7,291,336	14.24%	
2016	905,383	905,383	-	6,589,396	13.74%	
2015	868,899	868,899	-	6,497,348	13.37%	
2014	814,472	814,472	-	6,360,804	12.80%	

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of the University's Proportionate Share of the Net OPEB Liability**  
**As of June 30**

South Carolina Retiree Health Insurance Trust Fund (SCRHITF)						
Fiscal year ended	Measurement period	University's Proportion of the Net OPEB Liability	University's Proportionate Share of the Net OPEB Liability	University's Covered Payroll During the Measurement Period	University's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	2023	5.960461%	\$ 780,312,925	\$ 614,797,607	126.92%	11.24%
2023	2022	5.973072%	908,614,227	589,814,785	154.05%	9.64%
2022	2021	6.085095%	1,267,110,762	572,159,591	221.46%	7.48%
2021	2020	6.190479%	1,117,472,077	573,447,183	194.87%	8.39%
2020	2019	6.338839%	958,529,395	555,380,041	172.59%	8.44%
2019	2018	6.456708%	914,953,998	548,356,852	166.85%	7.91%
2018	2017	6.339136%	858,625,715	535,242,866	160.42%	7.60%
2017	2016	6.339136%	917,186,333	506,294,863	181.16%	7.60%

This schedule is intended to show ten years of comparative data. Additional years will be added to the schedule as they become available. The SCLTDITF is considered immaterial and is not included in the University financial statements.

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of the University's Contributions**  
**Related to the OPEB Liability**  
**For the Years Ended June 30**

<b>South Carolina Retiree Health Insurance Trust Fund (SCRHITF)</b>						
<b>For the Year</b>	<b>Contractually Required Contribution</b>	<b>Contributions Made to Plan</b>	<b>Contribution Deficiency (Excess)</b>	<b>University's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>	
2024	\$ 42,989,574	\$ 42,989,574	\$ -	\$ 673,958,954	6.38%	
2023	38,650,584	38,650,584	-	614,797,607	6.29%	
2022	37,060,640	37,060,640	-	589,814,785	6.28%	
2021	35,137,694	35,137,694	-	572,159,591	6.14%	
2020	33,341,800	33,341,800	-	573,447,183	5.81%	
2019	33,499,169	33,499,169	-	555,380,041	6.03%	
2018	29,477,021	29,477,021	-	548,356,852	5.38%	
2017	28,528,445	28,528,445	-	535,242,866	5.33%	

This schedule is intended to show ten years of comparative data. Additional years will be added to the schedule as they become available. The SCLTDITF is considered immaterial and is not included in the University financial statements.



# **Supplementary Information**

**to the Financial Statements**

-This page intentionally left blank-

**UNIVERSITY OF SOUTH CAROLINA**  
**Combining Schedule of Net Position**  
**As of June 30, 2024**

	Aiken	Beaufort	Upstate	Columbia and Regionals <sup>(1)</sup>	University Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 29,362,040	\$ 17,438,725	\$ 57,325,352	\$ 1,006,412,067	\$ 1,110,538,184
Restricted - cash and cash equivalents	16,613,690	28,359,646	53,656,614	417,594,306	516,224,256
Accounts receivable, net	4,756,409	10,592,006	2,840,435	89,502,426	107,691,276
Inventories	-	-	540,847	2,126,665	2,667,512
Prepaid items	-	96,458	-	1,587,002	1,683,460
Funds due from others	-	-	112,036	1,436,715	1,548,751
Total current assets	<u>50,732,139</u>	<u>56,486,835</u>	<u>114,475,284</u>	<u>1,518,659,181</u>	<u>1,740,353,439</u>
Noncurrent assets:					
Restricted - cash and cash equivalents	297,047	79,000	150,922	87,538,164	88,065,133
Investments	-	-	-	4,957,294	4,957,294
Accounts receivable	394,000	6,250,000	-	81,353,605	87,997,605
Prepaid items	-	-	-	1,200,000	1,200,000
Restricted - federal student loans receivable	81,156	-	310,579	4,633,182	5,024,917
Capital assets, net	62,222,864	50,322,643	69,463,825	1,441,659,546	1,623,668,878
Other assets	-	-	-	1,468,063	1,468,063
Total noncurrent assets	<u>62,995,067</u>	<u>56,651,643</u>	<u>69,925,326</u>	<u>1,622,809,854</u>	<u>1,812,381,890</u>
Total assets	<u>113,727,206</u>	<u>113,138,478</u>	<u>184,400,610</u>	<u>3,141,469,035</u>	<u>3,552,735,329</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on debt refunding	946,258	-	794,921	9,607,621	11,348,800
Deferred outflows related to net OPEB liability	9,349,973	6,360,237	15,210,902	193,162,174	224,083,286
Deferred outflows related to net pension liability	5,863,593	3,533,120	10,682,691	123,433,197	143,512,601
Total deferred outflows of resources	<u>16,159,824</u>	<u>9,893,357</u>	<u>26,688,514</u>	<u>326,202,992</u>	<u>378,944,687</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	217,965	214,086	107,317	27,758,059	28,297,427
Retainage payable	117,704	10,014	195,839	1,177,139	1,500,696
Accrued interest payable	122,671	12,840	197,421	4,810,469	5,143,401
Accrued payroll and related liabilities	826,687	654,602	1,263,372	38,223,099	40,967,760
Accrued compensated absences - current portion	1,017,585	744,635	1,636,026	30,206,863	33,605,109
Lease and subscription obligations - current portion	79,068	34,013	1,113,747	8,463,196	9,690,024
Bonds and notes payable - current portion	2,247,515	200,765	2,773,570	31,632,640	36,854,490
Unearned revenues	479,227	1,257,001	914,329	60,589,295	63,239,852
Deposits	331,408	76,106	82,650	2,229,914	2,720,078
Other liabilities	5,483	-	2,675	862,781	870,939
Funds held for others	95,902	919,455	-	6,733,472	7,748,829
Total current liabilities	<u>5,541,215</u>	<u>4,123,517</u>	<u>8,286,946</u>	<u>212,686,927</u>	<u>230,638,605</u>
Noncurrent liabilities:					
Accrued compensated absences	269,677	173,654	382,772	8,784,040	9,610,143
Federal loan liability	121,893	-	296,186	5,285,250	5,703,329
Lease and subscription obligations	360,388	4,865	5,422,871	22,853,487	28,641,611
Bonds and notes payable	13,990,059	1,261,234	29,048,912	619,959,283	664,259,488
Net OPEB liability	31,145,640	21,178,983	52,682,905	675,305,397	780,312,925
Net pension liability	46,755,140	25,306,945	84,610,213	876,758,481	1,033,430,779
Total noncurrent liabilities	<u>92,642,797</u>	<u>47,925,681</u>	<u>172,443,859</u>	<u>2,208,945,938</u>	<u>2,521,958,275</u>
Total liabilities	<u>98,184,012</u>	<u>52,049,198</u>	<u>180,730,805</u>	<u>2,421,632,865</u>	<u>2,752,596,880</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred gain on debt refunding	-	-	-	10,388,883	10,388,883
Deferred inflows related to leases	-	-	-	51,576,056	51,576,056
Deferred inflows related to public private partnerships	-	-	23,753	28,075,446	28,099,199
Deferred inflows related to net OPEB liability	19,119,489	13,463,829	29,673,193	406,968,457	469,224,968
Deferred inflows related to net pension liability	676,995	289,317	1,647,865	8,728,678	11,342,855
Total deferred inflows of resources	<u>19,796,484</u>	<u>13,753,146</u>	<u>31,344,811</u>	<u>505,737,520</u>	<u>570,631,961</u>
<b>NET POSITION</b>					
Net investment in capital assets	46,432,244	48,813,351	31,886,304	770,903,485	898,035,384
Restricted for:					
Nonexpendable	267,871	79,000	105,000	90,839,752	91,291,623
Expendable	20,756,458	44,084,539	54,128,878	444,949,873	563,919,748
Unrestricted	<u>(55,550,039)</u>	<u>(35,747,399)</u>	<u>(87,106,674)</u>	<u>(766,391,468)</u>	<u>(944,795,580)</u>
<b>Total net position</b>	<b><u>\$ 11,906,534</u></b>	<b><u>\$ 57,229,491</u></b>	<b><u>\$ (986,492)</u></b>	<b><u>\$ 540,301,642</u></b>	<b><u>\$ 608,451,175</u></b>

<sup>(1)</sup> Columbia and Regionals is composed of the Columbia campus, including the School of Medicine with locations in Columbia and Greenville, as well as Lancaster, Salkehatchie, Sumter and Union campuses.

**UNIVERSITY OF SOUTH CAROLINA**  
**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
**For the year ended June 30, 2024**

	<u>Aiken</u>	<u>Beaufort</u>	<u>Upstate</u>	<u>Columbia and Regionals <sup>(1)</sup></u>	<u>University Total</u>
<b>OPERATING REVENUES</b>					
Student tuition and fees	\$ 35,620,446	\$ 23,748,901	\$ 50,143,962	\$ 833,184,890	\$ 942,698,199
Less: scholarship allowance	(16,916,582)	(12,422,805)	(27,532,420)	(305,000,827)	(361,872,634)
Federal grants and contracts	2,885,933	3,183,284	3,138,482	180,758,367	189,966,066
State grants and contracts	9,130,242	5,423,607	13,826,732	134,819,717	163,200,298
Local grants and contracts	6,826	532,452	27,692	718,401	1,285,371
Nongovernmental grants and contracts	38,027	75,959	156,380	62,074,394	62,344,760
Sales and services of educational and other activities	1,936,577	1,045,387	2,798,028	31,202,607	36,982,599
Sales and services of auxiliary enterprises	4,574,827	16,276	7,338,621	222,612,050	234,541,774
Less: scholarship allowance	(1,189,762)	-	(1,173,095)	(7,501,755)	(9,864,612)
Interest collected on student loans	3,449	-	2,947	129,317	135,713
Other fees	187,187	85,741	352,091	18,503,755	19,128,774
Other operating revenues	335,058	10,562	267,596	2,718,679	3,331,895
Total operating revenues	<u>36,612,228</u>	<u>21,699,364</u>	<u>49,347,016</u>	<u>1,174,219,595</u>	<u>1,281,878,203</u>
<b>OPERATING EXPENSES</b>					
Salaries and wages	30,327,395	20,780,589	46,537,311	675,739,065	773,384,360
Fringe benefits	11,025,065	7,350,305	16,772,883	222,859,208	258,007,461
Services and supplies	21,873,360	10,025,315	25,052,137	386,552,470	443,503,282
Utilities	2,335,162	1,137,802	2,242,623	34,511,829	40,227,416
Scholarships and fellowships	3,151,285	2,818,116	3,980,246	38,856,608	48,806,255
Depreciation and amortization expense	3,630,221	2,154,472	7,043,648	105,715,486	118,543,827
Total operating expenses	<u>72,342,488</u>	<u>44,266,599</u>	<u>101,628,848</u>	<u>1,464,234,666</u>	<u>1,682,472,601</u>
Operating loss	<u>(35,730,260)</u>	<u>(22,567,235)</u>	<u>(52,281,832)</u>	<u>(290,015,071)</u>	<u>(400,594,398)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
State appropriations	23,332,548	14,524,366	31,626,768	358,647,737	428,131,419
Local appropriations	216,325	837,240	-	2,281,133	3,334,698
Federal grants	7,311,157	4,811,772	11,959,503	36,997,026	61,079,458
Gifts	1,587,439	893,664	1,004,536	56,325,902	59,811,541
Investment income (loss)	151,213	117,736	664,742	19,047,588	19,981,279
Endowment income (loss)	13,290	2,094	2,784	4,387,716	4,405,884
Loss on disposal of capital assets	(16,990)	(5,000)	(32,811)	(5,221,458)	(5,276,259)
Interest on capital asset related debt	(497,023)	(28,778)	(1,412,409)	(25,425,376)	(27,363,586)
Net nonoperating revenues	<u>32,097,959</u>	<u>21,153,094</u>	<u>43,813,113</u>	<u>447,040,268</u>	<u>544,104,434</u>
Income (loss) before other revenues	<u>(3,632,301)</u>	<u>(1,414,141)</u>	<u>(8,468,719)</u>	<u>157,025,197</u>	<u>143,510,036</u>
State capital appropriations	4,600,000	10,000,000	13,512,657	60,350,002	88,462,659
Capital grants and gifts	251,565	-	2,686,284	47,659,030	50,596,879
Additions to permanent endowments	-	-	-	4,436,577	4,436,577
Transfers (to) from other campuses, net	424,433	422,104	814,998	(1,661,535)	-
Change in net position	<u>1,643,697</u>	<u>9,007,963</u>	<u>8,545,220</u>	<u>267,809,271</u>	<u>287,006,151</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>10,262,837</u>	<u>48,221,528</u>	<u>(9,531,712)</u>	<u>272,492,371</u>	<u>321,445,024</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 11,906,534</u>	<u>\$ 57,229,491</u>	<u>\$ (986,492)</u>	<u>\$ 540,301,642</u>	<u>\$ 608,451,175</u>

(1) Columbia and Regionals is composed of the Columbia campus, including the School of Medicine with locations in Columbia and Greenville, as well as Lancaster, Salkehatchie, Sumter and Union campuses.



# Statistical Section

(Unaudited)



-This page intentionally left blank-

## **UNIVERSITY OF SOUTH CAROLINA Statistical Section**

---

This section of the University of South Carolina Annual Comprehensive Financial Report presents detailed data as context for understanding and analyzing the information provided in the financial statements, note disclosures and required supplementary information. This supporting documentation conveys a broad perspective on the University's and State of South Carolina's financial condition.

### **Financial Trends**

**89-93**

These schedules contain trend information to help the reader understand how the University's financial performance has changed over time.

- Schedule of Revenues By Source
- Schedule of Expenses By Use
- Schedule of Expenses By Function
- Schedule of Net Position and Changes in Net Position

### **Debt Capacity**

**94-95**

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

- Schedule of Ratios of Outstanding Debt
- Schedule of Bond Coverage

### **Operating Information**

**97-103**

These schedules contain information about the University's operations and resources to help the reader understand how the University's financial information relates to the services it provides.

- Schedule of Capital Asset Information
- Schedule of Enrollment Statistics
- Schedule of Degree Data
- Schedule of Admissions Statistics
- Faculty and Staff Statistics
- Undergraduate Required Tuition and Fees – Resident
- Undergraduate Required Tuition and Fees – Nonresident

### **Demographic and Economic Information**

**104-105**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the University's financial activities take place and to help make comparisons over time.

- State of South Carolina Demographic Statistics
- State of South Carolina Ten Largest Employers

Sources: Unless otherwise noted, the information in these schedules is derived from the Financial Statements for the relevant years.

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of Revenues By Source**

*(amounts expressed in thousands)*

For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues</b>										
Student tuition and fees (net of scholarship allowances)	\$ 580,826	\$ 555,057	\$ 556,638	\$ 571,615	\$ 584,675	\$ 572,919	\$ 552,222	\$ 520,904	\$ 481,768	\$ 448,058
Federal grants and contracts	189,966	162,993	145,812	149,735	155,869	140,512	126,683	107,649	136,661	138,914
State grants and contracts	163,200	160,675	154,184	134,160	127,858	123,753	119,391	123,775	93,079	87,638
Local grants and contracts	1,286	2,524	1,027	1,221	1,117	1,525	1,163	1,278	1,365	1,208
Nongovernmental grants and contracts	62,344	54,223	68,952	54,234	39,626	47,496	42,396	39,518	32,854	36,704
Sales and services of educational and other activities	36,983	34,599	33,045	22,452	32,717	33,955	30,077	33,535	32,837	30,902
Sales and services of auxiliary enterprises (net of scholarship allowances)	224,677	205,530	189,453	174,981	170,329	186,678	186,207	168,127	161,143	146,693
Interest collected on student loans	135	144	202	277	324	342	297	271	295	305
Other fees	19,129	15,275	13,768	8,419	14,264	13,441	11,569	10,946	9,778	9,850
Other operating revenues	3,332	8,104	6,714	5,094	5,710	7,481	3,098	2,466	5,240	3,980
<b>Total Operating Revenues</b>	<b>1,281,878</b>	<b>1,199,124</b>	<b>1,169,795</b>	<b>1,122,188</b>	<b>1,132,489</b>	<b>1,128,102</b>	<b>1,073,103</b>	<b>1,008,469</b>	<b>955,020</b>	<b>904,252</b>
State and local appropriations	431,466	293,184	229,088	206,150	201,725	175,649	163,371	158,735	149,059	147,512
Federal grants	61,079	66,334	158,559	166,710	56,030	57,831	57,365	50,127	52,293	52,452
Gifts	59,812	56,075	50,382	31,762	45,065	47,750	55,519	53,891	42,160	45,548
Investment income (loss)	19,981	10,693	(15,730)	5,809	11,944	11,260	4,184	2,533	3,641	2,630
Endowment income (loss)	4,406	142	(17,498)	(939)	14,611	13,550	(180)	2,897	6,862	3,144
Other nonoperating revenues	-	-	-	-	-	-	-	-	-	31,500
Gain on disposal of capital assets	-	-	-	1,568	-	587	-	-	-	-
<b>Total Nonoperating Revenues</b>	<b>576,744</b>	<b>426,428</b>	<b>404,801</b>	<b>411,060</b>	<b>329,375</b>	<b>306,627</b>	<b>280,259</b>	<b>268,183</b>	<b>254,015</b>	<b>282,786</b>
<b>Total Revenues</b>	<b>\$ 1,858,622</b>	<b>\$ 1,625,552</b>	<b>\$ 1,574,596</b>	<b>\$ 1,533,248</b>	<b>\$ 1,461,864</b>	<b>\$ 1,434,729</b>	<b>\$ 1,353,362</b>	<b>\$ 1,276,652</b>	<b>\$ 1,209,035</b>	<b>\$ 1,187,038</b>

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of Revenues By Source**

	<i>(percent of total revenues)</i>									
For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues</b>										
Student tuition and fees (net of scholarship allowances)	33%	35%	36%	38%	39%	40%	41%	41%	40%	38%
Federal grants and contracts	10%	10%	9%	10%	11%	10%	9%	8%	11%	12%
State grants and contracts	9%	10%	10%	9%	9%	9%	9%	10%	8%	7%
Local grants and contracts	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Nongovernmental grants and contracts	3%	3%	4%	4%	3%	3%	3%	3%	3%	3%
Sales and services of educational and other activities	2%	2%	2%	1%	2%	2%	2%	3%	3%	3%
Sales and services of auxiliary enterprises (net of scholarship allowances)	12%	13%	12%	11%	12%	13%	14%	13%	13%	12%
Interest collected on student loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other fees	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Other operating revenues	0%	0%	0%	0%	0%	1%	0%	1%	1%	0%
<b>Total Operating Revenues</b>	<b>70%</b>	<b>74%</b>	<b>74%</b>	<b>74%</b>	<b>77%</b>	<b>79%</b>	<b>79%</b>	<b>80%</b>	<b>80%</b>	<b>76%</b>
State appropriations	23%	18%	15%	13%	14%	12%	12%	12%	12%	13%
Federal grants	3%	4%	10%	11%	4%	4%	4%	4%	4%	4%
Gifts	3%	3%	3%	2%	3%	3%	4%	4%	3%	4%
Investment income	1%	1%	-1%	0%	1%	1%	1%	0%	0%	0%
Endowment income (loss)	0%	0%	-1%	0%	1%	1%	0%	0%	1%	0%
Other nonoperating revenues	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
Gain on disposal of capital assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total Nonoperating Revenues</b>	<b>30%</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>	<b>23%</b>	<b>21%</b>	<b>21%</b>	<b>20%</b>	<b>20%</b>	<b>24%</b>
<b>Total Revenues</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

06

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of Expenses By Use**

*(amounts expressed in thousands)*

For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Expenses</b>										
Salaries and fringe benefits	\$ 1,031,392	\$ 968,875	\$ 952,574	\$ 983,888	\$ 949,028	\$ 896,681	\$ 857,594	\$ 820,418	\$ 770,921	\$ 736,540
Services and supplies	443,503	406,767	391,910	305,116	339,933	344,703	311,223	292,965	278,641	269,855
Utilities	40,227	37,118	35,410	29,561	29,955	31,069	37,641	34,715	34,526	34,936
Scholarships and fellowships	48,806	43,802	91,560	58,983	51,310	34,130	29,604	28,177	21,756	17,952
Depreciation and amortization	118,545	93,689	85,718	79,124	77,438	71,611	68,990	65,473	60,566	66,354
Total Operating Expenses	<u>1,682,473</u>	<u>1,550,251</u>	<u>1,557,172</u>	<u>1,456,672</u>	<u>1,447,664</u>	<u>1,378,194</u>	<u>1,305,052</u>	<u>1,241,748</u>	<u>1,166,410</u>	<u>1,125,637</u>
Loss on disposal of capital assets	5,276	1,266	421	-	928	-	2,258	12,489	136	2,249
Interest on capital asset related debt	27,364	26,701	26,243	12,871	14,859	14,517	15,662	18,691	23,881	22,178
Total Nonoperating Expenses	<u>32,640</u>	<u>27,967</u>	<u>26,664</u>	<u>12,871</u>	<u>15,787</u>	<u>14,517</u>	<u>17,920</u>	<u>31,180</u>	<u>24,017</u>	<u>24,427</u>
<b>Total Expenses</b>	<b><u>\$ 1,715,113</u></b>	<b><u>\$ 1,578,218</u></b>	<b><u>\$ 1,583,836</u></b>	<b><u>\$ 1,469,543</u></b>	<b><u>\$ 1,463,451</u></b>	<b><u>\$ 1,392,711</u></b>	<b><u>\$ 1,322,972</u></b>	<b><u>\$ 1,272,928</u></b>	<b><u>\$ 1,190,427</u></b>	<b><u>\$ 1,150,064</u></b>

*(percent of total expenses)*

For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Expenses</b>										
Salaries and fringe benefits	60%	61%	60%	67%	65%	65%	65%	64%	65%	64%
Services and supplies	26%	26%	25%	21%	23%	25%	24%	23%	23%	23%
Utilities	2%	2%	2%	2%	2%	2%	3%	3%	3%	3%
Scholarships and fellowships	3%	3%	6%	4%	4%	2%	2%	2%	2%	2%
Depreciation and amortization	7%	6%	5%	5%	5%	5%	5%	5%	5%	6%
Total Operating Expenses	<u>98%</u>	<u>98%</u>	<u>98%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>97%</u>	<u>98%</u>	<u>98%</u>
Loss on disposal of capital assets	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%
Interest on capital asset related debt	2%	2%	2%	1%	1%	1%	1%	2%	2%	2%
Total Nonoperating Expenses	<u>2%</u>	<u>2%</u>	<u>2%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>3%</u>	<u>2%</u>	<u>2%</u>
<b>Total Expenses</b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of Expenses By Function**

*(amounts expressed in thousands)*

For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Expenses</b>										
Instruction	\$ 563,004	\$ 518,896	\$ 490,524	\$ 454,054	\$ 466,159	\$ 458,854	\$ 450,545	\$ 433,832	\$ 390,960	\$ 371,938
Research	186,458	164,334	150,321	137,096	137,550	145,706	131,526	134,846	121,960	121,913
Public service	94,382	78,335	78,648	80,820	72,951	59,528	65,851	63,819	66,361	64,519
Academic support	128,346	124,155	114,380	108,678	114,668	100,798	92,241	89,217	88,993	96,061
Student services	105,169	95,751	84,782	73,130	81,230	81,363	76,840	75,956	70,329	72,617
Institutional support	130,591	120,470	111,374	89,269	93,853	87,384	99,244	94,108	85,436	71,061
Operation and plant maintenance	128,608	118,715	121,604	106,374	110,938	108,980	126,394	119,293	119,626	104,374
Auxiliary enterprises	223,681	194,376	183,570	163,930	163,825	167,468	166,188	139,660	142,146	138,552
Scholarships and fellowships	43,540	38,377	81,837	55,531	48,087	30,578	27,233	25,544	20,033	18,248
Depreciation and amortization	118,545	93,689	85,718	79,124	77,438	71,611	68,990	65,473	60,566	66,354
Loss on disposal of capital assets	5,276	1,266	421	-	928	-	2,258	12,489	136	2,249
Interest on capital debt	27,364	26,701	26,243	12,871	14,859	14,517	15,662	18,691	23,881	22,178
Pension and OPEB expense	(39,851)	3,153	54,414	108,666	80,965	65,924	-	-	-	-
<b>Total Expenses</b>	<b>\$ 1,715,113</b>	<b>\$ 1,578,218</b>	<b>\$ 1,583,836</b>	<b>\$ 1,469,543</b>	<b>\$ 1,463,451</b>	<b>\$ 1,392,711</b>	<b>\$ 1,322,972</b>	<b>\$ 1,272,928</b>	<b>\$ 1,190,427</b>	<b>\$ 1,150,064</b>

*(percent of total expenses)*

For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Expenses</b>										
Instruction	33%	33%	31%	31%	32%	34%	34%	34%	33%	32%
Research	11%	10%	10%	10%	9%	10%	10%	11%	10%	11%
Public service	5%	5%	5%	5%	5%	4%	5%	5%	6%	6%
Academic support	7%	8%	7%	8%	8%	7%	7%	7%	7%	8%
Student services	6%	6%	5%	5%	6%	6%	6%	6%	6%	6%
Institutional support	8%	8%	7%	6%	6%	6%	7%	7%	7%	6%
Operation and plant maintenance	7%	8%	8%	7%	8%	8%	10%	9%	10%	9%
Auxiliary enterprises	13%	12%	12%	11%	11%	12%	13%	11%	12%	12%
Scholarships and fellowships	3%	2%	5%	4%	3%	2%	2%	3%	2%	2%
Depreciation and amortization	7%	6%	5%	5%	5%	5%	5%	5%	5%	6%
Loss on disposal of capital assets	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%
Interest on capital debt	2%	2%	2%	1%	1%	1%	1%	1%	2%	2%
Pension and OPEB expense	-2%	0%	3%	7%	6%	5%	0%	0%	0%	0%
<b>Total Expenses</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of Net Position and Changes in Net Position**

*(amounts expressed in thousands)*

For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total revenues (from schedule of revenues by source)	\$ 1,858,622	\$ 1,625,552	\$ 1,574,596	\$ 1,533,248	\$ 1,461,864	\$ 1,434,729	\$ 1,353,362	\$ 1,276,652	\$ 1,209,035	\$ 1,187,038
Total expenses (from schedule of expenses by use and function)	(1,715,113)	(1,578,218)	(1,583,836)	(1,469,543)	(1,463,451)	(1,392,711)	(1,322,972)	(1,272,928)	(1,190,427)	(1,150,064)
Income (loss) before other revenues, and transfers	143,509	47,334	(9,240)	63,705	(1,587)	42,018	30,390	3,724	18,608	36,974
State capital appropriations	88,463	114,350	146,998	6,567	20,397	11,069	272	3,153	23,681	8,175
Capital grants and gifts	50,597	9,112	6,786	6,241	8,710	20,184	27,070	14,717	3,466	26,654
Additions to permanent endowments	4,437	254	424	1,643	53	477	3,567	2,000	361	2,970
<b>Total changes in net position</b>	<b>287,006</b>	<b>171,050</b>	<b>144,968</b>	<b>78,156</b>	<b>27,573</b>	<b>73,748</b>	<b>61,299</b>	<b>23,594</b>	<b>46,116</b>	<b>74,773</b>
Net position, beginning, as originally stated	321,445	150,395	5,427	(72,729)	(100,302)	(174,050)	695,371	671,777	625,661	1,254,637
Restatement	-	-	-	-	-	-	(930,720)	-	-	(703,749)
Net position, beginning, as restated	321,445	150,395	5,427	(72,729)	(100,302)	(174,050)	(235,349)	671,777	625,661	550,888
<b>Net Position, Ending</b>	<b>608,451</b>	<b>321,445</b>	<b>150,395</b>	<b>5,427</b>	<b>\$ (72,729)</b>	<b>\$ (100,302)</b>	<b>\$ (174,050)</b>	<b>\$ 695,371</b>	<b>\$ 671,777</b>	<b>\$ 625,661</b>
Net investment in capital assets	898,035	844,709	854,603	879,382	\$ 869,496	\$ 855,079	\$ 817,715	\$ 776,825	\$ 757,731	\$ 747,327
Restricted - nonexpendable	91,292	87,653	87,255	87,801	85,738	86,795	85,425	84,984	82,789	82,077
Restricted - expendable	563,920	446,306	309,704	240,046	160,681	168,324	135,216	132,300	140,036	129,704
Unrestricted	(944,796)	(1,057,223)	(1,101,167)	(1,201,802)	(1,188,644)	(1,210,500)	(1,212,406)	(298,738)	(308,779)	(333,447)
<b>Total</b>	<b>\$ 608,451</b>	<b>\$ 321,445</b>	<b>\$ 150,395</b>	<b>\$ 5,427</b>	<b>\$ (72,729)</b>	<b>\$ (100,302)</b>	<b>\$ (174,050)</b>	<b>\$ 695,371</b>	<b>\$ 671,777</b>	<b>\$ 625,661</b>

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of Ratios of Outstanding Debt**

*(amounts expressed in thousands except for the FTE students and outstanding debt per student)*

For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
State institution bonds	\$ 94,085	\$ 104,385	\$ 115,320	\$ 128,040	\$ 143,020	\$ 154,920	\$ 166,955	\$ 138,660	\$ 147,990	\$ 159,830
Revenue bonds	340,650	358,200	369,800	390,310	221,260	232,150	242,540	254,820	272,520	280,065
Athletic facilities revenue bonds	158,880	164,250	169,360	162,830	167,545	173,600	178,200	186,280	151,270	154,750
Subtotal Bonds Payable	593,615	626,835	654,480	681,180	531,825	560,670	587,695	579,760	571,780	594,645
Unamortized bond premiums	107,266	111,654	116,903	116,798	71,820	76,579	80,114	67,828	48,022	43,472
Unamortized bond discounts	-	-	-	(142)	(155)	(168)	(180)	(542)	(571)	(600)
Total Bonds Payable	700,881	738,489	771,383	797,836	603,490	637,081	667,629	647,046	619,231	637,517
Notes payable	233	277	320	362	403	493	98	144	190	265
Lease and subscription obligation	38,332	41,889	39,312	1,828	1,395	976	743	396	14,824	15,845
<b>Total Outstanding Debt</b>	<b>\$ 739,446</b>	<b>\$ 780,655</b>	<b>\$ 811,015</b>	<b>\$ 800,026</b>	<b>\$ 605,288</b>	<b>\$ 638,550</b>	<b>\$ 668,470</b>	<b>\$ 647,586</b>	<b>\$ 634,245</b>	<b>\$ 653,627</b>
Full Time Equivalent Students	47,242	45,552	45,633	46,568	46,727	46,067	45,641	44,646	44,229	43,167
Outstanding Debt per Student	\$ 15,652	\$ 17,138	\$ 17,773	\$ 17,180	\$ 12,954	\$ 13,861	\$ 14,646	\$ 14,505	\$ 14,340	\$ 15,142

Note: Outstanding debt per student calculated using Fall semester full-time equivalent student enrollment data for the last ten academic years.

Source: USC annual Bond Indebtedness Reports, annual Reports on Financial Statements, and Office of Institutional Research, Assessment and Analytics



**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of Bond Coverage**  
*(amounts expressed in thousands)*

**State Institution Bonds**

Fiscal Year Ended June 30,	Tuition Fees <sup>(1)</sup>	Debt Service Requirements			Tuition Fees Coverage Ratio
		Principal	Interest	Total	
2024	\$ 34,760	\$ 10,300	\$ 4,252	\$ 14,552	2.39
2023	34,694	10,935	4,766	15,701	2.21
2022	34,713	12,720	5,402	18,122	1.92
2021	35,404	12,335	5,878	18,213	1.94
2020	35,492	11,900	6,588	18,488	1.92
2019	35,092	11,390	7,178	18,568	1.89
2018	34,643	11,155	7,296	18,451	1.88
2017	32,251	9,330	6,351	15,681	2.06
2016	31,865	11,840	6,525	18,365	1.74
2015	30,034	9,395	5,259	14,654	2.05

**Higher Education Revenue Bonds**

Fiscal Year Ended June 30,	Revenues <sup>(2)</sup>	Operating Expenses	Net Revenues <sup>(2)</sup>	Additional Funds <sup>(2)</sup>	Debt Service Requirements			Net Revenues Coverage Ratio	Total Net Revenues and Additional Funds Coverage Ratio
					Principal	Interest	Total		
2024	\$ 100,714	\$ 62,621	\$ 38,093	\$ 1,003,886	\$ 13,005	\$ 14,542	\$ 27,547	1.38	37.83
2023	84,050	55,768	28,282	965,506	9,355	15,225	24,580	1.15	40.43
2022	81,349	50,316	31,033	968,477	9,040	14,178	23,218	1.34	43.05
2021	81,129	50,489	30,640	922,987	8,610	8,150	16,760	1.83	56.90
2020	65,137	47,964	17,173	978,757	8,615	8,574	17,189	1.00	57.94
2019	77,112	48,166	28,946	956,441	8,225	8,964	17,189	1.68	57.33
2018	76,569	47,171	29,398	919,152	8,455	8,947	17,402	1.69	54.51
2017	66,662	41,752	24,910	861,199	7,560	8,957	16,517	1.51	53.65
2016	64,576	37,074	27,502	820,220	6,180	10,345	16,525	1.66	51.30
2015	62,249	36,441	25,808	773,434	8,075	10,451	18,526	1.39	43.14

**Special Higher Education Revenue Bonds**

Fiscal Year Ended June 30,	Revenues <sup>(3)</sup>	Additional Funds	Pledged Revenues <sup>(3)</sup>	Principal <sup>(4)</sup>	Debt Service Requirements			Pledged Revenues Coverage Ratio
					Interest	Total		
2024	\$ 93,255	\$ 910,631	\$ 1,003,886	\$ 2,360	\$ 1,878	\$ 4,238	236.88	
2023	78,256	887,250	965,506	2,245	1,990	4,235	227.98	
2022	87,005	881,472	968,477	-	1,509	1,509	641.80	
2021	54,441	868,546	922,987	2,385	2,574	4,959	186.12	
2020	69,205	909,552	978,757	2,275	2,688	4,963	197.21	
2019	72,521	883,920	956,441	2,165	2,796	4,961	192.79	
2018	76,196	842,956	919,152	2,080	2,879	4,959	185.35	
2017	68,844	792,355	861,199	2,000	2,959	4,959	173.66	
2016	68,807	751,413	820,220	1,945	3,008	4,953	165.60	
2015	74,263	699,171	773,434	-	3,018	3,018	256.27	

Source: USC Annual Bond Indebtedness Reports and Annual Reports on Financial Statements.

<sup>(1)</sup> "Tuition Fees" as defined at Section 59-107-30 of the Code of Laws of South Carolina 1976, as amended.

<sup>(2)</sup> Such terms have the meaning given thereto in that bond resolution adopted by the Board of Trustees of the University on June 21, 1996, as amended.

<sup>(3)</sup> Such terms have the meaning given thereto in that bond resolution adopted by the Board of Trustees of the University on October 15, 2021. For the years prior to such date, the terms and methodology of calculation are consistent with the terms defined in the October 15, 2021 resolution.

<sup>(4)</sup> Interest payments only in fiscal year 2022 due to bond refunding.

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of Bond Coverage**  
*(amounts expressed in thousands)*

Fiscal Year Ended June 30,	Athletic Revenues	Athletic Operating Expenses & Mandatory Transfers	Net Athletic Revenues	Special Student Fee	Admissions Fees	Interest Earnings & Miscellaneous	Total Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
								Principal	Interest	Total	
2024	\$ 176,505	\$ 170,968	\$ 5,537	\$ 2,233	\$ 6,543	\$ 86	\$ 14,399	\$ 5,370	\$ 7,690	\$ 13,060	1.10
2023	157,720	149,053	8,667	2,171	6,132	38	17,008	5,110	7,946	13,056	1.30
2022	138,861	132,654	6,207	2,128	5,621	86	14,042	4,660	7,171	11,831	1.19
2021	147,774	117,880	29,894	2,127	769	141	32,931	4,715	7,666	12,381	2.66
2020	127,854	119,804	8,050	2,173	6,557	197	16,977	4,810	7,953	12,763	1.33
2019	137,088	123,745	13,343	1,920	5,804	141	21,208	4,600	8,157	12,757	1.66
2018	137,383	122,376	15,007	1,862	3,929	219	21,016	4,475	7,665	12,140	1.73
2017	132,343	118,671	13,672	1,778	3,832	1,496	20,778	3,675	6,694	10,369	2.00
2016	120,086	105,948	14,138	1,765	3,516	195	19,614	3,480	7,269	10,749	1.82
2015	110,243	98,989	11,254	1,724	4,027	126	17,131	2,770	5,698	8,468	2.02

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of Capital Asset Information**

For the Year Ended June 30,	2024	2023	2022	2021 <sup>(5)</sup>	2020	2019	2018	2017	2016	2015
<b>Assignable Area By Room Use/Function Use Codes <sup>(1)</sup></b>										
Classrooms	432,392	430,576	423,739	418,397	422,597	422,677	437,814	438,912	432,238	485,392
Laboratories	1,246,757	1,240,319	1,235,789	1,215,833	1,208,067	1,157,861	1,117,807	1,107,059	1,078,722	1,034,664
Office, Support and Other	4,286,216	4,281,452	4,367,168	4,477,828	4,484,830	4,438,727	4,393,442	4,437,706	4,166,176	4,448,249
Auxiliary Services	4,621,154	3,857,697	3,846,362	3,786,353	3,829,258	3,823,662	3,784,269	4,158,803	4,172,001	3,872,022
<b>Total Assignable Square Feet</b>	<b>10,586,519</b>	<b>9,810,044</b>	<b>9,873,058</b>	<b>9,898,411</b>	<b>9,944,752</b>	<b>9,842,927</b>	<b>9,733,332</b>	<b>10,142,480</b>	<b>9,849,137</b>	<b>9,840,327</b>
<b>Student Housing <sup>(2)</sup></b>										
Traditional Residence Hall Beds	1,523	1,200	1,172	1,172	1,171	1,338	1,170	1,172	1,172	1,172
Suite-Style Hall Beds	4,318	3,208	3,113	3,113	3,110	3,015	3,122	3,111	3,295	3,295
Apartments and Apartment-Style Hall Beds	3,482	3,987	3,392	3,406	2,961	2,977	3,100	2,351	2,215	2,215
Units available	9,323	8,395	7,677	7,691	7,242	7,330	7,392	6,634	6,682	6,682
Units in use	8,811	8,332	7,344	6,093	7,206	7,283	7,302	6,573	6,643	6,593
Percent occupancy	94.5%	99.2%	95.7%	79.2%	99.5%	99.4%	98.8%	99.1%	99.4%	98.7%
<b>Dining Facilities <sup>(3)</sup></b>										
Locations	35	32	38	36	36	33	31	27	27	26
Average daily customers	15,452	13,703	11,277	9,117	19,481	19,476	18,719	18,664	18,664	18,557
<b>Parking Facilities <sup>(4)</sup></b>										
Parking spaces available	16,411	15,015	13,589	12,084	12,330	11,595	11,595	11,595	14,509	14,519
Parking permits issued to students	11,714	12,587	13,729	9,884	15,428	13,140	12,608	14,211	15,982	16,523
Parking permits issued to faculty/staff	4,801	4,965	4,054	5,473	7,602	5,897	5,925	6,192	7,211	7,283

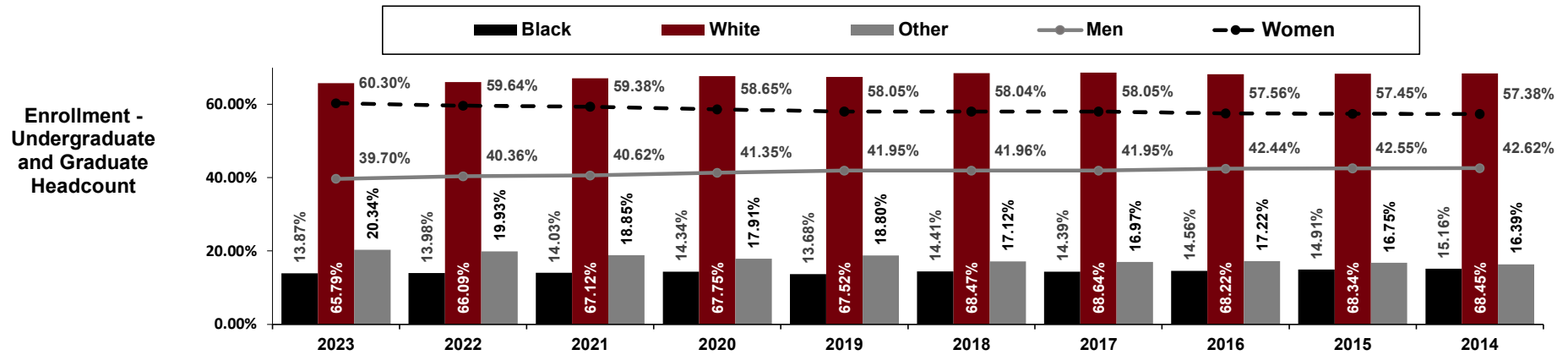
Notes:

- (1) Assignable Area by Room Use and Function Use Codes as annually reported to the South Carolina Commission on Higher Education. This is a combination of two reports.
- (2) Student Housing is available on the USC Columbia, USC Aiken, USC Beaufort and USC Upstate campuses. All of USC Beaufort and a portion of USC Upstate are outsourced. This reporting is USC Columbia only. Columbia Student Housing bed count does not include 743 beds in the Greek Village. These facilities are on leased University land, but the facilities are not assets of the University. Columbia Apartments and Apartment-Style Housing includes 845 beds leased from a private developer to accommodate the size of the freshman class.
- (3) Dining Facilities are available on the USC Columbia, USC Aiken, USC Beaufort, and USC Upstate campuses. All dining facilities are outsourced. This reporting is USC Columbia only.
- (4) Parking Facilities are available on all USC campuses. Only USC Columbia treats parking operations as an auxiliary enterprise. This reporting is USC Columbia only.
- (5) 2021 numbers reflect the impacts of the 2019 novel coronavirus (COVID-19).

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of Enrollment Statistics**  
 Last Ten Academic Years - Fall Enrollments

**USC System**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Undergraduate and Graduate FTE	47,242	45,552	45,633	46,568	46,727	46,067	45,641	44,646	44,229	43,167
Undergraduate and Graduate Head Count	53,455	51,409	51,853	52,604	52,633	51,439	51,130	50,099	49,449	48,167
Percentage of Men	39.70%	40.36%	40.62%	41.35%	41.95%	41.96%	41.95%	42.44%	42.55%	42.62%
Percentage of Women	60.30%	59.64%	59.38%	58.65%	58.05%	58.04%	58.05%	57.56%	57.45%	57.38%
Percentage of White	65.79%	66.09%	67.12%	67.75%	67.52%	68.47%	68.64%	68.22%	68.34%	68.45%
Percentage of African American or Black	13.87%	13.98%	14.03%	14.34%	13.68%	14.41%	14.39%	14.56%	14.91%	15.16%
Percentage of Other Race and Not Reported	20.34%	19.93%	18.85%	17.91%	18.80%	17.12%	16.97%	17.22%	16.75%	16.39%



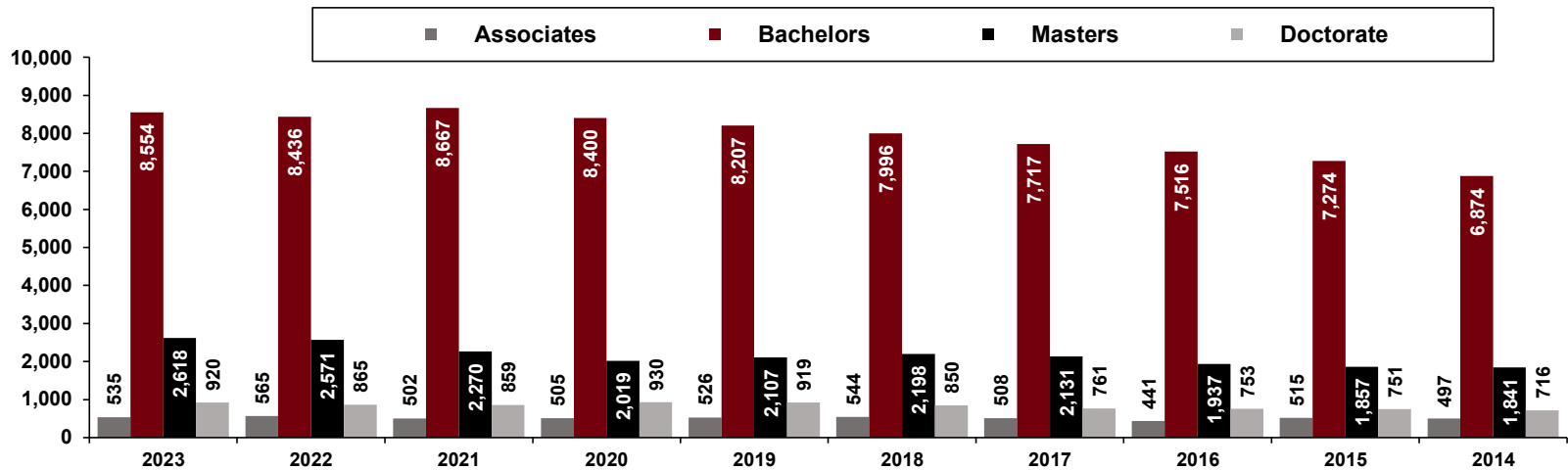
**USC Columbia (including the SOMs)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Undergraduate and Graduate FTE	34,692	33,468	33,065	33,394	33,288	32,636	32,426	31,774	31,488	30,759
Undergraduate and Graduate Head Count	36,538	35,590	35,388	35,468	35,364	34,795	34,731	34,099	33,724	32,972
Percentage of Men	40.99%	42.25%	43.07%	44.45%	44.88%	45.08%	44.58%	45.02%	44.80%	44.86%
Percentage of Women	59.01%	57.75%	56.93%	55.55%	55.12%	54.92%	55.42%	54.98%	55.20%	55.14%
Percentage of White	69.68%	69.67%	70.94%	72.04%	72.79%	73.39%	73.39%	73.84%	73.94%	73.92%
Percentage of African American or Black	10.08%	10.01%	9.56%	9.56%	8.81%	9.10%	9.40%	10.05%	10.43%	10.56%
Percentage of Other Race and Not Reported	20.24%	20.32%	19.50%	18.40%	18.40%	17.51%	17.21%	16.11%	15.63%	15.52%

**UNIVERSITY OF SOUTH CAROLINA**  
**Schedule of Degree Data**  
 Last Ten Academic Years - Fall Enrollments

**USC System**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Associates	535	565	502	505	526	544	508	441	515	497
Bachelors	8,554	8,436	8,667	8,400	8,207	7,996	7,717	7,516	7,274	6,874
Masters	2,618	2,571	2,270	2,019	2,107	2,198	2,131	1,937	1,857	1,841
Doctorate	920	865	859	930	919	850	761	753	751	716
<b>Total Degrees Awarded</b>	<b>12,627</b>	<b>12,437</b>	<b>12,298</b>	<b>11,854</b>	<b>11,759</b>	<b>11,588</b>	<b>11,117</b>	<b>10,647</b>	<b>10,397</b>	<b>9,928</b>



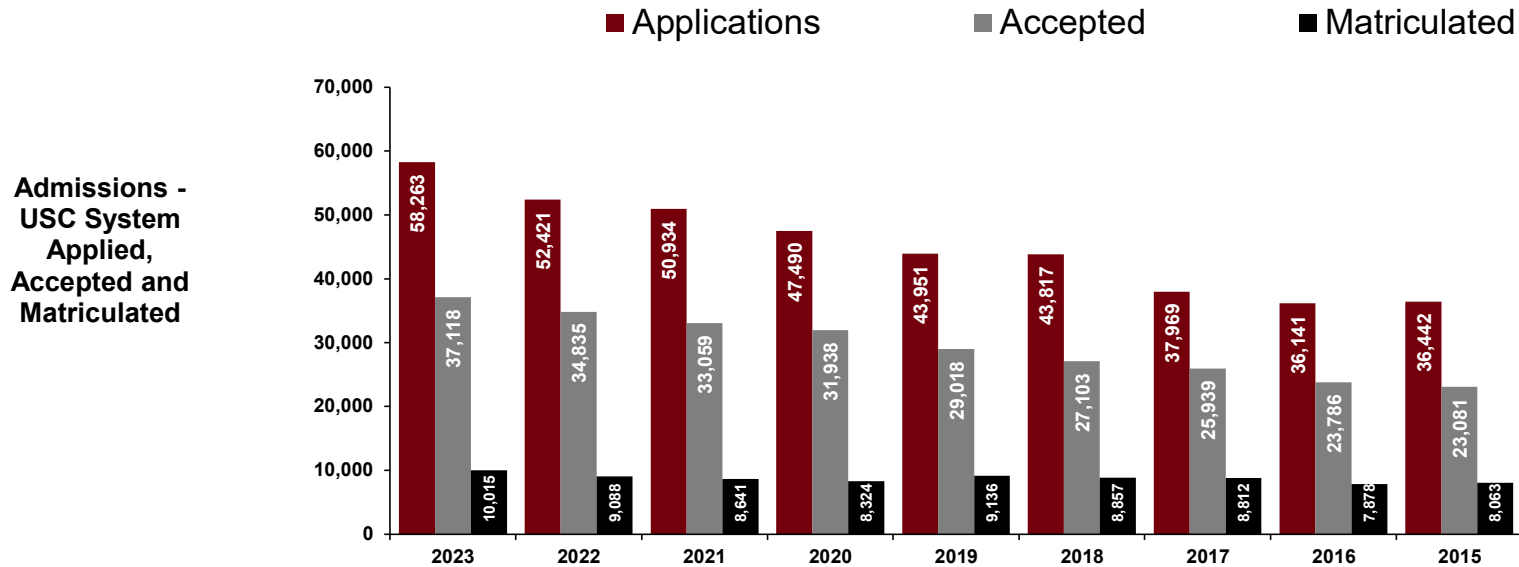
**USC Columbia (including the SOMs)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Associates	-	1	-	4	-	2	6	3	4	4
Bachelors	6,545	6,350	6,522	6,154	6,039	5,868	5,675	5,529	5,427	4,948
Masters	2,254	2,062	2,047	1,927	2,048	2,158	2,094	1,910	1,827	1,809
Doctorate	920	865	859	930	919	850	761	753	751	716
<b>Total Degrees Awarded</b>	<b>9,719</b>	<b>9,278</b>	<b>9,428</b>	<b>9,015</b>	<b>9,006</b>	<b>8,878</b>	<b>8,536</b>	<b>8,195</b>	<b>8,009</b>	<b>7,477</b>

**UNIVERSITY OF SOUTH CAROLINA COLUMBIA**  
**Schedule of Admissions Statistics**  
 Last Ten Academic Years - Fall Enrollments

**USC System**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Number of Applications Received	58,263	52,421	50,934	47,490	43,951	43,817	37,969	36,141	36,442	33,468
Number of Acceptances	37,118	34,835	33,059	31,938	29,018	27,103	25,939	23,786	23,081	21,622
Number of Students Matriculated	10,015	9,088	8,641	8,324	9,136	8,857	8,812	7,878	8,063	7,789
Accepted as a Percentage of Applicants	63.71%	66.45%	64.91%	67.25%	66.02%	61.85%	68.32%	65.81%	63.34%	64.60%
Enrolled as a Percentage of Accepted	26.98%	26.09%	26.14%	26.06%	31.48%	32.68%	33.97%	33.12%	34.93%	36.02%



**USC Columbia**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Number of Applications Received	46,693	42,193	42,055	34,995	31,268	30,889	26,019	25,057	25,736	23,341
Number of Acceptances	28,714	27,026	25,893	23,893	21,464	19,480	18,811	17,073	16,611	15,219
Number of Students Matriculated	7,319	6,574	6,179	5,742	6,286	5,854	5,880	5,110	5,156	4,980
Accepted as a Percentage of Applicants	61.50%	64.05%	61.57%	68.28%	68.65%	63.06%	72.30%	68.14%	64.54%	65.20%
Enrolled as a Percentage of Accepted	25.49%	24.32%	23.86%	24.03%	29.29%	30.05%	31.26%	29.93%	31.04%	32.72%
Median Combined SAT Score	1,280	1,280	1,250	1,241	1,270	1,275	1,254	1,215	1,210	1,210
South Carolina Average SAT Score	1,020	1,023	1,028	1,019	1,070	1,064	1,085	987	978	978

**UNIVERSITY OF SOUTH CAROLINA**  
**Faculty and Staff Statistics**  
Last Ten Academic Years as of October

**USC System**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Faculty <sup>(1)</sup></b>										
Number of FTE Faculty	2,737	2,708	2,655	2,683	2,731	2,674	2,698	2,778	2,527	2,637
Number of Full-time Faculty	2,345	2,338	2,276	2,304	2,309	2,267	2,305	2,310	2,068	2,174
Number of Part-time Faculty	1,172	1,113	1,140	1,132	1,270	1,222	1,179	1,404	1,377	1,390
Number of Tenured Faculty	1,536	1,561	1,533	1,564	1,507	1,517	1,565	1,525	1,256	1,307
Tenure Ratio (%) Full-time	66%	67%	67%	68%	65%	67%	68%	66%	61%	60%
<b>Total Employees <sup>(2)</sup></b>										
Full-time FTE Position	6,390	6,179	6,096	6,286	6,411	6,285	6,263	6,267	6,084	6,106
Part-time FTE Position	50	54	58	65	68	71	73	71	82	86
Temporary	3,034	3,006	2,990	3,014	3,539	3,502	3,641	3,576	3,335	3,196
Research Grant	797	749	744	743	731	792	836	822	892	848
Students	7,573	7,047	6,327	5,699	7,702	7,902	7,462	7,256	7,345	7,147
<b>Total Employees</b>	<b>17,844</b>	<b>17,035</b>	<b>16,215</b>	<b>15,807</b>	<b>18,451</b>	<b>18,552</b>	<b>18,275</b>	<b>17,992</b>	<b>17,738</b>	<b>17,383</b>
<b>Students per FTE</b>										
Faculty	17.26	16.82	17.19	17.36	17.11	17.23	16.92	16.07	17.50	16.37
Full-time Employees	7.39	7.37	7.49	7.41	7.29	7.33	7.29	7.12	7.27	7.07

**USC Columbia (including the SOMs)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Faculty <sup>(1)</sup></b>										
Number of FTE Faculty	1,979	1,943	1,894	1,903	1,911	1,886	1,914	1,999	1,869	1,974
Number of Full-time Faculty	1,753	1,737	1,675	1,693	1,689	1,667	1,701	1,707	1,581	1,666
Number of Part-time Faculty	679	618	657	631	665	658	640	877	864	923
Number of Tenured Faculty	1,114	1,126	1,102	1,126	1,111	1,092	1,113	1,105	944	982
Tenure Ratio (%) Full-time	64%	65%	66%	67%	66%	66%	65%	65%	60%	59%
Average Faculty Salary	\$109,171	\$103,780	\$102,889	\$98,857	\$96,362	\$97,074	\$96,576	\$95,825	\$93,074	\$89,967
<b>Total Employees <sup>(2)</sup></b>										
Full-time FTE Position	5,003	4,835	4,731	4,907	5,027	4,959	4,932	4,941	4,722	4,799
Part-time FTE Position	43	46	53	55	57	58	67	66	78	78
Temporary	2,132	2,088	2,074	2,089	2,451	2,450	2,619	2,573	2,366	2,275
Research Grant	761	724	719	720	706	763	802	787	864	819
Students	6,421	6,046	5,474	4,946	6,583	6,732	6,296	6,126	6,217	6,003
<b>Total Employees</b>	<b>14,360</b>	<b>13,739</b>	<b>13,051</b>	<b>12,717</b>	<b>14,824</b>	<b>14,962</b>	<b>14,716</b>	<b>14,493</b>	<b>14,247</b>	<b>13,974</b>
<b>Students per FTE</b>										
Faculty	17.53	17.22	17.46	17.55	17.42	17.30	16.94	15.89	16.85	15.58
Full-time Employees	6.93	6.92	6.99	6.81	6.62	6.58	6.57	6.43	6.67	6.41

Notes:

(1) USC Columbia Faculty Data and System Faculty Data compiled annually by the Office of Institutional Research, Assessment and Analytics in October of each year.

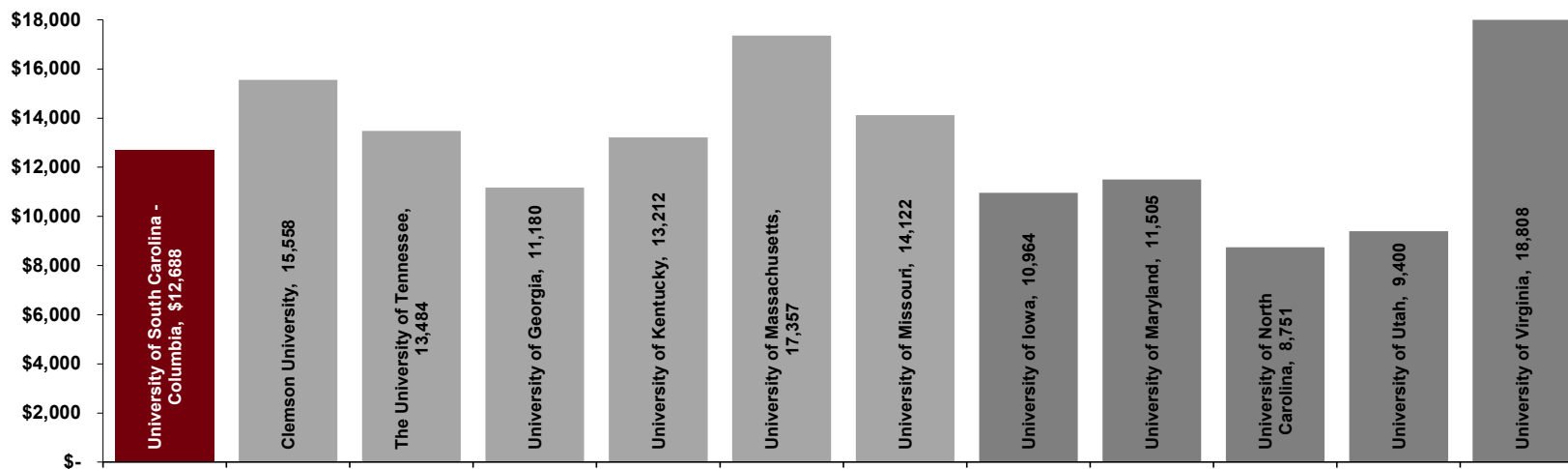
(2) Total USC Columbia Employees and Total System Employees compiled annually by Human Resources in October of each year.

(3) Average Faculty Salary is based on Full-Time, Non-Medical School Instructional Faculty

**UNIVERSITY OF SOUTH CAROLINA**  
**Undergraduate Required Tuition and Fees - Resident**  
 Comparison to Peer and Peer-Aspirant Institutions

For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Undergraduate Resident</b>										
University of South Carolina - Columbia	\$ 12,688	\$ 12,688	\$ 12,688	\$ 12,688	\$ 12,688	\$ 12,616	\$ 12,262	\$ 11,854	\$ 11,482	\$ 11,158
<b>Peer Institutions</b>										
Clemson University	15,558	15,558	15,558	15,558	15,558	14,970	14,712	14,318	13,882	13,446
The University of Tennessee	13,484	13,244	13,244	13,264	13,264	13,006	12,970	12,724	12,186	11,876
University of Georgia	11,180	12,080	12,080	12,080	12,080	11,830	11,818	11,634	11,622	10,836
University of Kentucky	13,212	12,859	12,610	12,484	12,360	12,245	11,942	11,484	10,936	10,616
University of Massachusetts	17,357	16,952	16,439	16,439	16,389	15,887	15,411	14,971	14,171	13,443
University of Missouri	14,122	11,603	11,475	10,723	10,477	9,972	11,008	10,716	10,586	10,286
<b>Peer-Aspirant Institutions</b>										
University of Iowa	10,964	10,353	9,942	9,606	9,606	9,267	8,965	8,575	8,104	8,079
University of Maryland	11,505	11,233	10,955	10,779	10,779	10,595	10,399	10,181	9,996	9,427
University of North Carolina	8,751	8,751	8,790	8,790	8,750	8,987	8,989	8,834	8,591	8,336
University of Utah	9,400	9,002	8,893	8,615	8,615	9,222	8,884	8,518	8,197	7,835
University of Virginia	18,808	18,228	17,410	17,296	17,266	16,734	16,068	15,714	14,476	13,111

**Undergraduate Tuition and Fees - Resident**

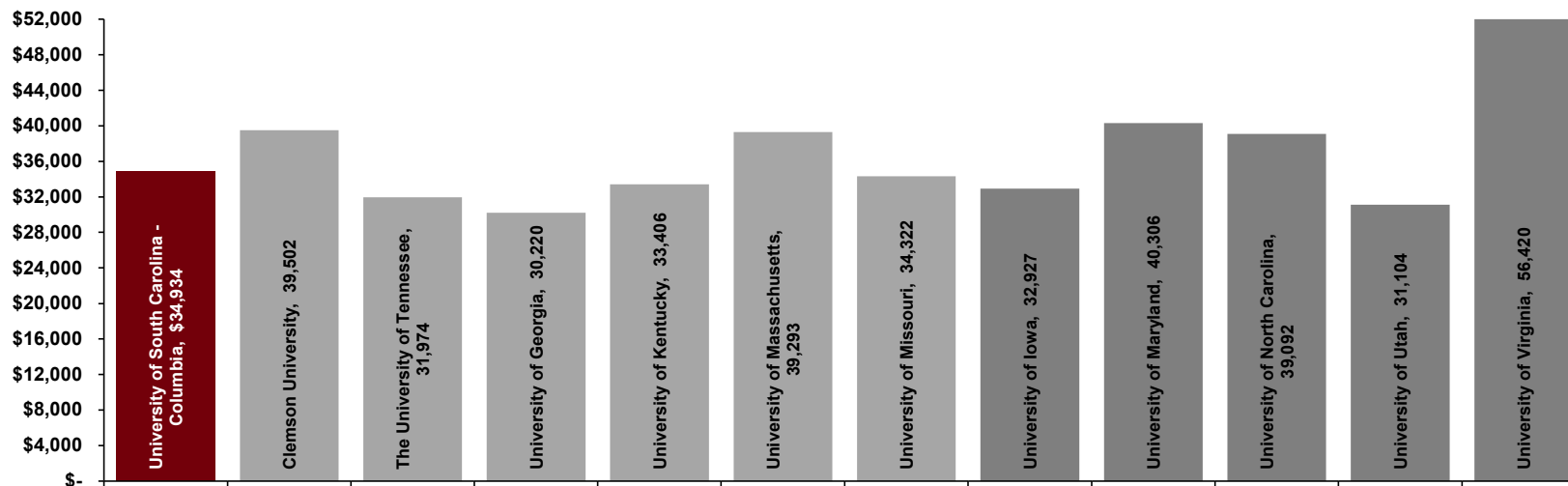




**UNIVERSITY OF SOUTH CAROLINA**  
**Undergraduate Required Tuition and Fees - Nonresident**  
 Comparison to Peer and Peer-Aspirant Institutions

For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Undergraduate Nonresident</b>										
University of South Carolina - Columbia	\$ 34,934	\$ 33,928	\$ 33,928	\$ 33,928	\$ 33,928	\$ 33,298	\$ 32,362	\$ 31,282	\$ 30,298	\$ 29,440
<b>Peer Institutions</b>										
Clemson University	39,502	39,502	39,502	38,550	38,550	36,724	35,654	32,800	32,800	31,462
The University of Tennessee	31,974	31,664	31,664	31,684	31,684	31,426	31,390	31,144	30,636	30,326
University of Georgia	30,220	31,120	31,120	31,120	31,120	30,404	30,392	29,844	29,832	29,046
University of Kentucky	33,406	32,276	31,608	31,294	30,680	29,099	28,046	26,334	24,268	22,888
University of Massachusetts	39,293	38,171	36,964	36,427	35,710	34,570	33,477	32,204	30,504	28,998
University of Missouri	34,322	31,940	31,734	29,005	28,348	27,042	26,596	25,998	25,198	24,312
<b>Peer-Aspirant Institutions</b>										
University of Iowa	32,927	32,316	31,905	31,569	31,569	31,233	30,609	28,813	27,890	27,409
University of Maryland	40,306	39,469	38,638	36,891	36,891	35,216	33,606	32,045	31,144	29,720
University of North Carolina	39,092	37,312	36,653	36,653	35,929	35,170	34,588	33,916	33,673	33,418
University of Utah	31,104	30,488	28,345	27,220	27,220	29,215	28,127	27,039	26,022	25,057
University of Virginia	56,420	54,380	51,940	51,826	50,184	48,458	46,546	45,058	43,772	42,297

**Undergraduate Tuition and Fees - Nonresident**



**UNIVERSITY OF SOUTH CAROLINA**  
**State of South Carolina Demographic Statistics**  
 Last Ten Calendar Years

<b>Year</b>	<b>Personal Income (In thousands) (a)</b>	<b>Population at at July 1 (a)</b>	<b>Per Capita Income (a)</b>	<b>Average Annual Unemployment Rate (b)</b>
2023	\$ 301,581,100	5,373,555	\$ 56,123	3.0%
2022	281,668,100	5,282,634	53,320	3.2%
2021	270,299,200	5,190,705	52,074	4.0%
2020	247,868,500	5,218,040	47,502	6.2%
2019	233,308,300	5,148,714	45,314	2.8%
2018	217,275,600	5,084,127	42,736	3.4%
2017	203,088,000	5,024,369	40,421	4.3%
2016	198,762,651	4,987,575	39,852	4.8%
2015	187,532,342	4,896,143	38,302	6.0%
2014	177,242,275	4,832,482	36,677	6.4%

(a) Source: U.S. Department of Commerce, Bureau of Economic Analysis  
 (b) Source: U.S. Department of Labor, Bureau of Labor Statistics

**UNIVERSITY OF SOUTH CAROLINA**  
**State of South Carolina Ten Largest Employers**  
Latest Completed Calendar Year and Nine Years Prior  
Listed Alphabetically

---

---

<b>2023</b>	<b>2014</b>
BMW Manufacturing Corp.	Bi-Lo, LLC
Food Lion LLC	Blue Cross Blue Shield of South Carolina
Medical University of South Carolina	Greenville Hospital System
Michelin North America, Inc.	Michelin North America, Inc.
PRISMA Health Upstate	Palmetto Health Alliance, Inc.
Publix Super Markets, Inc.	School District of Greenville County
School District of Greenville County	U.S. Department of Defense
Spartanburg Regional Medical Center	U.S. Postal Service
U.S. Department of Defense	University of South Carolina
Wal-Mart Associates, Inc.	Wal-Mart Associates, Inc.

This Annual Comprehensive Report is also available on the University of South Carolina's Financial Reporting website located at: [https://sc.edu/about/offices\\_and\\_divisions/controller/financial\\_reporting/financial\\_statements/index.php](https://sc.edu/about/offices_and_divisions/controller/financial_reporting/financial_statements/index.php)



The University of South Carolina, founded in 1801, serves the state from its flagship Columbia campus, three senior campuses, and four regional campuses. The University is committed to serving the citizens of South Carolina through its academic excellence and outreach. It has forged a variety of cooperative relationships with other academic institutions and health systems throughout the state, and a number of international connections for academic exchange and collaborative research.

The University of South Carolina does not discriminate in educational or employment opportunities or decisions for qualified persons on the basis of race, color, religion, sex, national origin, age, disability, genetics, sexual orientation or veteran status.