

# University of South Carolina

## Columbia, South Carolina

**Annual Comprehensive Financial Report**  
For the Year Ended June 30, 2022



A Component Unit of the State of South Carolina



## **ON THE COVER**

Stately Wardlaw College houses the College of Education, a state and national leader in providing comprehensive, world-class preparation for teachers, counselors, education administrators, researchers and policymakers.

*Photo provided by University Communications and Public Affairs*



# **Annual Comprehensive Financial Report**

For the Year Ended June 30, 2022

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 Plan	10
Letter of Transmittal	12
Certificate of Achievement	17
University Board of Trustees	18
University Organizational Chart	19

### FINANCIAL SECTION

Independent Auditor's Report	22
Management's Discussion and Analysis	26
Basic Financial Statements:	
Statement of Net Position	40
Statement of Revenues, Expenses and Changes in Net Position	41
Statement of Cash Flows	42
Governmental Discretely Presented Component Units - Statements of Net Position	44
Governmental Discretely Presented Component Units - Statements of Revenues, Expenses and Changes in Net Position	45
Nongovernmental Discretely Presented Component Units - Statements of Financial Position	46
Nongovernmental Discretely Presented Component Units - Statements of Activities	47
Notes to the Financial Statements:	
Note 1 - Summary of Significant Accounting Policies	49
Note 2 - Cash and Cash Equivalents, Other Deposits, and Investments	54
Note 3 - Receivables	56
Note 4 - Capital Assets	57
Note 5 - Pension Plans	58
Note 6 - Postemployment and Other Employee Benefits	66
Note 7 - Contingencies, Litigation, and Project Commitments	69
Note 8 - Leases	70
Note 9 - Bonds and Notes Payable	72
Note 10 - Long-Term Liabilities	75
Note 11 - Component Units	76
Note 12 - Related Parties	79
Note 13 - Risk Management	82
Note 14 - Operating Expenses by Function	83
Note 15 - Endowments	83
Note 16 - Siemens Product Lifestyle Management Software	83
Required Supplementary Information to the Financial Statements:	
Schedule of the University's Proportionate Share of the Net Pension Liability	87
Schedule of the University's Contributions Related to the Pension Liability	88
Schedule of the University's Proportionate Share of the Net OPEB Liability	89
Schedule of the University's Contributions Related to the OPEB Liability	90

## Table of Contents

### STATISTICAL SECTION

Schedule of Revenues by Source	94
Schedule of Expenses by Use	96
Schedule of Expenses by Function	97
Schedule of Net Position and Changes in Net Position	98
Schedule of Ratios of Outstanding Debt	99
Schedule of Bond Coverage	100
Schedule of Capital Asset Information	102
Schedule of Enrollment Statistics	103
Schedule of Degree Data	104
Schedule of Admissions Statistics	105
Faculty and Staff Statistics	106
Undergraduate Required Tuition and Fees - Resident	107
Undergraduate Required Tuition and Fees - Nonresident	108
State of South Carolina Demographic Statistics	109
State of South Carolina Ten Largest Employers	110



# **Introductory Section**

(Unaudited)

**UNIVERSITY OF SOUTH CAROLINA**

-This page intentionally left blank-



September 30, 2022

Dear Carolina Community,

Nearly three months ago, I embarked on a new journey with all of you as I returned to the University of South Carolina to serve as its 30th president. This homecoming marks a new opportunity to serve the university where I spent the formative years of my professional life. Wherever I have traveled during these first few months as president, I have met proud alumni, campus and community leaders, elected officials, students and parents, faculty and staff members, and USC supporters with a deep commitment to this university and high hopes for its future. I share the same commitment and hopes.

Among the reasons I am proud to lead this institution is the national reputation it has earned for excellence. Across the country, USC is known for the quality of its graduates, its nationwide leadership in the first-year student experience, and its highly rated Honors College and international business programs, among other achievements. Our brand is strong, and we are positioned well for the next era of success.

We continue to serve as a strong economic driver for South Carolina with a \$6.2 billion annual impact. Systemwide, our university returns more than \$202 million in annual tax revenues to the state and supports more than 63,000 jobs. Moreover, with a focus on graduating well-educated professionals and engaged citizens, we are making an impact in every community where our alumni live and work.

For 220 years, the University of South Carolina has been building the future of this state by preparing the next generation of leaders and improving the quality of life around us. In today's global economic environment, it is our responsibility to extend the opportunities that a college degree offers to South Carolinians who aspire to advance through knowledge. Furthermore, as a world-class university, we will continue to advance science and culture and contribute to the economic development of our communities. And we will boldly seek innovative strategies that renew and refresh the ways we lead and serve. After all, this is the flagship university of South Carolina!

Sincerely,

Michael D. Amiridis  
President



## University of South Carolina Strategic Plan

While following the foundation set by the *Focus Carolina* Strategic Plan last updated in 2015, the University developed a new Vision Statement, Mission Statement and established new Strategic Priorities that did not abandon the foundation of *Focus Carolina* but broadened the areas of important planning and evaluation for the University.

The new strategic plan ***For South Carolina: A Path To Excellence*** was finalized and presented and unanimously approved by the BOT on Friday, June 19, 2020.

The new priorities expand the inclusiveness of the plan and improve its ability to guide and evaluate a broader footprint of activity within the University.

### **Priority 1: Attract, Inspire, Challenge, and Enable our students to become innovative thinkers and transformative leaders.**

As the state's flagship University, South Carolina will attract and retain a highly qualified, diverse student body commensurate with the demographics of the state. We will provide the highest quality of rigorous instruction and student-centric educational experiences and create innovative, transformative, and collaborative lifelong learners.

### **Priority 2: Assemble and cultivate a world-class faculty and staff.**

The University will recruit and develop the best faculty in the nation, one full of diverse faculty members who are excellent instructors and recognized scholars. We will actively attract, hire, and retain a diverse and qualified staff and cultivate a shared culture of excellence.

### **Priority 3: Create new pathways to research excellence in order to become AAU eligible.**

Research excellence will be defined as reaching the threshold standards to be among the best research universities in the nation by achieving Association of American Universities eligibility. We will be an innovative research University in areas such as federal research expenditures, faculty recognition on the University, national and international levels, and increasing our annual Ph.D. graduation numbers and number of postdoctoral appointees.

### **Priority 4: Cultivate a more diverse, equitable and inclusive campus culture, where every individual, regardless of background, has the full opportunity to flourish and thrive.**

A diverse, inclusive, supportive, and inspiring campus culture will be created by improving racial/ethnic and gender representation throughout our campus community, ensuring equity for all students, faculty, and staff members, and making every member of the community feel valued and affirmed by our institution regardless of their ethnicity or race, religious beliefs, gender or sexual orientation, or political leanings.

### **Priority 5: Harness the power, attributes, and institutional diversity of an integrated and interoperative University of South Carolina system that enhances access, success, and affordability for every South Carolina eligible student.**

The University of South Carolina system will enhance access, success, and affordability for every eligible student from South Carolina through an integrated and interoperative system, where every comprehensive University in the state desires to become a member of the University of South Carolina system. This will be achieved by improving the system's governance structure, increasing, and improving our online program to become one of the most comprehensive and supportive online programs in the nation and leveraging our strengths to provide accelerated, lower cost multidegree options.

### **Priority 6: Spur innovation and economic development through impactful community partnerships.**

Impactful community partnerships will spur innovation and economic development through newfound collaboration opportunities, serving as a catalyst for business development and emphasizing the links between the student experience and community relationships.

**Priority 7:** Provide a sustainable campus infrastructure – physical, virtual, fundraising, and administrative – that supports academic excellence and preeminent student life.

Our campus infrastructure will support academic excellence and preeminent student life by providing an exemplary physical campus, a state-of-the-art virtual infrastructure, new fundraising and external funding activities and administrative activity that is focused on innovation, preparedness, and transparency. We will create a new modality that enables every student to obtain education on demand through technologically enabled synchronized classrooms.

**Priority 8:** Build teams that win with excellence and character. University of South Carolina teams will compete at the upper level of their potential, with excellence, and our student-athletes will stand out on the court, in the classroom and in the community.

The campus environment will be one that expects success in all endeavors. We will win on the field, in the classroom and elsewhere, and we will win with honor and integrity in all aspects of student life as defined by our Carolinian Creed.

Simultaneous to the Board's approval of the plan's details was the development of the funding and evaluation portions of the plan. Building off the data from the *Focus Carolina* plan, the University will complete an interactive evaluation and reporting process to regularly inform senior leaders and Trustees on the University's progress toward its stated goals. Additionally, the University has set aside a measure of funding specific to supporting the plan's objectives and programs.



*Letter of Transmittal*

September 30, 2022

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, 2022. This Annual Comprehensive Financial Report includes the financial statements for the year ended June 30, 2022, 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 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. 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.

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, 2022, 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, 2022. 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, 2022. 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 on 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. Ten 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 South Carolina Research Foundation, the University of South Carolina School of Medicine Educational Trust, the Beaufort-Jasper Higher Education Commission, the University of South Carolina Development Foundation; the University of South Carolina Educational Foundation; the University of South Carolina Business Partnership Foundation; the Greater University of South Carolina Alumni Association; the University of South Carolina Upstate Foundation; the Educational Foundation of the University of South Carolina – Lancaster and the Gamecock Club of the University of South Carolina. 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 2022 fiscal year on a very positive note with full funding of the State's Rainy-Day Fund at 5 percent of the prior year's General Fund Revenues and fully funded the Capital Reserve Account at 2 percent of the prior year's General Fund Revenues.

South Carolina's unemployment rate was 3.2 percent at the end of June 2022, which was 0.9 percent lower than June 2021. The national average was 3.6 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, there was an



increase in non-farm jobs totaling 12,200, with the largest gains in leisure and hospitality services and trade, transportation, and utilities.

## **University Highlights**

The 2021-2022 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, diversity, graduation, and retention rates.

For fiscal year 2023, 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 2023 the University has been able to mitigate tuition increases for 2023.

Student interest in the University remains strong and demand for enrollment continues to grow, with a record number 42,124 applications received for the Fall 2022 freshman class. Preliminary data indicates approximately 8,000 new undergraduate students on the Columbia campus, of which 6,575 are new freshmen, an increase of 6.8 percent over Fall 2021, setting a record as the largest freshman class in University history. New student enrollment has rebounded and now exceeds pre-pandemic levels, making up for a drop of nearly 800 continuing students since the start of the pandemic. While some students chose to delay their pursuit of higher education during the pandemic, continuing student enrollment has stabilized, and first-to-second year retention rates have returned to pre-pandemic levels of approximately 90 percent.

The University is classified as a R1 University by the Carnegie Classification for Institutions of Higher Education. Research grant awards were \$237.3 million in the 2022 fiscal year. Awards in fiscal year 2023 are trending higher and are estimated to surpass fiscal year 2022.

## **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, 2021. This was the eleventh 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,

A handwritten signature in cursive script, appearing to read "Edward Walton".

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

A handwritten signature in cursive script, appearing to read "Mandy M. Kibler".

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, 2021

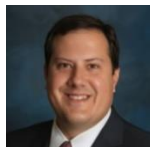
*Christopher P. Morrell*

Executive Director/CEO

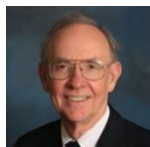
## University of South Carolina Board of Trustees



**C. Dorn Smith III, M.D.**  
**Chairman**  
3rd Judicial Circuit  
Physician  
Term: 2018-2022



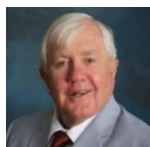
**Thad H. Westbrook**  
**Vice Chairman**  
11th Judicial Circuit  
Attorney  
Term: 2018-2022



**John C. von Lehe Jr.**  
**Chairman Emeritus**  
9th Judicial Circuit  
Attorney  
Term: 2018-2022



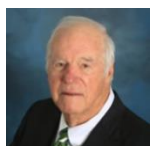
**C. Dan Adams**  
Governor's Designee  
Investment Banker  
Term: Appointment



**J. Egerton Burroughs**  
15th Judicial Circuit  
Real Estate Developer  
Term: 2020-2024



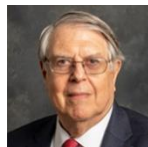
**Alex English**  
5th Judicial Circuit  
Retired  
Term: 2020-2022



**C. Edward Floyd, M.D.**  
12th Judicial Circuit  
Surgeon  
Term: 2018-2022



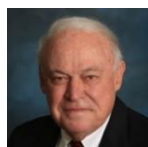
**Brian C. Harlan**  
8th Judicial Circuit  
Chief Executive Officer  
Term: 2020-2024



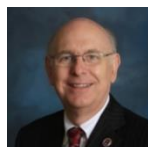
**Richard A. Jones Jr.**  
Governor's Appointee  
Attorney  
Term: Appointment



**Toney J. Lister**  
7th Judicial Circuit  
Attorney  
Term: 2018-2022



**Miles Loadholt**  
2nd Judicial Circuit  
Attorney  
Term: 2020-2024



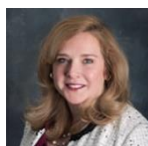
**Hubert F. "Hugh" Mobley**  
6th Judicial Circuit  
Pharmacist  
Term: 2020-2024



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



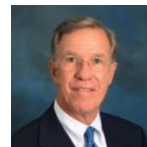
**Emma W. Morris**  
10th Judicial Circuit  
Attorney  
Term: 2020-2024



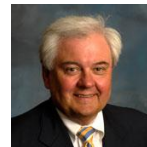
**Rose Buyck Newton**  
14th Judicial Circuit  
Banker  
Term: 2020-2024



**Robin D. Roberts**  
UofSC Alumni Association  
Media Executive  
Term: 2020-2022



**Mack I. Whittle Jr.**  
13th Judicial Circuit  
Retired Bank President  
Term: 2018-2022



**Charles H. Williams**  
1st Judicial Circuit  
Attorney  
Term: 2018-2022



**Molly M. Spearman**  
State Superintendent of  
Education

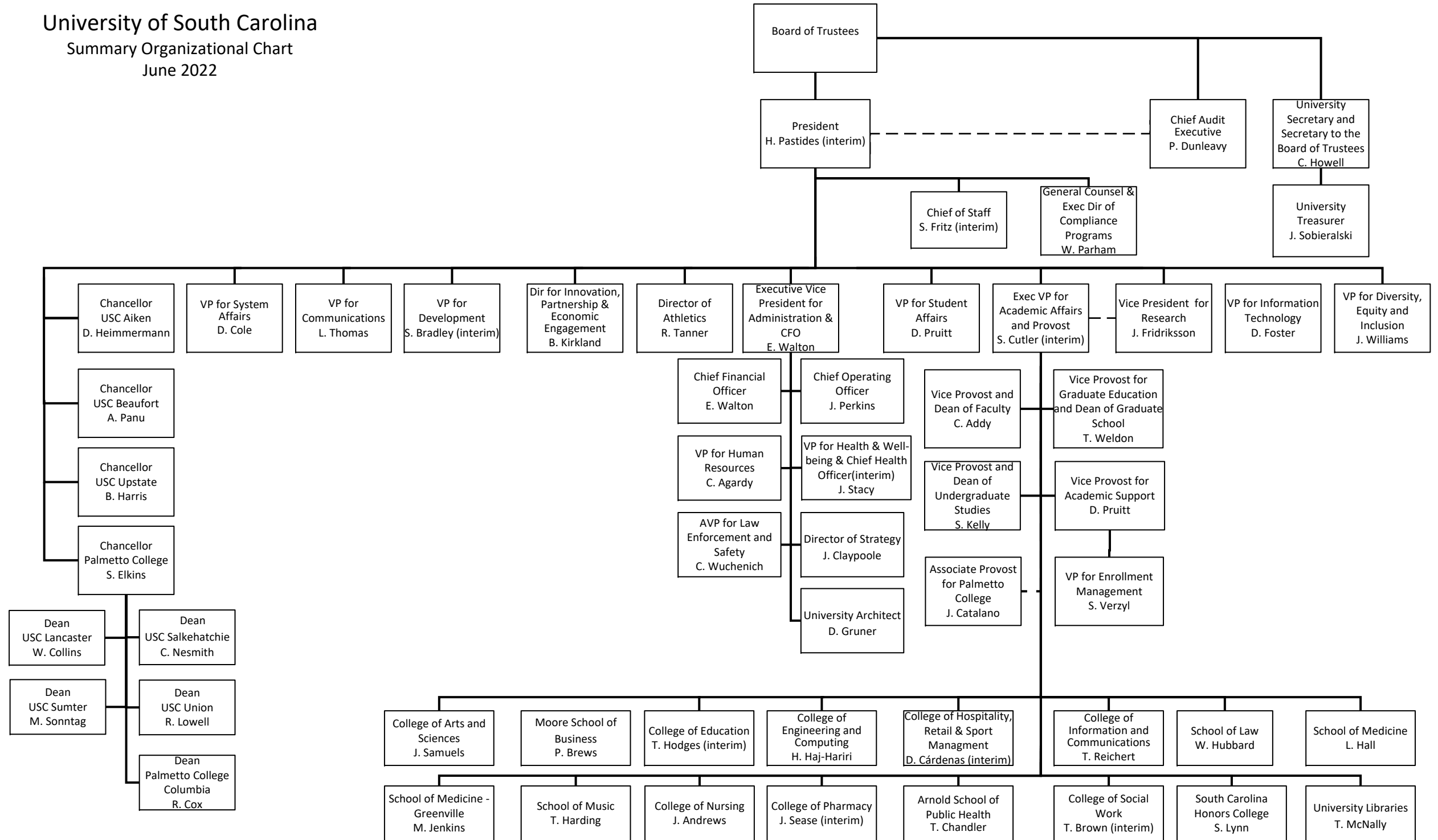


**L. Cameron Howell, IV.**  
Secretary of the Board



**Henry McMaster**  
Governor  
State of South Carolina

## Summary Organizational Chart June 2022





-This page intentionally left blank-



## **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 (the University), a component unit of the State of South Carolina, as of and for the year ended June 30, 2022, 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, 2022, 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 South Carolina Research Foundation; the School of Medicine Educational Trust; the Beaufort-Jasper Higher Education Commission; the USC Development Foundation; the USC Educational Foundation; the USC Business Partnership Foundation; the Greater USC Alumni Association; the USC Upstate Foundation and Supporting Organization; the Educational Foundation of USC Lancaster; and the Gamecock Club of USC, 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 School of Medicine Educational Trust; the Beaufort-Jasper Higher Education Commission; the USC Development Foundation; the USC Educational Foundation; the USC Business Partnership Foundation; the Greater USC Alumni Association; the USC Upstate Foundation and Supporting Organization; the Educational Foundation of USC Lancaster; and the Gamecock Club of USC 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.

#### ***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 30, 2022, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
September 30, 2022

**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, 2022, with comparative information for the fiscal year ended June 30, 2021. 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 seven 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 Net Position for the Governmental Component Units
5. The Combined Statement of Revenues, Expenses and Changes in Net Position for the Governmental Component Units
6. The Combined Statement of Financial Position for the Nongovernmental Component Units
7. The Combined Statement of Activities for the Nongovernmental Component Units

**FINANCIAL OVERVIEW**

The University maintained its solid and stable financial position at June 30, 2022. The current ratio at June 30, 2022 was 7.42 times, compared to 7.21 times at June 30, 2021. The University's assets and deferred outflows of resources was \$3.6 billion at June 30, 2022, up from \$3.3 billion at June 30, 2021.

Total assets increased by 8.8 percent from the prior year, and total liabilities decreased 0.8 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. Total liabilities decreased largely due to a decrease in net pension liability.

Operating revenues increased 4.2 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 as those sources normalize following COVID-19. Net nonoperating revenues decreased 5.0 percent over the prior year, due to decreases 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.

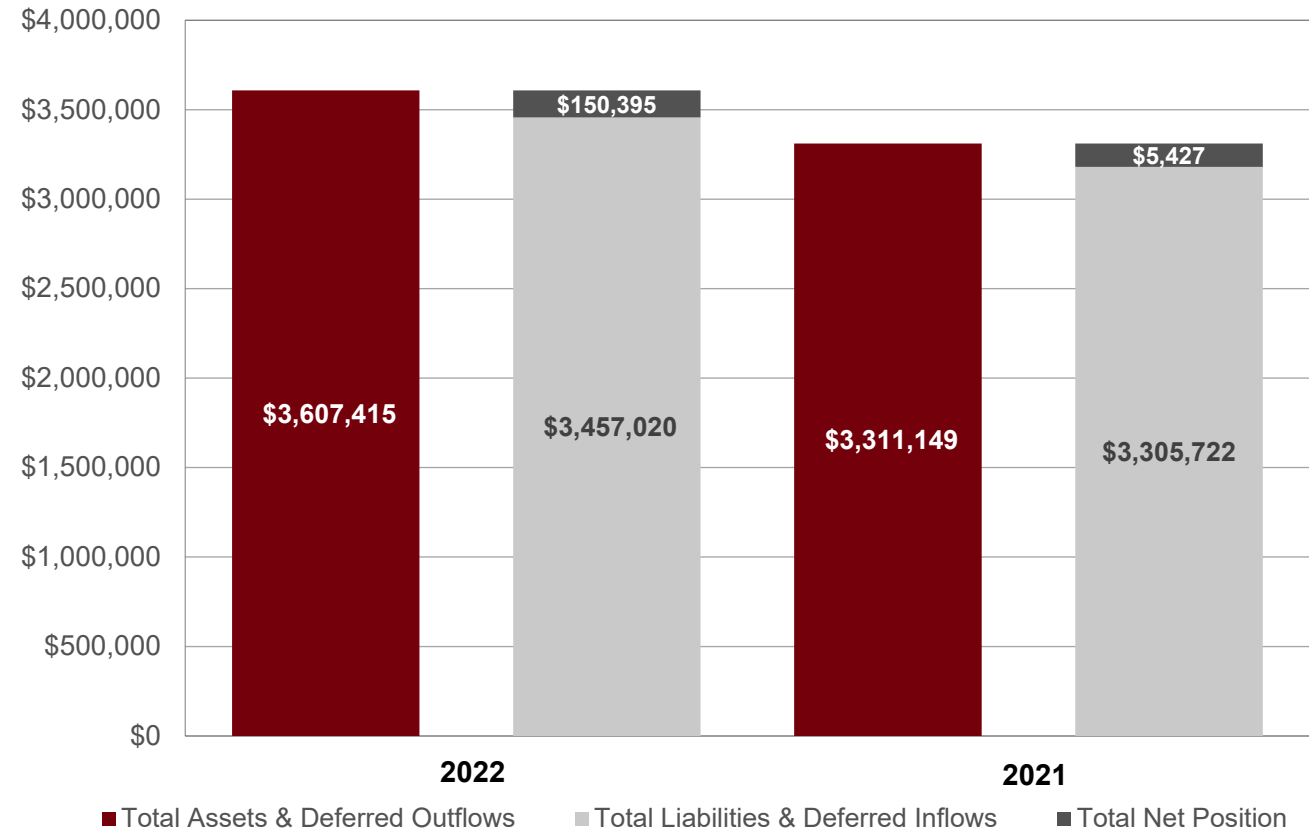
Conversely, operating expenses increased 6.9 percent, due in large part to the increases in salaries, scholarship expenses related to emergency grants to students provided through the Higher Education Emergency Relief Funds (HEERF), and the increases in services and supplies as the University normalizes operations after the effects of COVID-19 cost mitigation strategies in place during fiscal year 2021.

**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, 2022, and June 30, 2021, respectively, is presented below. Net position increased \$145.0 million at June 30, 2022, 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. Depreciation is a method 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, 2022, and June 30, 2021:

**Condensed Statement of Net Position**

*Dollars in thousands*

	2022	2021	Increase (Decrease)	
			Amount	Percent
<b>Assets:</b>				
Current assets	\$ 1,466,583	\$ 1,323,101	\$ 143,482	10.8%
Noncurrent assets				
Endowment and investments	90,225	95,922	(5,697)	-5.9%
Accounts receivable	32,477	-	32,477	100.0%
Capital assets, net of depreciation	1,527,886	1,442,228	85,658	5.9%
Other noncurrent assets	10,068	11,913	(1,845)	-15.5%
<b>Total assets</b>	<b>3,127,239</b>	<b>2,873,164</b>	<b>254,075</b>	<b>8.8%</b>
<b>Deferred outflows of resources</b>	<b>480,176</b>	<b>437,985</b>	<b>42,191</b>	<b>9.6%</b>
<b>Liabilities:</b>				
Current liabilities	197,781	183,508	14,273	7.8%
Noncurrent liabilities	2,966,843	3,005,796	(38,953)	-1.3%
<b>Total liabilities</b>	<b>3,164,624</b>	<b>3,189,304</b>	<b>(24,680)</b>	<b>-0.8%</b>
<b>Deferred inflows of resources</b>	<b>292,396</b>	<b>116,418</b>	<b>175,978</b>	<b>151.2%</b>
<b>Net Position:</b>				
Net investment in capital assets	854,603	807,689	46,914	5.8%
Restricted	396,959	325,114	71,845	22.1%
Unrestricted	(1,101,167)	(1,127,376)	26,209	2.3%
<b>Total net position</b>	<b>\$ 150,395</b>	<b>\$ 5,427</b>	<b>\$ 144,968</b>	<b>-2671.2%</b>

*The prior year amounts for Net Position have been adjusted to reflect a reclassification for comparative purposes.*

**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 7.42 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 8.98 months of total operating expenses, excluding depreciation. For fiscal year 2022, one month of operating expenses was approximately \$122.6 million.

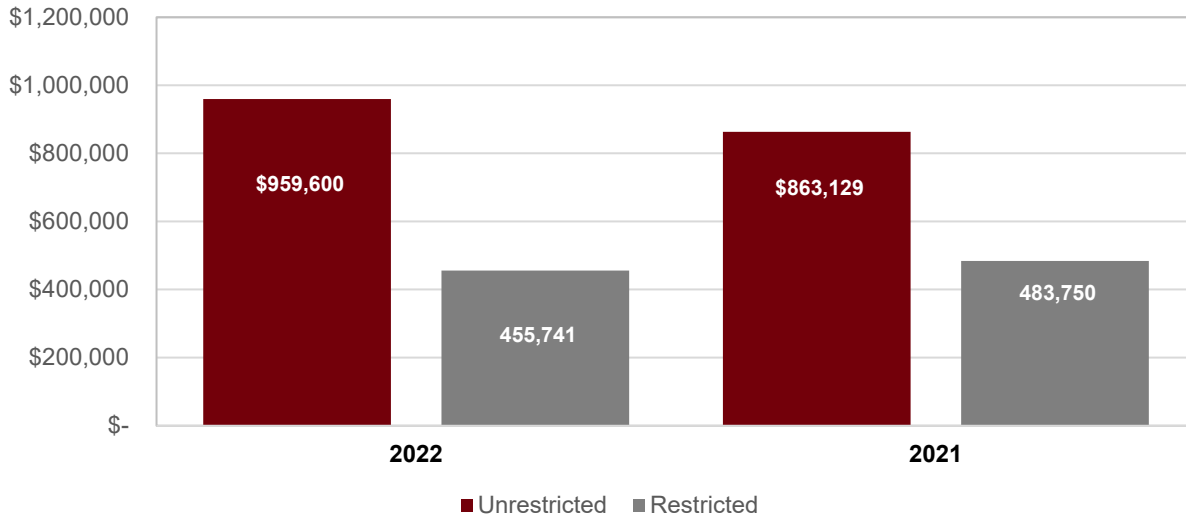
**CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The University's increase in cash and cash equivalents of \$68.5 million was due in part to non-recurring capital infrastructure appropriations totaling \$65.5 million.

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

**Unrestricted and Restricted Cash**

*Dollars in thousands*



**ACCOUNTS RECEIVABLE**

The University's increase in accounts receivable of \$100.8 million includes amounts due to the University but not yet received for state capital appropriations, \$66.3 million and leases, current and noncurrent, \$33.0 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 \$1.53 billion invested in capital assets as of June 30, 2022, an increase of \$85.7 million over June 30, 2021 due to over \$31.3 million in leased assets, net of accumulated depreciation, with the implementation of GASB 87 and addition of \$88.1 million in construction in progress for the Campus Village Residential Development project. A summary of changes in capital assets is disclosed in Note 4.

Capital assets, net of accumulated depreciation and amortization, at June 30, 2022, and June 30, 2021, were as follows:

**Capital Assets**

*Dollars in thousands*

	2022	2021	Percent Change
Land and Other Nondepreciable Assets	\$ 149,709	\$ 147,318	1.6%
Construction in Progress	124,562	36,481	241.4%
Land Improvements, <i>Net</i>	49,602	53,766	-7.7%
Buildings and Improvements, <i>Net</i>	1,077,150	1,105,973	-2.6%
Machinery, Equipment and Vehicles, <i>Net</i>	69,175	65,632	5.4%
Intangibles, <i>Net</i>	26,363	33,057	-20.2%
Leased Assets, <i>Net</i>	31,325	-	100.0%
<b>Total</b>	<b>\$ 1,527,886</b>	<b>\$ 1,442,227</b>	<b>5.9%</b>

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

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 \$19.7 million were reclassified from construction in progress (CIP) to other asset categories during fiscal year 2022. These reclassifications included completion of the new parking for West Campus, renovation to South Caroliniana Library, emergency generators and energy plant improvements for the Columbia campus, renovation to the Information Resource Center on Upstate campus, and renovation to the Scholars Academy Building on Aiken campus.

**Construction activity** — Several projects are in progress on the Columbia campus including the comprehensive renovation of the Honors College Residence Hall and Leconte College, energy plant enhancement and improvements, and Williams Brice Stadium additions and improvements. Campus Village Residential Development Project on the Columbia campus is underway and on schedule for completion in June 2023. Maintenance work and other renovations are ongoing in Columbia and at the system campuses to preserve the functionality of the campuses' physical assets. Upstate campus has a renovation project for the Smith Science Building. Aiken campus has a project for renovations to include the Business and Education Building. 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 2022 totaling \$95.5 million which includes funding for the following: \$72.6 million for maintenance, renovation and replacement for University capital assets, \$10.0 million for the Columbia School of Medicine relocation and new construction, \$8.0 million for Upstate Library renovation, and \$3.5 million for Sumter Science Lab improvement.

**Capital financing** — During fiscal year 2022, the University capital financing activity included several refundings and an Athletic Facilities Bond issuance. The refundings included the issuance of \$14,140,000 in Higher Education Revenue Refunding Bonds Series 2022A to refund a portion of the University's outstanding Higher Education Refunding Revenue Bonds Series 2012 and the issuance of \$39,805,000 in Special Higher Education Revenue Refunding Bonds Series 2022A to refund the University's outstanding Special Higher Education Revenue Bonds (Moore School of Business Project), Series 2012. In addition, the University issued \$36,690,000 in Athletic Facilities Refunding and Improvement Revenue bonds, Series 2022A to refund the University's outstanding Athletic Facilities Revenue Bonds, Series 2010A, to refund a portion of the University's outstanding Athletic Facilities Revenue Bonds, Series 2012AB and to pay the costs of improvements to Williams Brice Stadium. See Note 9 for additional details.

The University completed a comprehensive rating review with both Moody's Investors Service and with Fitch Ratings as a part of the refundings and issuance. Moody's and Fitch rated the 2022A 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 rated the 2022A Athletic Facilities Bonds at Aa3 and they affirmed Aa3 on outstanding athletic bonds.

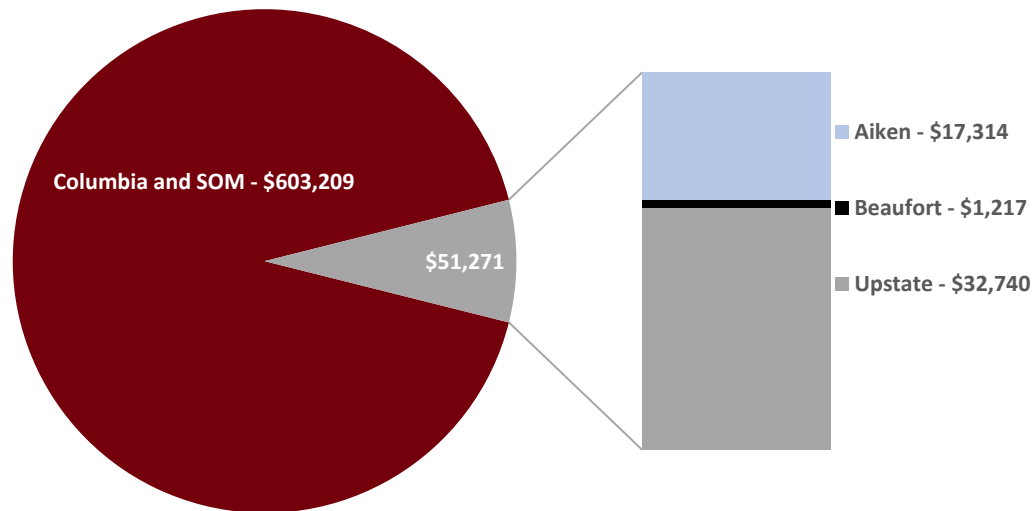
A comprehensive annual review of the University's current bond portfolio includes looking at current and future debt service and future bond maturities. The review includes looking for opportunities for refunding for all bond types, an analysis of the bond market and current interest rates, and a discussion 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, 2022 is \$654.5 million of which \$603.2 million or 92.2 percent of this debt is for the Columbia campus. The University's outstanding bond indebtedness decreased due to refundings in all three credits – Higher Education Revenue Bonds, Special Higher Education Revenue Bonds and Athletic Facilities Bonds and debt service payments during the year.

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

**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 \$14.3 million is primarily due to the increase in lease obligations related to the implementation of GASB Statement No. 87, Leases.

**OTHER NONCURRENT**

Excluding capital assets discussed above, other noncurrent assets were \$132.8 million at June 30, 2022, and \$107.8 million at June 30, 2021, reflecting a 23.1 percent increase. Other noncurrent assets include restricted cash and cash equivalents, accounts receivable, federal loan receivables, investments and other assets. This increase is attributable to the addition of noncurrent accounts receivable for leases of \$32.5 million.

Total noncurrent liabilities were \$2.9 billion at June 30, 2022, and \$3.0 billion at June 30, 2021. These noncurrent liabilities for 2022 include net OPEB liability of \$1.3 billion, net pension liability of \$920.0 million and \$738.8 million in bonds and notes payable. The overall decrease in noncurrent liabilities is primarily due to the decrease of \$189.2 million in net pension liabilities. For additional information of the change in net pension and OPEB, refer to Notes 5 and 6.

**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. GASB Statement No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions (OPEB) require participating employers to report their proportionate share of the plans' net pension and OPEB liabilities, related fringe expense and the related deferred outflows and inflows. The University's net position was \$150.4 million at June 30, 2022, and \$5.4 million at June 30, 2021.

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

**Net Position Summary**

*Dollars in thousands*

	2022	2021	Increase (Decrease)	
			Amount	Percent Change
Net investment in capital assets	\$ 854,603	\$ 879,382	\$ (24,779)	-2.8%
Restricted for:				
Nonexpendable	87,255	87,801	(546)	-0.6%
Expendable	309,704	240,046	69,658	29.0%
Unrestricted	(1,101,167)	(1,201,802)	100,635	8.4%
<b>Total Net Position</b>	<b>\$ 150,395</b>	<b>\$ 5,427</b>	<b>\$ 144,968</b>	<b>2671.2%</b>

*The prior year amounts have been adjusted to reflect a reclassification for comparative purposes.*

Net investment in capital assets represents the University's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The decrease in net investment in capital assets of \$24.8 million is primarily attributable to the \$22 million issuance portion of Series 2022A which was used to reimburse the University for prior years capitalized improvements to Williams Brice Stadium.

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 \$69.7 million primarily to Capital Reserve Fund appropriations for FY2022 from the State of \$40.1 million and a Capital Reserve Fund receivable of \$26.3 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 \$920 million and OPEB liability of \$1.3 billion which decreased overall by \$40.0 million in the current year.

Excluding the impact of GASB 68 and GASB 75 on unrestricted net position, the University's unrestricted net position was \$2.1 billion at June 30, 2022, and \$1.9 billion at June 30, 2021 reflecting an increase of \$194.7 million or 10.1 percent.

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

*Dollars in thousands*

	2022	2021	Increase (Decrease)	
			Amount	Percent Change
Net investment in capital assets	\$ 854,603	\$ 879,382	\$ (24,779)	-2.8%
Restricted for:				
Nonexpendable	87,255	87,801	(546)	-0.6%
Expendable	309,704	240,046	69,658	29.0%
Unrestricted	871,655	721,313	150,342	20.8%
<b>Total Net Position excluding GASB 68 and GASB 75</b>	<b>\$ 2,123,217</b>	<b>\$ 1,928,542</b>	<b>\$ 194,675</b>	<b>10.1%</b>

*The prior year amounts have been adjusted to reflect a reclassification for comparative purposes.*



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

**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, HEERF funds, 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, 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, 2022, and June 30, 2021:

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

*Dollars in thousands*

	2022	2021	Increase (Decrease)	
			Amount	Percent
<i>Operating Revenues:</i>				
Student Tuition and Fees, Net	\$ 556,638	\$ 571,615	\$ (14,977)	-2.6%
Grants and Contracts	369,975	339,350	30,625	9.0%
Sales and Services, Net	222,498	197,433	25,065	12.7%
Other Operating Revenues	20,684	13,790	6,894	50.0%
<b>Total Operating Revenues</b>	<b>1,169,795</b>	<b>1,122,188</b>	<b>47,607</b>	<b>4.2%</b>
<b>Operating Expenses</b>	<b>1,557,172</b>	<b>1,456,672</b>	<b>100,500</b>	<b>6.9%</b>
<b>Operating Loss</b>	<b>(387,377)</b>	<b>(334,484)</b>	<b>(52,893)</b>	<b>-15.8%</b>
<i>Nonoperating Revenues (Expenses):</i>				
State and Local Appropriations	229,088	206,150	22,938	11.1%
Federal Grants	158,559	166,710	(8,151)	-4.9%
Gifts	50,382	31,762	18,620	58.6%
Investment and Endowment Income (Loss)	(33,228)	4,870	(38,098)	-782.3%
Other Nonoperating Revenues	-	1,568	(1,568)	-100.0%
Nonoperating Expenses	(26,664)	(12,871)	(13,793)	107.2%
<b>Net Nonoperating Revenues</b>	<b>378,137</b>	<b>398,189</b>	<b>(20,052)</b>	<b>-5.0%</b>
<b>Income before Other Revenues</b>	<b>(9,240)</b>	<b>63,705</b>	<b>(72,945)</b>	<b>-114.5%</b>
Capital Appropriations	146,998	6,567	140,431	2138.4%
Capital Grants and Gifts	6,786	6,241	545	8.7%
Additions to Permanent Endowments	424	1,643	(1,219)	-74.2%
<b>Increase in Net Position</b>	<b>144,968</b>	<b>78,156</b>	<b>66,812</b>	<b>85.5%</b>
<b>Net Position - July 1</b>	<b>5,427</b>	<b>(72,729)</b>	<b>78,156</b>	<b>107.5%</b>
<b>Net Position - June 30</b>	<b>\$ 150,395</b>	<b>\$ 5,427</b>	<b>\$ 144,968</b>	<b>2671.2%</b>

*The prior year amounts for Grants and Contracts, State and Local Appropriations, Federal Grants, and Gifts have been adjusted to reflect a reclassification for comparative purposes.*

**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 2022 decreased 2.6 percent over the prior year. Student tuition and fees are reported net of scholarship discounts, which totaled \$556.6 million for fiscal year 2022 and \$571.6 million for the prior year. Tuition rates for fiscal year 2022 did not increase.

**Sales and Services** — Sales and services, net revenues increased 12.7 percent or \$25.1 million in fiscal year 2022 and includes the revenues of campus auxiliary and educational operations (student housing, campus health services, parking and transportation, athletics, study abroad, campus events). Increases are due to activities in the auxiliary areas normalizing following COVID-19.

**Grants and Contracts** — Federal Grants and contract revenues increased 9.0 percent in fiscal year 2022 due to an increased activities and projects related to sponsored awards.

Revenues and expenditures from sponsored projects increased in fiscal year 2022 reflecting a continued upward trajectory with an increase in revenue of \$20.6 million or 11.3 percent. 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 more and more 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 \$45.9 million, which was up from the fiscal year 2021 total of \$38.04 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 \$17.2 million; the U.S. Department of Energy at \$6.1 million; the Centers for Disease Control and Prevention (CDC) at \$4.2 million; the U.S. Department of Education at \$7.4 million; Office of Naval Research (ONR) at \$2.1 million; Small Business Administration at \$3.4 million, and the U.S. National Aeronautics and Space Administration at \$2.8 million.

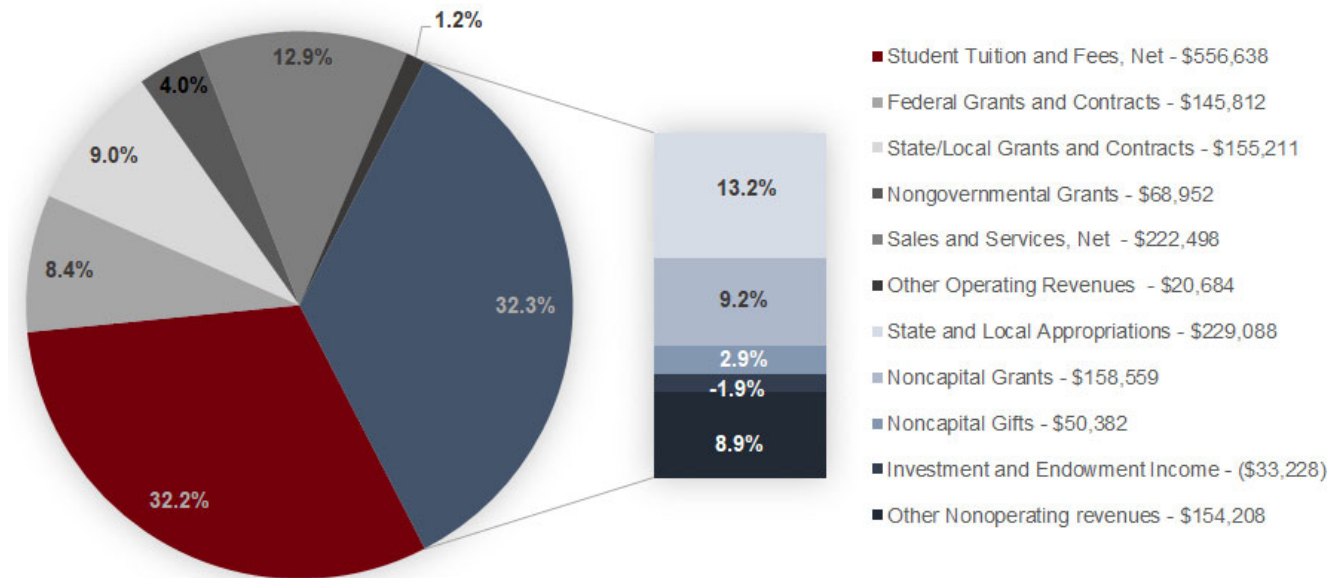
**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**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, 2022. As noted earlier, GASB requires state appropriations, current gifts, federal Pell grants, and HEERF funds to be treated 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 are the largest revenues providing 32.2 percent and 21.4 percent respectively. Sales and services, net revenue is 12.9 percent.

State appropriations, noncapital gifts and grants, federal Pell funds, HEERF 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 \$229.1 million for fiscal year 2022, an increase of 11.1 percent from the \$206.1 million received during the prior year. The increase in state appropriations is due to the tuition mitigation funding of \$7.7 million and the cost-of-living salary and annual state health insurance allocation of \$7.4 million.

Noncapital gifts increased \$18.6 million and nonoperating federal grants decreased \$8.2 million. Investment and endowment income decreased \$38.1 million due to significantly lower unrealized gains. The University's investments and endowments are held and invested by the South Carolina State Treasurer's Office. 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)**

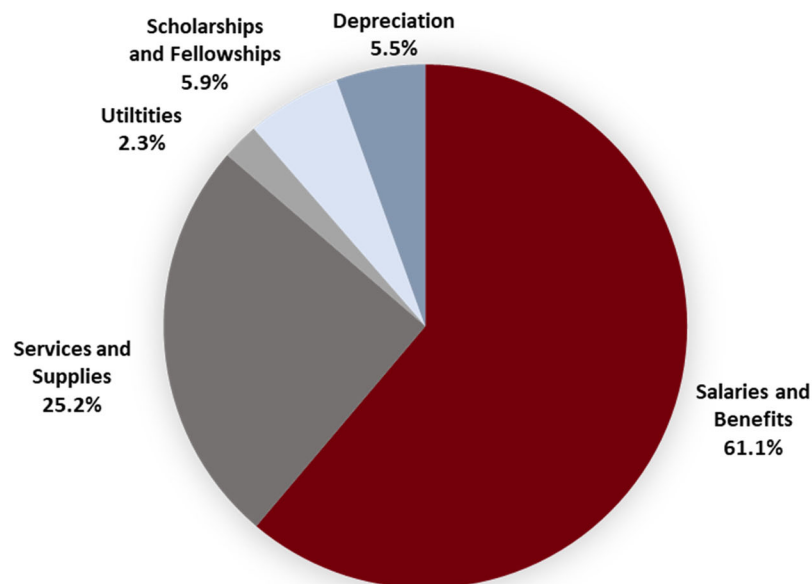
**OPERATING EXPENSES**

The University's operating expenses were \$1.6 billion for the fiscal year ended June 30, 2022, an increase of 6.9 percent from the prior year. The scholarship and fellowship increase of \$32.6 million is due to student emergency grants from HEERF. Conversely, services and supplies saw a significant increase of 28.4 percent as the University's operations normalized following COVID-19, and utilities saw a significant increase of 19.8 percent due to the increase in energy costs worldwide.

**Operating Expenses by Natural Classification**

*Dollars in thousands*

	2022	2021	Increase (Decrease)	
			Amount	Percent
Salaries and Benefits	\$ 952,574	\$ 983,888	\$ (31,314)	-3.2%
Services and Supplies	391,910	305,116	86,794	28.4%
Utilities	35,410	29,561	5,849	19.8%
Scholarships and Fellowships	91,560	58,983	32,577	55.2%
Depreciation	85,718	79,124	6,594	8.3%
<b>Total Operating Expenses</b>	<b>\$ 1,557,172</b>	<b>\$ 1,456,672</b>	<b>\$ 100,500</b>	<b>6.9%</b>



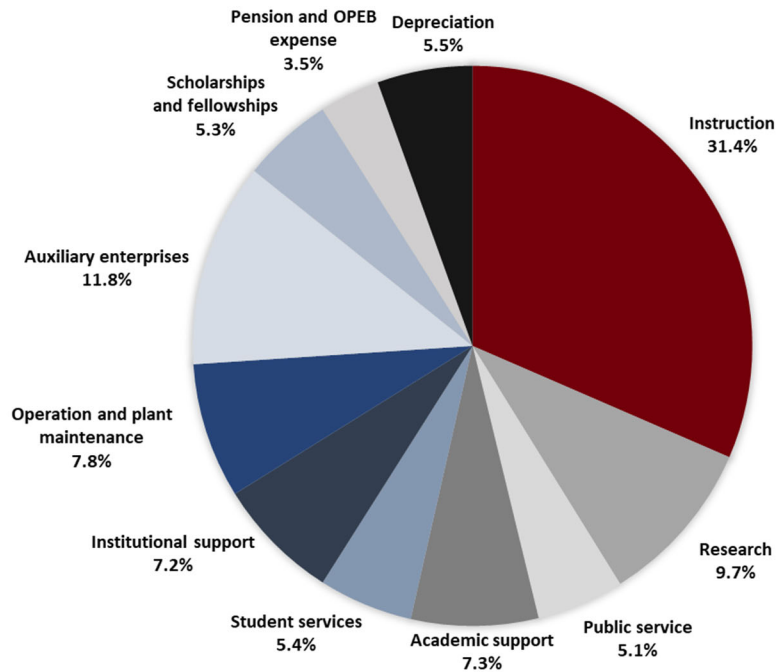
**UNIVERSITY OF SOUTH CAROLINA**  
**Management's Discussion and Analysis**  
**(Unaudited)**

Instruction and research have historically represented the largest non-auxiliary functional categories: 41.2 percent of total operating expenses in fiscal year 2022 and 40.6 percent in fiscal year 2021. The next largest functional category, auxiliary expenses, represented 12.0 percent of total operating expenses in fiscal year 2022 and in 11.3 percent in fiscal year 2021. Across all functional categories, salaries and benefits represent the largest component followed by services.

**Operating Expenses by Function**

*Dollars in thousands*

	2022	2021	Increase (Decrease)	
			Amount	Percent
Instruction	\$ 490,524	\$ 454,054	\$ 36,470	8.0%
Research	150,321	137,096	13,225	9.6%
Public service	78,648	80,820	(2,172)	-2.7%
Academic support	114,380	108,678	5,702	5.2%
Student services	84,782	73,130	11,652	15.9%
Institutional support	111,374	89,269	22,105	24.8%
Operation and plant maintenance	121,604	106,374	15,230	14.3%
Auxiliary enterprises	183,570	163,930	19,640	12.0%
Scholarships and fellowships	81,837	55,531	26,306	47.4%
Pension and OPEB expense	54,414	108,666	(54,252)	-49.9%
Depreciation	85,718	79,124	6,594	8.3%
<b>Total Operating Expenses</b>	<b>\$ 1,557,172</b>	<b>\$ 1,456,672</b>	<b>\$ 100,500</b>	<b>6.9%</b>



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

**ECONOMIC OUTLOOK**

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 2022 fiscal year on a very positive note with full funding of the State's Rainy-Day Fund at 5 percent of the prior year's General Fund Revenues and fully funded the Capital Reserve Account at 2 percent of the prior year's General Fund Revenues.

South Carolina's unemployment rate was 3.2 percent at the end of June 2022, which was 0.9 percent lower than June 2021. The national average was 3.6 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, there was an increase in non-farm jobs totaling 12,200, 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 2023, 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 2023. For fiscal year 2023, the University of South Carolina did not have a tuition increase. An average increase of 5.0 percent in student housing and 11.1 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 42,124 applications received for the Fall 2022 freshman class. Preliminary data indicates approximately 8,000 new undergraduate students on the Columbia campus, of which 6,575 are new freshmen, an increase of 6.8 percent over Fall 2021, setting a record as the largest freshman class in University history. New student enrollment has rebounded and now exceeds pre-pandemic levels, making up for a drop of nearly 800 continuing students since the start of the pandemic. While some students chose to delay their pursuit of higher education during the pandemic, continuing student enrollment has stabilized, and first-to-second year retention rates have returned to pre-pandemic levels of approximately 90 percent. As a result of these gains, overall enrollment for the University stands at 35,534, the highest ever in University history.

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 \$126.3 million across the different scholarship programs.

The University is classified as a R1 University by the Carnegie Classification for Institutions of Higher Education. Research grant awards were \$237.3 million in the 2022 fiscal year. Awards in fiscal year 2023 are trending higher and are estimated to surpass fiscal year 2022. Research grant awards were \$237.3 million in the 2022 fiscal year. Awards in fiscal year 2023 are trending higher and are estimated to surpass fiscal year 2022. The University's Columbia campus makes up approximately 96.3 percent of total research awards or approximately \$228.6 million. University researchers were particularly successful in competing for federal research funds, which totaled \$199.6 million in fiscal year 2022.

The University's total endowment is currently \$727.6 million, with \$599.6 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, 2022**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 959,599,753
Restricted - cash and cash equivalents	365,515,708
Accounts receivable, net	135,136,109
Inventories	3,429,869
Prepaid items	1,295,816
Funds due from others	1,606,171
Total current assets	<u>1,466,583,426</u>

Noncurrent assets:

Restricted - cash and cash equivalents	84,980,004
Investments	5,245,233
Accounts receivable	32,477,070
Prepaid items	1,400,000
Restricted - federal student loans receivable	7,585,886
Capital assets, net of accumulated depreciation	1,527,886,373
Other assets	1,080,946
Total noncurrent assets	<u>1,660,655,512</u>
Total assets	<u>3,127,238,938</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred amount on debt refunding	4,937,717
Deferred outflows related to net OPEB liability	328,066,232
Deferred outflows related to net pension liability	147,172,311
Total deferred outflows of resources	<u>480,176,260</u>

**LIABILITIES**

Current liabilities:

Accounts payable	21,076,906
Retainage payable	1,721,840
Accrued interest payable	5,384,854
Accrued payroll and related liabilities	28,840,782
Accrued compensated absences - current portion	34,226,896
Lease obligations - current portion	10,269,608
Bonds and notes payable - current portion	32,937,040
Unearned revenues	49,878,071
Deposits	2,072,311
Other liabilities	1,009,776
Funds held for others	10,363,548
Total current liabilities	<u>197,781,632</u>

Noncurrent liabilities:

Accrued compensated absences	2,576,219
Federal loan liability	8,590,332
Lease obligations	29,042,706
Bonds and notes payable	738,765,283
Net OPEB liability	1,267,110,762
Net pension liability	920,757,450
Total noncurrent liabilities	<u>2,966,842,752</u>
Total liabilities	<u>3,164,624,384</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows related to leases	32,203,277
Deferred inflows related to net OPEB liability	104,731,455
Deferred inflows related to net pension liability	155,460,761
Total deferred inflows of resources	<u>292,395,493</u>

**NET POSITION**

Net investment in capital assets	854,603,195
Restricted for:	
Nonexpendable	87,255,169
Expendable	
Scholarships, research, instruction, and other	63,698,297
Loans	1,257,178
Capital projects	237,156,713
Debt service	7,591,407
Unrestricted	<u>(1,101,166,638)</u>
Total net position	<u><u>\$ 150,395,321</u></u>



**UNIVERSITY OF SOUTH CAROLINA**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the year ended June 30, 2022**

**OPERATING REVENUES**

Student tuition and fees (\$36,840,572 pledged for bonds)	\$ 899,969,256
Less: scholarship allowance	(343,331,542)
Federal grants and contracts	145,811,660
State grants and contracts	154,184,403
Local grants and contracts	1,027,374
Nongovernmental grants and contracts	68,951,875
Sales and services of educational and other activities	33,045,133
Sales and services of auxiliary enterprises (\$28,810,052 pledged for bonds)	195,452,981
Less: scholarship allowance	(6,000,132)
Interest collected on student loans	201,839
Other fees (\$5,620,565 pledged for bonds)	13,767,924
Other operating revenues	6,713,720
Total operating revenues	<u>1,169,794,491</u>

**OPERATING EXPENSES**

Salaries and wages	657,649,192
Fringe benefits	294,925,577
Services and supplies	391,909,631
Utilities	35,409,823
Scholarships and fellowships	91,559,550
Depreciation expense	85,718,245
Total operating expenses	<u>1,557,172,018</u>
Operating loss	<u>(387,377,527)</u>

**NONOPERATING REVENUES (EXPENSES)**

State appropriations	224,644,627
Local appropriations	4,443,474
Federal grants	158,558,977
Gifts	50,381,573
Investment income (loss)	(15,729,785)
Endowment income (loss)	(17,498,106)
Loss on disposal of capital assets	(421,163)
Interest on capital asset related debt	(26,242,506)
Net nonoperating revenues	<u>378,137,091</u>
Income (loss) before other revenues	(9,240,436)

State capital appropriations	146,998,466
Capital grants and gifts	6,786,154
Additions to permanent endowments	424,000
Change in net position	<u>144,968,184</u>

**NET POSITION, BEGINNING OF YEAR**

5,427,137

**NET POSITION, END OF YEAR**

\$ 150,395,321

**University of South Carolina**  
**Statement of Cash Flows**  
**For the year ended June 30, 2022**

**OPERATING ACTIVITIES**

Student tuition and fees	\$ 555,692,109
Grants and contracts	374,593,344
Sales and services of educational and other activities	32,093,838
Sales and services of auxiliary enterprises	191,475,347
Lessor payments received	810,859
Student loans disbursed	(527,193)
Student loans collected	1,780,851
Interest collected on student loans	201,839
Inflows from federal direct student loans	285,379,249
Outflows from federal direct student loans	(285,379,249)
Payments to employees for services	(655,630,981)
Payments to employees for benefits	(244,577,910)
Payments to suppliers	(419,196,449)
Payments to students for scholarships and fellowships	(91,559,550)
Other receipts	20,416,598
Inflows from funds due to and held for others	26,868,732
Outflows from funds due to and held for others	(34,077,090)
	<hr/>
Net cash used by operating activities	(241,635,656)

**NONCAPITAL FINANCING ACTIVITIES**

State and local appropriations	229,088,101
Federal grants	162,003,783
Gifts	50,229,842
Additions to permanent endowments	424,000
Federal loan liability	(2,207,063)
	<hr/>
Net cash provided by noncapital financing activities	439,538,663

**CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from capital debt	108,682,188
State capital appropriations	80,666,563
Capital grants and gifts	2,694,579
Purchase and construction of capital assets	(128,012,523)
Principal paid on capital asset related debt	(128,543,787)
Interest paid on capital asset related debt	(29,887,315)
	<hr/>
Net cash used by capital and related financing activities	(94,400,295)

**INVESTING ACTIVITIES**

Investment income (loss)	(17,361,970)
Endowment income (loss)	(16,708,994)
	<hr/>
Net cash used by investing activities	(34,070,964)
	<hr/>
Net increase (decrease) in cash and cash equivalents	69,431,748

**Cash and cash equivalents, beginning of year**

1,340,663,717

**Cash and cash equivalents, end of year**

**\$ 1,410,095,465**

**Reconciliation of cash and cash equivalents**

Cash and cash equivalents	\$ 959,599,753
Restricted - cash and cash equivalents, current	365,515,708
Restricted - cash and cash equivalents, noncurrent	84,980,004
	<hr/>
	<b>\$ 1,410,095,465</b>

**University of South Carolina**  
**Statement of Cash Flows**  
**For the year ended June 30, 2022**

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

Operating loss	\$ (387,377,527)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	85,718,245
Accrued benefits related to net pension liability	81,909,699
Student loans cancelled	583,324
Change in current assets and liabilities:	
Accounts receivable, net	(35,191,500)
Student loans receivable	1,253,658
Inventories	(134,770)
Prepaid items	113,603
Accounts payable	7,553,145
Retainage payable - noncapital	7,699
Accrued payroll	1,218,003
Accrued benefits	641,248
Accrued compensated absences	572,078
Unearned revenues	8,287,341
Deposits	179,799
Other liabilities	238,657
Funds held for and due from others	(7,208,358)
Net cash used by operating activities	<u><u>\$ (241,635,656)</u></u>

**NONCASH TRANSACTIONS**

Gifts of capital assets reducing proceeds of capital grants and gifts	<u><u>\$ 3,186,942</u></u>
Net change in capital grants and gifts receivable and unearned revenues	<u><u>\$ 904,634</u></u>
Loss on disposal of capital assets, net	<u><u>\$ (421,163)</u></u>
Capital assets acquired through leases	<u><u>\$ 3,821,416</u></u>
Change in value of other assets for cash surrender value of life insurance recognized in endowment income	<u><u>\$ 180,946</u></u>
Change in value of investments recognized in endowment and investment income	<u><u>\$ (970,059)</u></u>

**UNIVERSITY OF SOUTH CAROLINA**  
**Governmental Discretely Presented Component Units**  
**Statements of Net Position**  
**June 30, 2022**

	South Carolina Research Foundation	School of Medicine Educational Trust	Beaufort- Jasper Higher Education Commission	Total
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ -	\$ 15,330,821	\$ 6,044,345	\$ 21,375,166
Restricted cash and cash equivalents	1,094,078	17,775,692	3,500,000	22,369,770
Investments and security deposits	-	11,657,588	-	11,657,588
Patient and other accounts receivable, net	1,016,886	1,049,286	212,137	2,278,309
Prepaid items and deposits	1,324,204	-	185,288	1,509,492
Total current assets	3,435,168	45,813,387	9,941,770	59,190,325
Noncurrent assets				
Capital assets, net of accumulated depreciation	-	12,307,399	44,549,304	56,856,703
Lease receivable, long term portion	-	4,309,720	-	4,309,720
Total noncurrent assets	-	16,617,119	44,549,304	61,166,423
Total assets	3,435,168	62,430,506	54,491,074	120,356,748
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on debt refunding	-	-	1,342,447	1,342,447
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued expenses	1,273,215	22,248,919	179,006	23,701,140
Accrued compensated balances	-	215,328	21,000	236,328
Unearned revenue	1,882,350	-	203,969	2,086,319
Bonds and leases payable	-	1,795,232	1,331,945	3,127,177
Total current liabilities	3,155,565	24,259,479	1,735,920	29,150,964
Noncurrent liabilities				
Noncurrent portion of long term debt	-	1,119,556	31,151,619	32,271,175
Total noncurrent liabilities	-	1,119,556	31,151,619	32,271,175
Total liabilities	3,155,565	25,379,035	32,887,539	61,422,139
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred lease inflows	-	4,847,254	36,149	4,883,403
<b>NET POSITION</b>				
Net investment in capital assets	-	10,607,399	13,548,968	24,156,367
Restricted for capital projects and debt service	-	373,896	3,500,000	3,873,896
Unrestricted	279,603	21,222,922	5,860,865	27,363,390
Total net position	<u>\$ 279,603</u>	<u>\$ 32,204,217</u>	<u>\$ 22,909,833</u>	<u>\$ 55,393,653</u>

**UNIVERSITY OF SOUTH CAROLINA**  
**Governmental Discretely Presented Component Units**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the year ended June 30, 2022**

	South Carolina Research Foundation	School of Medicine Educational Trust	Beaufort- Jasper Higher Education Commission	Total
<b>REVENUES</b>				
Operating revenues				
Contracts and grants	\$ 5,278,263	\$ 265,453	\$ -	\$ 5,543,716
Patient charges, net of allowances	-	109	-	109
Management fees and recoveries	372,865	-	-	372,865
Housing	-	-	5,792,906	5,792,906
Dining	-	-	2,862,655	2,862,655
Other operating revenues	162,032	41,785,241	253,896	42,201,169
Total operating revenues	<u>5,813,160</u>	<u>42,050,803</u>	<u>8,909,457</u>	<u>56,773,420</u>
<b>EXPENSES</b>				
Operating expenses				
Salaries and administrative expenses	219,939	31,927,618	570,051	32,717,608
Services and supplies	127,616	9,568,720	4,916,487	14,612,823
Research and development direct costs	5,389,766	-	-	5,389,766
Depreciation and amortization	-	751,117	2,606,398	3,357,515
Total operating expenses	<u>5,737,321</u>	<u>42,247,455</u>	<u>8,092,936</u>	<u>56,077,712</u>
Operating income (loss)	75,839	(196,652)	816,521	695,708
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Private gifts and donations	-	-	(2,253,351)	(2,253,351)
Interest and investment income	-	673,069	15,661	688,730
Unrealized gain (loss) on investment holdings, net	-	(2,516,593)	-	(2,516,593)
County appropriations	-	-	2,451,728	2,451,728
Interest on capital asset debt	-	-	(735,515)	(735,515)
Gain on sale of capital assets	-	-	72,735	72,735
Net nonoperating revenues (expenses)	<u>-</u>	<u>(1,843,524)</u>	<u>(448,742)</u>	<u>(2,292,266)</u>
Change in net position	75,839	(2,040,176)	367,779	(1,596,558)
<b>NET POSITION, BEGINNING OF YEAR</b>	203,764	34,244,393	22,542,054	56,990,211
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 279,603</u></u>	<u><u>\$ 32,204,217</u></u>	<u><u>\$ 22,909,833</u></u>	<u><u>\$ 55,393,653</u></u>

**UNIVERSITY OF SOUTH CAROLINA**  
**Nongovernmental Discretely Presented Component Units**  
**Statements of Financial Position**  
**June 30, 2022**

	USC Development Foundation	USC Educational Foundation	USC Business Partnership Foundation	Greater USC Alumni Association	USC Upstate Foundation and Supporting Organization	Educational Foundation of USC Lancaster	Gamecock Club of USC	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 15,908,141	\$ 7,318,393	\$ 5,563,056	\$ 1,740,374	\$ 161,169	\$ 125,566	\$ 5,000	\$ 30,821,699
Investments	22,453,985	538,706,889	120,667,218	1,952,556	15,071,006	9,918,964	-	708,770,618
Real estate held for investment	57,292,399	-	-	-	-	-	120,000	57,412,399
Assets held by others	-	5,873,059	-	-	281,264	566,834	7,099,723	13,820,880
Accounts receivable, net	991,726	20,893,113	1,364,461	1,767,048	-	775	28,784	25,045,907
Contributions receivable, net	724,144	34,062,807	321,542	-	1,350,500	12,051	-	36,471,044
Prepaid expenses	29,843	176,878	44,404	13,854	-	-	-	264,979
Other assets	2,414,066	251	84,311	41,355	-	-	3,374,833	5,914,816
Fixed assets, net of depreciation	123,396,739	492,291	-	16,603,858	-	6,599,711	-	147,092,599
Total assets	<u><u>\$ 223,211,043</u></u>	<u><u>\$ 607,523,681</u></u>	<u><u>\$ 128,044,992</u></u>	<u><u>\$ 22,119,045</u></u>	<u><u>\$ 16,863,939</u></u>	<u><u>\$ 17,223,901</u></u>	<u><u>\$ 10,628,340</u></u>	<u><u>\$ 1,025,614,941</u></u>
<b>LIABILITIES</b>								
Accounts payable and accrued expenses	\$ 1,288,166	\$ 7,614,778	\$ 1,010,219	\$ 177,451	\$ 41,256	\$ 18,401	\$ 11,723	\$ 10,161,994
Lines of credit	22,623,451	-	-	-	-	-	-	22,623,451
Deferred revenues	11,429,772	-	-	16,030	175,000	-	-	11,620,802
Bonds and notes payable	134,368,301	6,809,011	-	5,438,019	-	2,071,082	-	148,686,413
Interest rate swap	252,517	-	-	-	-	-	-	252,517
Other liabilities	32,342	10,612,372	-	10,007	184,921	-	7,727	10,847,369
Total liabilities	<u><u>169,994,549</u></u>	<u><u>25,036,161</u></u>	<u><u>1,010,219</u></u>	<u><u>5,641,507</u></u>	<u><u>401,177</u></u>	<u><u>2,089,483</u></u>	<u><u>19,450</u></u>	<u><u>204,192,546</u></u>
<b>NET ASSETS</b>								
Without donor restrictions	36,495,213	104,173,514	61,910,358	16,390,457	849,868	6,273,660	2,820,361	228,913,431
With donor restrictions	16,721,281	478,314,006	65,124,415	87,081	15,612,894	8,860,758	7,788,529	592,508,964
Total net assets	<u><u>53,216,494</u></u>	<u><u>582,487,520</u></u>	<u><u>127,034,773</u></u>	<u><u>16,477,538</u></u>	<u><u>16,462,762</u></u>	<u><u>15,134,418</u></u>	<u><u>10,608,890</u></u>	<u><u>821,422,395</u></u>
Total liabilities and net assets	<u><u>\$ 223,211,043</u></u>	<u><u>\$ 607,523,681</u></u>	<u><u>\$ 128,044,992</u></u>	<u><u>\$ 22,119,045</u></u>	<u><u>\$ 16,863,939</u></u>	<u><u>\$ 17,223,901</u></u>	<u><u>\$ 10,628,340</u></u>	<u><u>\$ 1,025,614,941</u></u>

See Notes to the Financial Statements

**UNIVERSITY OF SOUTH CAROLINA**  
**Nongovernmental Discretely Presented Component Units**  
**Statements of Activities**  
**For the year ended June 30, 2022**

	USC Development Foundation	USC Educational Foundation	USC Business Partnership Foundation	Greater USC Alumni Association	USC Upstate Foundation and Supporting Organization	Educational Foundation of USC Lancaster	Gamecock Club of USC	Total
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>								
Revenues, gains and other support								
Contributions	\$ 2,270,474	\$ 25,436,979	\$ 3,961,798	\$ 403,655	\$ 278,441	\$ 754,217	\$ 11,573,147	\$ 44,678,711
Investment returns (losses)	(4,066,111)	1,808,450	(10,702,839)	41,283	40,157	(189,316)	(60,473)	(13,128,849)
Net realized and unrealized gains (losses)	-	(29,296,838)	-	(370,427)	(417,437)	-	-	(30,084,702)
Earned income	18,631,523	-	4,509,419	1,050,006	-	-	-	24,190,948
Program service revenue	-	-	-	2,377,570	-	-	-	2,377,570
Other	1,340,762	2,952,985	-	518,069	113,998	56,337	84,673	5,066,824
Net assets released from restrictions:								
Transfers	-	-	773,178	-	-	-	-	773,178
Satisfaction of program restrictions	263,412	136,772	2,121,004	42,401	1,071,989	323,813	-	3,959,391
Expiration of time restrictions	-	18,087,979	-	-	-	-	1,237,190	19,325,169
Total revenues, gains and other support	18,440,060	19,126,327	662,560	4,062,557	1,087,148	945,051	12,834,537	57,158,240
Expenses								
Scholarships and student assistance	-	15,500,320	2,693,484	-	158,380	242,616	15,122,645	33,717,445
Program services	16,248,522	31,132,210	6,709,749	1,636,788	488,177	632,652	1,008,985	57,857,083
Supporting services	568,926	4,131,033	973,182	866,405	954,227	38,291	463	7,532,527
Other expenses	-	-	-	1,656,852	89,322	-	-	1,746,174
Total expenses	16,817,448	50,763,563	10,376,415	4,160,045	1,690,106	913,559	16,132,093	100,853,229
Excess revenues over (under) expenses	1,622,612	(31,637,236)	(9,713,855)	(97,488)	(602,958)	31,492	(3,297,556)	(43,694,989)
Interest rate swap fair value adjustment	9,788,696	-	-	-	-	-	-	9,788,696
Change in net assets without donor restrictions	\$ 11,411,308	\$ (31,637,236)	\$ (9,713,855)	\$ (97,488)	\$ (602,958)	\$ 31,492	\$ (3,297,556)	\$ (33,906,293)

**UNIVERSITY OF SOUTH CAROLINA**  
**Nongovernmental Discretely Presented Component Units**  
**Statements of Activities**  
**For the year ended June 30, 2022**

	USC Development Foundation	USC Educational Foundation	USC Business Partnership Foundation	Greater USC Alumni Association	USC Upstate Foundation and Supporting Organization	Educational Foundation of USC Lancaster	Gamecock Club of USC	Total
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>								
Contributions	\$ 107,308	\$ 10,448,037	\$ 1,282,625	\$ 28,983	\$ 2,479,978	\$ 298,855	\$ 1,082,371	\$ 15,728,157
Investment returns (losses)	(180,317)	4,614,463	(10,777,616)	-	52,198	(1,647,832)	-	(7,939,104)
Net realized and unrealized gains (losses)	-	(77,369,518)	-	-	(1,982,271)	-	77,775	(79,274,014)
Other	-	318,970	-	-	-	-	-	318,970
Net assets released from restrictions:								
Transfers	-	-	(773,178)	-	-	-	-	(773,178)
Satisfaction of program restrictions	(263,412)	(136,772)	(2,121,004)	(42,401)	(1,071,989)	(323,813)	-	(3,959,391)
Expiration of time restrictions	-	(18,087,979)	-	-	-	-	(1,237,190)	(19,325,169)
Change in net assets with donor restrictions	(336,421)	(80,212,799)	(12,389,173)	(13,418)	(522,084)	(1,672,790)	(77,044)	(95,223,729)
Change in net assets	11,074,887	(111,850,035)	(22,103,028)	(110,906)	(1,125,042)	(1,641,298)	(3,374,600)	(129,130,022)
<b>NET ASSETS, BEGINNING OF YEAR</b>	42,141,607	694,337,555	149,137,801	16,588,444	17,587,804	16,775,716	13,983,490	950,552,417
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 53,216,494</b>	<b>\$ 582,487,520</b>	<b>\$ 127,034,773</b>	<b>\$ 16,477,538</b>	<b>\$ 16,462,762</b>	<b>\$ 15,134,418</b>	<b>\$ 10,608,890</b>	<b>\$ 821,422,395</b>



**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. Based on these criteria, the financial statements include the University as the primary government and other related entities as discretely presented component units. The University's discretely presented component units are discussed 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 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 consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also includes 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. Lessor agreements receivable as well as State capital appropriations receivable 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 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 is taken the month the asset is placed in service and no depreciation is taken in the month of disposition.

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

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

**Leases** – The University determines if an agreement is a lease at inception.

Lessee agreements are included in the statement of net position as capital assets (lease assets) and leases payable. 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.

**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.

**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. This includes the Gamecock Club's cash and investments which are pooled together with the University's funds 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 position 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.

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

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

**Deferred Inflows of Resources** - The acquisition of net position 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, and deferred inflows related to leases receivable.

**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.

**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 grant 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, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes.

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

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

**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, 2022.

**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.

At June 30, 2022, \$17,564,055 of the amount reported as *net position, restricted expendable - scholarships, research, instruction and other*, represented cumulative net appreciation of donor-restricted endowments.

**New Accounting Pronouncements**

GASB Statement No. 87, *Leases*: This Statement requires recognition of assets, liabilities, and deferred inflows of resources for leases previously classified as operating leases, based on the payment provisions of the contract. This Statement applies to all leases (lessee and lessor) with a term greater than one year. The University implemented this Statement in fiscal year 2022.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*: This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Interest cost will now be recognized as an expense in the period in which the cost is incurred. The University implemented this Statement in fiscal year 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*: This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. The University will continue to evaluate this Statement and its impact on the financial statements. The requirements of this Statement are effective for the University in fiscal year 2023.

**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:

**Statement of Net Position**

Cash and cash equivalents (current)	<u>\$ 959,599,753</u>
Restricted cash and cash equivalents (current) for:	
Debt service	14,487,247
Scholarship, research, instruction, and other	52,512,316
Capital projects	<u>298,516,145</u>
	<u>365,515,708</u>
Restricted cash and cash equivalents (noncurrent) for:	
Endowments	81,579,901
Federal student loans	2,274,393
Debt service reserves	<u>1,125,710</u>
	<u>84,980,004</u>
Investments (noncurrent)	<u>5,245,233</u>
<b>Total</b>	<b><u>\$ 1,415,340,698</u></b>

**Disclosure, Deposits and Investments**

Cash on hand	\$ 210,141
Deposits held by State Treasurer	1,409,545,344
Other deposits	339,981
Investments held by State Treasurer Other	4,055,764
investments	<u>1,189,468</u>
<b>Total</b>	<b><u>\$ 1,415,340,698</u></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, 2022, \$25,661,226 of the \$1,409,545,344 identified in the preceding schedule as "Deposits held by State Treasurer" is attributable to unrealized depreciation.

***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 \$1,168,338 Level 1 assets and \$21,130 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 \$1,189,468 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 \$970,058.



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

**NOTE 3 - RECEIVABLES**

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

<b>Current</b>	
Student	\$ 21,268,824
Auxiliary enterprises	5,966,141
Federal grants and contracts	27,485,951
State grants and contracts	6,804,642
Local grants and contracts	326,981
Non-governmental grants and contracts	4,773,639
State capital appropriations	66,331,903
Leases	527,999
Accrued interest	3,711,511
	<u>137,197,591</u>
Less allowance for doubtful accounts	<u>(2,061,482)</u>
<b>Current accounts receivable, net</b>	<b><u>\$ 135,136,109</u></b>
<b>Noncurrent</b>	
Leases	<u>\$ 32,477,070</u>
<b>Noncurrent accounts receivable</b>	<b><u>\$ 32,477,070</u></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.

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 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 administering the loan programs.



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

**NOTE 4 - CAPITAL ASSETS**

	June 30, 2021	GASB 87 Accounting Change	Additions	Reductions	Net Transfers	June 30, 2022
Capital assets not being depreciated						
Land	\$ 96,527,282	\$ -	\$ -	\$ -	\$ -	\$ 96,527,282
Construction in progress	36,481,099	-	113,602,411	5,793,549	(19,728,045)	124,561,916
Works of art and historical treasures	50,791,163	-	2,390,940	-	-	53,182,103
Total capital assets not being depreciated	<u>183,799,544</u>	<u>-</u>	<u>115,993,351</u>	<u>5,793,549</u>	<u>(19,728,045)</u>	<u>274,271,301</u>
Other capital assets						
Land improvements	110,487,776	-	-	-	-	110,487,776
Buildings and improvements	2,000,448,889	-	-	1,086,746	19,728,045	2,019,090,188
Machinery, equipment and other	225,031,532	-	19,034,758	5,044,582	-	239,021,708
Vehicles	16,539,354	-	1,554,556	324,200	-	17,769,710
Intangibles	93,086,499	-	536,987	-	-	93,623,486
Leased land and improvements	-	775,684	-	-	-	775,684
Leased buildings and improvements	-	36,966,772	3,821,416	613,707	-	40,174,481
Leased machinery, equipment and other	-	363,846	-	-	-	363,846
Total other capital assets	<u>2,445,594,050</u>	<u>38,106,302</u>	<u>24,947,717</u>	<u>7,069,235</u>	<u>19,728,045</u>	<u>2,521,306,879</u>
Less accumulated depreciation for						
Land improvements	56,722,064	-	4,163,264	-	-	60,885,328
Buildings and improvements	894,475,767	-	48,142,252	678,234	-	941,939,785
Machinery, equipment and other	162,907,641	-	14,741,699	4,058,418	-	173,590,922
Vehicles	13,030,683	-	1,311,143	315,872	-	14,025,954
Intangibles	60,029,712	-	7,231,336	-	-	67,261,048
Leased land and improvements	-	-	241,033	-	-	241,033
Leased buildings and improvements	-	-	9,780,465	139,781	-	9,640,684
Leased machinery, equipment and other	-	-	107,053	-	-	107,053
Total accumulated depreciation	<u>1,187,165,867</u>	<u>-</u>	<u>85,718,245</u>	<u>5,192,305</u>	<u>-</u>	<u>1,267,691,807</u>
Other capital assets, net	<u>1,258,428,183</u>	<u>38,106,302</u>	<u>(60,770,528)</u>	<u>1,876,930</u>	<u>19,728,045</u>	<u>1,253,615,072</u>
Capital assets, net	<u>\$ 1,442,227,727</u>	<u>\$ 38,106,302</u>	<u>\$ 55,222,823</u>	<u>\$ 7,670,479</u>	<u>\$ -</u>	<u>\$ 1,527,886,373</u>

**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 (11.41 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. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

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

**NOTE 5 - PENSION PLANS, Continued**

Required **employee** contribution rates for fiscal year 2021-2022 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 2021-2022 are as follows:

**SCRS**

Employer Class II	16.41% of earnable compensation
Employer Class III	16.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

**ORP**

Employer Contribution <sup>2</sup>	16.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

**PORS**

Employer Class II	18.84% of earnable compensation
Employer Class III	18.84% 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 2022, total contributions requirements to the ORP were \$46,136,000 (excluding the surcharge) from the University as employer and approximately \$25,303,000 from its employees as plan members.

***Net Pension Liability (NPL)*** - At June 30, 2022, the University reported liabilities of \$907,942,876 and \$12,814,574 for its proportionate share of the SCRS and PORS NPL, respectively. The NPLs were measured as of June 30, 2021, 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. At June 30, 2021, the University's proportionate shares of the SCRS and PORS plans were 4.195422% and 0.498057%, respectively.

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

**NOTE 5 - PENSION PLANS, Continued**

**Pension Expense** - For the year ended June 30, 2022, the University recognized pension expense of \$67,088,832 and \$1,116,458 for SCRS and PORS, respectively, for a total pension expense of \$68,205,290.

**Non-employer Contributions** - Employer's proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and non-employer contributions appropriated in the State's budget. In an effort to offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for fiscal year 2021. The State budget appropriated these funds directly to PEBA and a credit was issued for each employer to use when submitting their quarterly remittances to PEBA. For the year ended June 30, 2021 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, 2022.

**Deferred Inflows of Resources and Deferred Outflows of Resources** – At June 30, 2022, 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	\$ 15,465,772	\$ 1,225,365
Changes of assumptions	49,697,808	-
Net difference between projected and actual earnings on pension plan investments	-	131,890,645
Changes in proportion and differences between University contributions and proportionate share of contributions	1,574,990	17,703,442
University contributions subsequent to the measurement date	77,400,097	-
Total	<u>\$ 144,138,667</u>	<u>\$ 150,819,452</u>

**Police Officers Retirement System**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 435,941	\$ 39,909
Changes of assumptions	913,997	-
Net difference between projected and actual earnings on pension plan investments	-	2,872,972
Changes in proportion and differences between University contributions and proportionate share of contributions	194,930	1,728,428
University contributions subsequent to the measurement date	1,488,776	-
Total	<u>\$ 3,033,644</u>	<u>\$ 4,641,309</u>

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

**NOTE 5 - PENSION PLANS, Continued**

The \$77,400,097 and \$1,488,776 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, 2022 will be recognized as a reduction of the NPLs in the year ending June 30, 2023.

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:

	<b>SCRS</b>
Year ended June 30:	
2023	\$ (10,092,509)
2024	(9,057,939)
2025	(15,578,705)
2026	(49,351,729)
	<u>\$ (84,080,882)</u>

	<b>PORS</b>
Year ended June 30:	
2023	\$ (585,882)
2024	(719,065)
2025	(718,261)
2026	(1,073,233)
	<u>\$ (3,096,441)</u>

**Actuarial Assumptions and Methods** - Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. 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, 2021, 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, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2021, 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, 2021 for SCRS and PORS.

	SCRS	PORS
	Entry age normal	Entry age normal
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, 2021 TPL are as follows.

Former Job Class	Males	Females
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, 2021, NPL totals for SCRS and PORS are as follows (amounts expressed in thousands):

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 55,131,579,363	\$ 33,490,305,970	\$ 21,641,273,393	60.7%
PORS	8,684,586,488	6,111,672,064	2,572,914,424	70.4%

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 represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 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> <sup>1</sup>	46.0%	6.87%	3.16%
<b>Bonds</b>	26.0%	0.27%	0.07%
<b>Private Equity</b> <sup>1,2</sup>	9.0%	9.68%	0.87%
<b>Private Debt</b> <sup>2</sup>	7.0%	5.47%	0.39%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate <sup>2</sup>	9.0%	6.01%	0.54%
Infrastructure <sup>2</sup>	3.0%	5.08%	0.15%
Total Expected Return <sup>3</sup>	100.0%		5.18%
Inflation for Actuarial Purposes			2.25%
			<b>7.43%</b>

<sup>1</sup> The target weights to Private Equity will be equal its actual weight, reported by the custodial bank, as of prior month end. When flows have occurred, flow adjusted weights are used to more accurately reflect the impact of the asset class weight. Private Equity and Public Equity combine for 55% of the entire portfolio.

<sup>2</sup> Staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

<sup>3</sup> Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 20% 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.

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

<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	\$1,189,292,060	\$907,942,876	\$674,083,412
PORS	18,592,319	12,814,574	8,081,731

**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, 2021 (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, 2021.

**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, 6.25% of annual covered payroll for 2022. The IB sets the employer contribution rate based on a pay-as-you-go basis. The University paid \$37,060,640, including the implicit subsidy, applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal year ended June 30, 2022. 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, 2022. 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, 2022, the University reported a liability of \$1,267,110,762 for its proportionate share of the SCRHITF net OPEB liability. The OPEB liability was measured as of June 30, 2021, 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, 2021, the University's proportionate share of the SCRHITF plan was 6.085095%.

**OPEB Expense** - For the year ended June 30, 2022, the University recognized OPEB expense of \$102,082,807 for SCRHITF.

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Post-Employment Benefits Other Than Pensions (OPEB)** – At June 30, 2022, 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	\$ 25,642,344	\$ 32,478,040
Changes of assumptions	257,609,640	30,510,363
Net difference between projected and actual earnings on OPEB plan investments	-	342,634
Changes in proportion and differences between University contributions and proportionate share of contributions	7,753,608	41,400,418
University contributions subsequent to the measurement date	37,060,640	-
Total	<u>\$ 328,066,232</u>	<u>\$ 104,731,455</u>

The \$37,060,640 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, 2022 will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2023.

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:

**SCRHITF**

Year ended June 30:	
2023	\$ 28,692,401
2024	28,131,347
2025	37,866,961
2026	38,762,520
2027	35,249,852
Thereafter	17,571,056
	<u>\$ 186,274,137</u>

**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, 2020 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	1.92% as of June 30, 2021
Demographic assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality assumptions	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections based on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.
Healthcare trend rate	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Participation assumptions	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 discount rate changed from 2.45% as of June 30, 2020 to 1.92% as of June 30, 2021. In addition, the demographic and salary increases assumptions were updated to reflect the 2020 SCRS experience study and the health care trend rates were reset to better reflect the plan's anticipated experience.

**Discount Rate** - The Single Discount Rate of 1.92% 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%	0.60%	0.48%
Cash	20.00%	0.35%	0.07%
Total	100.00%		0.55%
Expected Inflation			2.25%
Total Return			2.80%
Investment Return Assumption			2.75%

For the SCRHITF, the annual money-weighted rate of return on the plan investments were 0.39%.

**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 1.92 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 (0.92 percent) or 1 percentage point higher (2.92 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>0.92%</b>	<b>1.92%</b>	<b>2.92%</b>
\$1,527,181,865	\$1,267,110,762	\$1,062,076,719

**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>
\$1,016,563,857	\$1,267,110,762	\$1,600,956,194

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

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

The University participates in certain Federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management 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 \$197,800,492 for capital and \$103,504,809 for noncapital projects as of June 30, 2022. The University anticipates funding these projects out of current resources, current and future bond issues, private gifts, student fees, and state capital improvement bond proceeds.

**NOTE 8 - LEASES**

**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 the University's incremental borrowing rate. See Note 4 for information on lease assets and the related accumulated depreciation. Future commitments for leases having remaining terms in excess of one year as of June 30, 2022 were as follows:

2023	\$ 11,500,419
2024	10,945,719
2025	3,429,190
2026	2,511,040
2027	2,166,621
2028-2032	9,212,939
2033-2037	4,624,056
2038-2039	630,239
Total minimum lease payments	<u>45,020,223</u>
Less: Interest	<u>5,707,909</u>
Present value of minimum lease payments	<u>\$ 39,312,314</u>

In the current fiscal year, the University incurred expenses of \$1,050,356 for office copier contingent rentals on a cost per copy basis.

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

**NOTE 8 – LEASES, 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 or using the University's incremental borrowing rate. During the year ended June 30, 2022, the University recognized revenues related to these lease agreements totaling \$2,449,426. Total minimum lease payments to be received under lessor agreements are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 527,999	\$ 1,061,792	\$ 1,589,791
2024	496,202	1,048,189	1,544,391
2025	479,916	1,033,305	1,513,221
2026	500,142	1,017,508	1,517,650
2027	543,239	1,000,737	1,543,976
2028-2032	3,231,854	4,712,788	7,944,642
2033-2037	433,510	4,349,631	4,783,141
2038-2042	113,691	4,353,653	4,467,344
2043-2047	737,999	4,287,764	5,025,763
2048-2052	1,547,835	4,106,146	5,653,981
2053-2057	2,585,335	3,775,394	6,360,729
2058-2062	3,901,227	3,254,590	7,155,817
2063-2067	5,556,520	2,493,777	8,050,297
2068-2072	7,624,449	1,432,136	9,056,585
2073-2077	4,725,151	240,985	4,966,136
Total future receipts	<u>\$ 33,005,069</u>	<u>\$ 38,168,395</u>	<u>\$ 71,173,464</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, 2022 Balance	Debt Retired in Fiscal Year 2022
<b>State Institution Bonds</b>					
Series 2011A Refunding	\$ 20,085,000	3.5% to 5%	03/01/22	\$ -	\$ 2,350,000
Series 2012A Refunding	21,254,000	2.5% to 5%	04/01/24	2,125,000	1,555,000
Series 2014A	15,190,000	3% to 5%	04/01/34	10,560,000	665,000
Series 2015A	56,725,000	2% to 5%	04/01/35	41,915,000	2,335,000
Series 2015B Refunding	30,625,000	5%	04/01/26	14,140,000	3,020,000
Series 2017B	39,450,000	2.625% to 5%	04/01/37	32,485,000	1,485,000
Series 2019B Refunding	4,290,000	5%	04/01/29	3,195,000	370,000
Series 2021C Refunding	11,840,000	5%	04/01/31	10,900,000	940,000
<b>Total State Institution Bonds</b>				<b>115,320,000</b>	<b>12,720,000</b>
<b>Revenue Bonds</b>					
Athletic Facilities Revenue Bonds					
Series 2010A Athletic	65,855,000	4% to 5%	05/01/40	-	8,660,000
Series 2012A Athletic	13,580,000	2.5% to 4%	05/01/42	-	10,850,000
Series 2012B Refunding Athletic	6,350,000	3.5%	05/01/32	-	6,350,000
Series 2015 Athletic	38,270,000	3% to 5%	05/01/45	33,240,000	825,000
Series 2016A Refunding Athletic	22,400,000	4% to 5%	05/01/38	19,405,000	805,000
Series 2017A Athletic	40,325,000	4% to 5%	05/01/47	36,710,000	790,000
Series 2017B Refunding Athletic	46,990,000	5%	05/01/40	43,315,000	1,880,000
Series 2022A Refunding	36,690,000	4% to 5%	05/01/52	36,690,000	-
Total Athletic Facilities Revenue Bonds				169,360,000	30,160,000
Special Higher Education Revenue Bonds					
Series 2012	61,945,000	3.5% to 5%	05/01/35	-	49,095,000
Series 2022A Refunding	39,805,000	5%	05/01/35	39,805,000	-
Total Special Higher Education Revenue Bonds				39,805,000	49,095,000
Higher Education Revenue Bonds					
Series 2012 Refunding	28,110,000	4% to 5%	05/01/34	-	17,605,000
Series 2013	37,185,000	3% to 5%	05/01/43	29,290,000	1,105,000
Series 2015	47,605,000	3.5% to 5%	05/01/35	27,925,000	3,630,000
Series 2016A Refunding	67,820,000	4% to 5%	05/01/39	59,050,000	2,355,000
Series 2017A Refunding	20,840,000	5%	05/01/40	19,545,000	665,000
Series 2021A	169,780,000	3% to 5%	05/01/51	169,780,000	-
Series 2021B	10,265,000	0.592% to 1.135%	05/01/26	10,265,000	-
Series 2022A Refunding	14,140,000	5%	05/01/34	14,140,000	-
Total Higher Education Revenue Bonds				329,995,000	25,360,000
<b>Total Revenue Bonds</b>				<b>539,160,000</b>	<b>104,615,000</b>
Subtotal bonds payable				654,480,000	117,335,000
Plus unamortized bond premiums				116,902,611	17,942,299
Less unamortized bond discounts				-	(141,900)
<b>Total Bonds Payable</b>				<b>\$ 771,382,611</b>	<b>\$ 135,135,399</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 2021 Tuition Fees used to calculate the University's ability to issue additional State Institution Bonds totaled \$35,403,530, which resulted in a legal annual debt service limit for State Institution Bonds issued in 2022 of \$31,863,177. The annual debt service payments for the fiscal year 2022 were \$18,122,194. Tuition Fees in fiscal year 2022 totaled \$34,713,010.

**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 2022 were \$24,727,458. The net available funds described in (B) above totaled \$968,476,699 in fiscal year 2022.

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 2022 were \$968,476,699.

**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 2022 were \$2,127,562 of special student fees, \$5,620,565 of special admission fees and \$4,082,595 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.

On March 10, 2022, the University issued \$14,140,000 in Higher Education Revenue Refunding Bonds Series 2022A to refund a portion of the University's outstanding Higher Education Refunding Revenue Bonds Series 2012. The refunding transaction resulted in an aggregate debt payment reduction of \$3,259,842 over the next 12 years and a net present value savings or economic gain of \$2,926,604.

On March 10, 2022, the University issued \$39,805,000 in Special Higher Education Revenue Refunding Bonds Series 2022A to refund the University's outstanding Special Higher Education Revenue Bonds (Moore School of Business Project), Series 2012. The refunding transaction resulted in an aggregate debt payment reduction of \$10,272,298 over the next 13 years and a net present value savings or economic gain of \$9,127,133.

On March 10, 2022, the University issued \$36,690,000 in Athletic Facilities Refunding and Improvement Revenue bonds, Series 2022A to refund the University's outstanding Athletic Facilities Revenue Bonds, Series 2010A, to refund a portion of the University's outstanding Athletic Facilities Revenue Bonds, Series 2012A: to refund the University's outstanding Athletic Facilities Revenue Bonds, Refunding Series 2012B and to pay the costs of improvements to Williams Brice Stadium. The refunding transaction resulted in an aggregate debt payment reduction of \$9,684,496 over the next 20 years and a net present value savings or economic gain of \$3,625,767.

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>			
2023	\$ 10,935,000	\$ 4,766,194	\$ 15,701,194
2024	10,300,000	4,252,144	14,552,144
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
2028-2032	38,930,000	8,316,893	47,246,893
2033-2037	26,485,000	2,064,719	28,549,719
<b>Total</b>	<b><u>\$ 115,320,000</u></b>	<b><u>\$ 29,074,931</u></b>	<b><u>\$ 144,394,931</u></b>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>Revenue Bonds</b>			
2023	\$ 16,710,000	\$ 25,159,830	\$ 41,869,830
2024	20,655,000	24,324,330	44,979,330
2025	21,540,000	23,444,758	44,984,758
2026	21,675,000	22,509,830	44,184,830
2027	22,775,000	21,582,031	44,357,031
2028-2032	117,530,000	91,237,706	208,767,706
2033-2037	117,575,000	61,845,731	179,420,731
2038-2042	87,255,000	35,975,613	123,230,613
2043-2047	66,495,000	18,347,487	84,842,487
2048-2052	46,950,000	5,055,100	52,005,100
<b>Total</b>	<b><u>\$ 539,160,000</u></b>	<b><u>\$ 329,482,416</u></b>	<b><u>\$ 868,642,416</u></b>

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

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

**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% \$ 319,712

The scheduled maturities of the notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 43,005	\$ 6,394	\$ 49,399
2024	43,865	5,534	49,399
2025	44,742	4,657	49,399
2026	45,637	3,762	49,399
2027	46,550	2,849	49,399
2028-2029	95,913	2,887	98,800
<b>Total</b>	<b><u>\$ 319,712</u></b>	<b><u>\$ 26,083</u></b>	<b><u>\$ 345,795</u></b>

**NOTE 10 - LONG-TERM LIABILITIES**

Long-term liability activity was as follows:

	<u>June 30, 2021</u>	<u>GASB 87 Accounting Change</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2022</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
Bonds Payable:							
State Institution Bonds	\$ 128,040,000	\$ -	\$ -	\$ 12,720,000	\$ 115,320,000	\$ 10,935,000	\$ 104,385,000
Revenue Bonds	553,140,000	-	90,635,000	104,615,000	539,160,000	16,710,000	522,450,000
Subtotal Bonds Payable	681,180,000	-	90,635,000	117,335,000	654,480,000	27,645,000	626,835,000
Unamortized Bond Premiums	116,797,722	-	18,047,188	17,942,299	116,902,611	5,249,035	111,653,576
Unamortized Bond Discounts	(141,900)	-	-	(141,900)	-	-	-
Total Bonds Payable	797,835,822	-	108,682,188	135,135,399	771,382,611	32,894,035	738,488,576
Notes Payable	361,874	-	-	42,162	319,712	43,005	276,707
<b>Total Bonds and Notes Payable</b>	<b><u>\$ 798,197,696</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 108,682,188</u></b>	<b><u>\$ 135,177,561</u></b>	<b><u>\$ 771,702,323</u></b>	<b><u>\$ 32,937,040</u></b>	<b><u>\$ 738,765,283</u></b>
Lease Obligations	\$ 1,827,553	\$ 44,563,077	\$ 4,088,309	\$ 11,166,625	\$ 39,312,314	\$ 10,269,608	\$ 29,042,706
Accrued Compensated Absences	\$ 36,231,040	\$ -	\$ 34,235,432	\$ 33,663,357	\$ 36,803,115	\$ 34,226,896	\$ 2,576,219

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

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

**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 South Carolina Research Foundation, the University of South Carolina School of Medicine Educational Trust (the Trust), and the Beaufort-Jasper Higher Education Commission, all of which are considered governmental component units. In addition, the University of South Carolina Development Foundation; the University of South Carolina Educational Foundation; the University of South Carolina Business Partnership Foundation; the Greater University of South Carolina Alumni Association; the University of South Carolina Upstate Foundation and Supporting Organization; the Educational Foundation of the University of South Carolina – Lancaster; and the Gamecock Club of the University of South Carolina 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 governmental or nongovernmental reporting entities. Management performs an annual review of its relationship with these entities to ensure continued compliance with accounting standards. Some component units hold endowments on behalf of the University, see Note 15 for details.

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.

**Governmental Discretely Presented Component Units**

The South Carolina Research Foundation (the Foundation) operates as a supporting organization of the University of South Carolina's teaching, research, and public service missions. It will support research programs of clear relevance to the state and nation. The research areas focus on the environment, new technologies, economic development, health sciences and social issues. The University receives funds for reimbursement of personnel services and other administrative costs from the Foundation. The Foundation receives research funding from private sources. The University receives flow through funds for research from the Foundation. Complete financial statements for the Foundation can be obtained at The South Carolina Research Foundation, 202 Osborne Building, USC, Columbia, SC 29208, Attention: Kelly Epting.

The University of South Carolina School of Medicine Educational Trust (the Trust) is organized and operates exclusively for the benefit of, and to carry out the purposes of, the University of South Carolina School of Medicine based in Columbia, South Carolina, in order to augment and aid education, service, research and development in the health sciences and in the fields of preventive and curative medicine. To perform these functions, the Trust operates clinical medical practices pursuant to the provisions of the Clinical Faculty Practice Plan of the School of Medicine. The purpose of the Trust is to provide high quality healthcare in conjunction with enhanced teaching opportunities and to provide additional financial resources in support of the School of Medicine. The Trust is exempt from income taxes under Section 501(a) of the Internal Revenue Code as an organization described under Section 501(c)(3). Complete financial statements for the Trust can be obtained at the University of South Carolina School of Medicine Educational Trust, Post Office Box 413, Columbia, South Carolina 29202, Attention: Jeff Perkins.

The Beaufort-Jasper Higher Education Commission (the Commission) was created in 1994 by the General Assembly of South Carolina. The Commission's primary purpose is to provide support and encouragement for all undertakings to improve the higher education opportunities for the benefit of the citizens and residents of Beaufort and Jasper Counties. The Commission serves as the liaison between the University of South Carolina Beaufort campus (USC Beaufort) and the Beaufort and Jasper communities as well as the oversight committee for campus residence halls and the student center including the construction and management of those facilities. Complete financial statements for the Commission can be obtained at 1 University Boulevard, Bluffton, SC 29909, Attention: Beth Patrick.

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

**NOTE 11 - COMPONENT UNITS, Continued**

**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.

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.

The University of South Carolina Alumni Association (the Association) was formed to serve the students after they graduate. The Association's objectives are providing job placement and counseling, communicating the aspirations and needs of the University, helping graduates keep in touch with one another, and providing programs of continuing education. The University receives funds for scholarships, reimbursement of personnel services, and other administrative costs from the Association. The University also pays the Association to assist with recruitment and retention of students. Complete financial statements for the Association can be obtained at 900 Senate Street, Columbia, SC 29201, Attention: Wes Hickman.

The University of South Carolina Upstate Foundation (the Foundation) was established to accept gifts for charitable, benevolent, cultural, and education purposes and to provide student housing and other real property for the exclusive use and benefit of the University of South Carolina Upstate. The University of South Carolina Upstate Capital Development Foundation (CDF), a supporting organization of the Foundation, was established to accept real property donated to the University of South Carolina Upstate, serve as the purchasing agent for property on behalf of Upstate that is integral to the growth of the campus, and to manage property under leasing agreements to the University. The University receives funds from the Foundation for scholarships and reimbursement for personnel and student housing services provided by the University. Complete financial statements for the Foundation and its supporting organization can be obtained at the University of South Carolina Upstate Foundation, 800 University Way, Spartanburg, SC 29303, Attention: RJ Gimbl.

The Educational Foundation of the University of South Carolina - Lancaster (the Foundation) operates for the benefit and support of the University of South Carolina at Lancaster. 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, rent, and reimbursement for computer and personnel services provided by the University. Complete financial statements for the Foundation can be obtained at PO Box 809, Lancaster, SC 29721. Attention: Buddy Faile, Jr.

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

**NOTE 11 - COMPONENT UNITS, Continued**

The Gamecock Club of the University of South Carolina (the Gamecock Club) was established exclusively to support University Athletics at the Columbia Campus. Its objectives include the establishment and implementation of long-range fundraising programs to support athletic scholarships. The University receives scholarship funds from the Gamecock Club for student athletes and other administrative costs. Complete financial statements for the Gamecock Club can be obtained at 1304 Heyward St., Columbia, SC 29208, Attention: Jeff Tallant.

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

**Funds Received from Component Units**

South Carolina Research Foundation	\$ 4,109,192
School of Medicine Educational Trust	2,757,251
Beaufort-Jasper Higher Education Commission	2,258,351
Development Foundation	134,792
Educational Foundation	26,818,752
Business Partnership Foundation	5,300,482
Alumni Association	401,237
Upstate Foundation	426,300
Gamecock Club	<u>15,122,645</u>
<b>Total</b>	<b><u>\$ 57,329,002</u></b>

The majority of the South Carolina Research Foundation revenues are recorded by the University as federal grants and contracts revenues and the majority of revenues from the other component units are recorded as nonoperating gifts revenue. Federal grants and contracts receivables include \$143,202 due from the South Carolina Research Foundation at June 30, 2022.

**Funds Paid to Component Units**

South Carolina Research Foundation	\$ 699,169
Beaufort-Jasper Higher Education Commission	6,942,442
Development Foundation	4,018,075
Educational Foundation	1,446,563
Alumni Association	<u>2,471,840</u>
<b>Total</b>	<b><u>\$ 15,578,089</u></b>



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

**NOTE 12 - RELATED PARTIES**

There are several separately chartered legal entities which do not meet the criteria established by GASB Statement No. 61 – Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34, to be treated as component units of the University. These entities are the local higher education commissions. While they are not financially accountable to the University, these organizations exist primarily to provide financial assistance and other support to the University system campuses and the educational programs. Management performs an annual review of these relationships to ensure continued compliance with accounting standards. The activities of these entities are not included in the University's financial statements. However, the University's statements for the year ended June 30, 2022 include significant transactions between them and the University which are as follows:

***Aiken County Commission for Higher Education Commission*** - The Aiken County Commission for Higher Education (the Commission) was created under Act 103 of the 1961 Session of the General Assembly of South Carolina. The Commission is composed of eight members who are appointed by the Governor on the recommendation of a majority of the Aiken County Legislative Delegation. In addition, the Superintendent of Education for Aiken County and the Chair of the Aiken Commission for Technical Education are ex-officio members of the Commission. The Commission's purpose is the establishment and maintenance of an institution of higher education in Aiken County and it is empowered to enter into contracts, make binding agreements, negotiate with educators and educational institutions and generally, to take such actions in its name necessary to secure for Aiken County and adjacent areas the necessary educational facilities to provide higher education. The Commission receives an annual appropriation from Aiken County to accomplish these objectives. During the year ended June 30, 2022, the Commission made grants to the University of South Carolina Aiken (USC Aiken) totaling \$100,000 for campus maintenance and enhancements. USC Aiken provides accounting services to the Commission at no charge. The Commission leases its land and buildings to USC Aiken for \$1 annually. At June 30, 2022, the Commission had a net position of \$2,778,737.

***Lancaster County Commission for Higher Education*** - The Lancaster County Commission for Higher Education (the Commission) was created under Act 126 of the 1959 Session of the General Assembly of South Carolina. The Commission is composed of seven members who are appointed by the Governor on the recommendation of a majority of the Lancaster County Legislative Delegation, including the Senator. The Commission's purpose is the encouragement of higher education in Lancaster and adjacent areas and, more specifically, the establishment in Lancaster County of facilities to offer standard freshman and sophomore University courses, and such other courses as deemed desirable. The Commission is empowered to enter into contracts, make binding agreements, negotiate with educators and educational institutions and, generally, take such actions in its name as are necessary to secure for Lancaster County and adjacent areas the necessary educational facilities to provide higher education. The Commission receives an annual appropriation from Lancaster County designated specifically for the University of South Carolina Lancaster (USC Lancaster). During the fiscal year ended June 30, 2022, the Commission received an annual appropriation of \$2,430,563 and \$736 in interest income. The Commission disbursed \$1,585,544 to USC Lancaster for operations and maintenance of the physical plant, information technology, campus security, student activities and discretionary support. An additional \$10,222 was disbursed to vendors for insurance, professional services, and banking fees. There was a \$480,000 disbursement to the Educational Foundation of USC Lancaster for Founders Hall and \$14,456 for commencement expenses. USC Lancaster provides accounting services to the Commission at no charge. At June 30, 2022, the Commission had a net position of \$2,430,356.

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

**NOTE 12 - RELATED PARTIES, Continued**

***Mid-Carolina Commission for Higher Education, formerly known as Sumter County Commission for Higher Education*** - The Sumter County Commission for Higher Education was created under Act 50 of the 1965 Session of the General Assembly of South Carolina. In 1996, by an act of the state legislature, the Sumter County Commission for Higher Education was restructured as the Mid-Carolina Commission for Higher Education (the Commission) representing Sumter, Lee, and Clarendon Counties. The nine commission members are appointed by the Governor upon recommendation by the respective county legislative delegations, with one each from Lee and Clarendon Counties, and the remaining seven members from Sumter County. The purpose of the Commission is the encouragement of higher education in Sumter County and adjacent areas and, more specifically, the establishment in Sumter County of facilities to offer standard freshman and sophomore University courses, and such other courses as deemed desirable. The Commission is empowered to enter into contracts, make binding agreements, negotiate with educators and educational institutions and, generally, take such actions in its name as are necessary to secure for its respective counties and adjacent areas the necessary educational facilities to provide higher education. USC Sumter provides accounting services to the Commission at no charge. During the fiscal year ended June 30, 2022, the Commission made payments to USC Sumter totaling \$430,000 for the operation and maintenance of the campus. At June 30, 2022, the Commission had a net position of \$1,165,987.

***Spartanburg County Commission for Higher Education*** - The Spartanburg County Commission for Higher Education (the Commission) was created under Act 36 of the 1967 Session of the General Assembly of South Carolina. The Commission is composed of seventeen members who are appointed by the Governor on the recommendation of a majority of the Spartanburg County Legislative Delegation. The Commission is responsible for the encouragement of higher education in Spartanburg County and adjacent areas and, more specifically, the establishment in Spartanburg County of facilities necessary to provide for an institution of higher education. The Commission is empowered to enter into contracts, make binding agreements, negotiate with educators and educational institutions and, generally, take such actions in its name as are necessary to secure for Spartanburg County and adjacent areas the necessary educational facilities to provide higher education. The Commission receives an annual appropriation from Spartanburg County. The Commission paid expenditures on behalf of USC Upstate of \$95,246 for the fiscal year ended June 30, 2022. USC Upstate provides accounting services to the Commission at no charge. The Commission owns six duplexes located adjacent to campus. These properties are managed by a rental company and are not considered student housing. The proceeds from these rentals are added to the \$335,842 endowment or the operating funds of the Commission. At June 30, 2022, the Commission had a net position of \$322,956.



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

**NOTE 12 - RELATED PARTIES, Continued**

***Union Laurens Commission for Higher Education*** - The Union County Commission for Higher Education was created by Act 23 in the 1965 Session of the General Assembly of South Carolina and was repealed by Act 288 of the 1987 Session of the General Assembly of South Carolina which created the Union Laurens Commission for Higher Education (the Commission). The Commission is composed of nine members, with seven being residents of Union County and two being residents of Laurens County. The members are appointed by the Governor upon recommendation by the Union and Laurens County Legislative Delegations. The Commission is responsible for the encouragement of higher education in Union and Laurens Counties and adjacent areas and, more specifically, the establishment in Union and Laurens Counties of facilities to offer standard freshman and sophomore University courses and those other courses considered desirable. The Commission is empowered to enter into contracts, make binding agreements, negotiate with educators and educational institutions and, generally, take such actions in its name as are necessary to secure for its respective counties and adjacent areas the necessary educational facilities to provide higher education. The Commission receives an annual appropriation from Union and Laurens counties of \$206,754 to accomplish these objectives. During fiscal year 2022 the Union Laurens Commission also received an additional \$45,840 from a private donor. During the year ended June 30, 2022, the Commission made grants to USC Union totaling \$309,512 for campus projects and maintenance, rental of facilities, community service and institutional support. The Commission provides its land and buildings to USC Union at no cost. USC Union provides accounting services to the Commission at no charge. At June 30, 2022, the Commission had a net position of \$2,609,130.

***Western Carolina Higher Education Commission*** - The Western Carolina Higher Education Commission (the Commission) was created under Act 270 in the 1984 Session of the General Assembly of South Carolina. The Commission is composed of ten members, two of whom are from each of the following counties: Allendale, Bamberg, Barnwell, Colleton, and Hampton. The members are appointed by the Governor upon the recommendation of a majority of the Legislative Delegations from the respective counties. The Commission's purpose is the encouragement of higher education in the respective counties and adjacent areas and, more specifically, the establishment of facilities to offer standard freshman and sophomore University courses, and such other courses as deemed desirable. The Commission is empowered to enter into contracts, make binding agreements, negotiate with educators and educational institutions and, generally, take such actions in its name as are necessary to secure for its respective counties and adjacent areas the necessary educational facilities to provide higher education. The Commission receives an annual appropriation from Allendale, Bamberg, Barnwell, Colleton, and Hampton counties to accomplish these objectives. The Commission paid expenditures on behalf of the University of South Carolina Salkehatchie (USC Salkehatchie) of \$148,463 for the fiscal year ended June 30, 2022. The Commission allows the use of its land and buildings to USC Salkehatchie at no cost. USC Salkehatchie provides accounting services to the Commission at no charge. At June 30, 2022, the Commission had a net position of \$258,031.

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

**NOTE 13 - 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.

**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.

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

**NOTE 13 - RISK MANAGEMENT, Continued**

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.

**NOTE 14 - OPERATING EXPENSES BY FUNCTION**

Operating expenses by functional classification are summarized as follows:

	Salaries and Wages	Fringe Benefits	Services and Supplies	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 307,877,402	\$ 112,053,987	\$ 67,620,199	\$ 14,645	\$ 2,957,530	\$ -	\$ 490,523,763
Research	73,583,240	28,014,253	46,877,928	132,448	1,713,328	-	150,321,197
Public service	36,749,303	12,993,347	27,881,214	30,649	993,365	-	78,647,878
Academic support	51,388,164	18,686,068	44,256,501	7,526	41,711	-	114,379,970
Student services	39,885,151	14,394,152	28,120,666	1,372,059	1,009,813	-	84,781,841
Institutional support	54,533,021	20,264,165	35,498,452	49,529	1,028,957	-	111,374,124
Operation and plant maintenance	30,763,584	12,810,812	54,485,592	23,539,387	5,261	-	121,604,636
Auxiliary enterprises	62,775,590	19,495,970	87,105,441	10,263,580	3,929,241	-	183,569,822
Scholarships and fellowships	93,737	1,799,108	63,638	-	79,880,344	-	81,836,827
Depreciation	-	-	-	-	-	85,718,245	85,718,245
Pension and OPEB expense	-	54,413,715	-	-	-	-	54,413,715
<b>Total operating expenses</b>	<b>\$ 657,649,192</b>	<b>\$ 294,925,577</b>	<b>\$ 391,909,631</b>	<b>\$ 35,409,823</b>	<b>\$ 91,559,550</b>	<b>\$ 85,718,245</b>	<b>\$ 1,557,172,018</b>

**NOTE 15 - ENDOWMENTS**

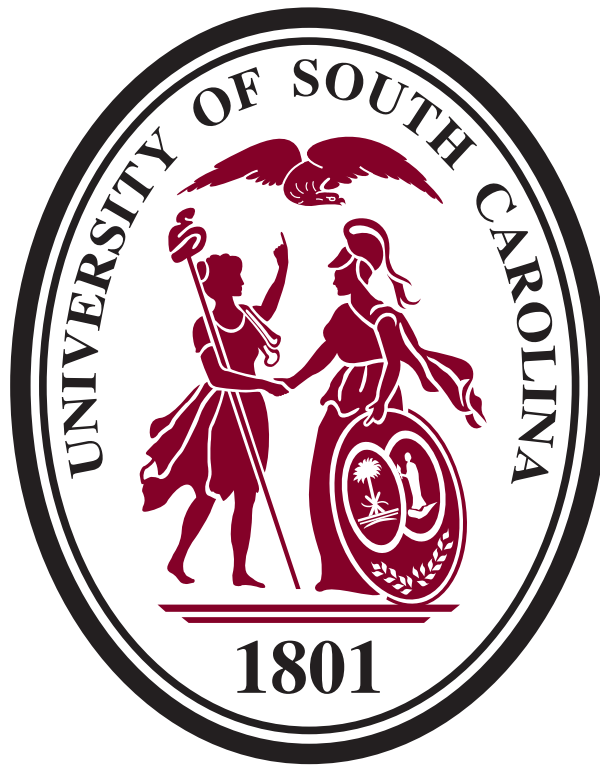
The University's endowment funds consist of the following:

Net Position Classification	True Endowment	Quasi Endowment	Total
Restricted - nonexpendable	\$ 87,255,169	\$ -	\$ 87,255,169
Unrestricted	-	40,828,455	40,828,455
<b>Total</b>	<b>\$ 87,255,169</b>	<b>\$ 40,828,455</b>	<b>\$ 128,083,624</b>
<b>Endowments held by Component Units</b>			
Business Partnership Foundation	\$ 60,751,371	\$ 50,372,418	\$ 111,123,789
Development Foundation	4,350,413	19,089,033	23,439,446
Educational Foundation	428,350,705	10,728,165	439,078,870
Gamecock Club	3,175,783	449,953	3,625,736
Educational Foundation - Lancaster	8,848,707	983,225	9,831,932
Upstate Foundation	12,465,749	-	12,465,749
<b>Total endowments held by Component Units</b>	<b>\$ 517,942,728</b>	<b>\$ 81,622,794</b>	<b>\$ 599,565,522</b>

**NOTE 16 – SIEMENS PRODUCT LIFESTYLE MANAGEMENT SOFTWARE**

On July 7, 2017, the University of South Carolina was notified by Siemens Product Lifecycle Management Software that it was the recipient of an academic grant for site licenses valued at \$628,883,890. This was considered a non-capitalized gift-in-kind. The final amount of \$116,666,288 was awarded in the fiscal year ended June 30, 2022.

-This page intentionally left blank-



# **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**

<b>South Carolina Retirement System (SCRS)</b>					
<b>For the Year</b>	<b>University's Proportion of the Net Pension Liability</b>	<b>University's Proportionate Share of the Net Pension Liability</b>	<b>University's Covered Payroll During the Measurement Period</b>	<b>University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2022	4.195422%	\$ 907,942,876	\$ 289,811,289	313.29%	60.70%
2021	4.271173%	1,091,360,231	290,807,945	375.29%	50.70%
2020	4.310566%	984,280,973	282,920,119	347.90%	54.40%
2019	4.290247%	961,307,644	282,488,211	340.30%	54.10%
2018	4.167883%	938,282,339	279,360,816	335.87%	53.30%
2017	4.057192%	866,637,424	266,242,277	325.51%	52.91%
2016	4.074340%	772,745,350	259,539,897	297.74%	56.99%
2015	4.086408%	703,562,633	254,916,138	276.00%	59.92%
2014	4.086408%	732,955,826	250,774,743	292.28%	56.39%

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

This schedule is intended to show ten years of comparative data. Additional years will be added to the schedule as they become available.

**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>	
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>	
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%	

This schedule is intended to show ten years of comparative data. Additional years will be added to the schedule as they become available.



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

<b>South Carolina Retiree Health Insurance Trust Fund (SCRHITF)</b>						
<b>For the</b>	<b>University's</b>	<b>University's</b>	<b>University's Covered</b>	<b>University's Proportionate Share</b>	<b>Plan Fiduciary Net</b>	
<b>Year</b>	<b>Proportion of the</b>	<b>Proportionate Share</b>	<b>Payroll During the</b>	<b>of the Net OPEB Liability as a</b>	<b>Position as a</b>	<b>Percentage of the</b>
	<b>Net OPEB Liability</b>	<b>of the Net OPEB</b>	<b>Measurement Period</b>	<b>Percentage of its Covered Payroll</b>	<b>Total OPEB Liability</b>	
		<b>Liability</b>				
2022	6.085095%	\$ 1,267,110,762	\$ 572,159,591	221.46%		7.48%
2021	6.190479%	1,117,472,077	573,447,183	194.87%		8.39%
2020	6.338839%	958,529,395	555,380,041	172.59%		8.44%
2019	6.456708%	914,953,998	548,356,852	166.85%		7.91%
2018	6.339136%	858,625,715	535,242,866	160.42%		7.60%
2017	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>	
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.



# Statistical Section

(Unaudited)

-This page intentionally left blank-

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

---

This section of the University of South Carolina Comprehensive Annual 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**

**94-98**

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**

**99-101**

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**

**102-108**

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**

**109-110**

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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Revenues</b>										
Student tuition and fees										
(net of scholarship allowances)	\$ 556,638	\$ 571,615	\$ 584,675	\$ 572,919	\$ 552,222	\$ 520,904	\$ 481,768	\$ 448,058	\$ 407,914	\$ 383,366
Federal grants and contracts	145,812	149,735	155,869	140,512	126,683	107,649	136,661	138,914	128,485	128,745
State grants and contracts	154,184	134,160	127,858	123,753	119,391	123,775	93,079	87,638	88,354	85,610
Local grants and contracts	1,027	1,221	1,117	1,525	1,163	1,278	1,365	1,208	1,167	1,329
Nongovernmental grants and contracts	68,952	54,234	39,626	47,496	42,396	39,518	32,854	36,704	38,818	34,932
Sales and services of educational and other activities	33,045	22,452	32,717	33,955	30,077	33,535	32,837	30,902	29,609	27,263
Sales and services of auxiliary enterprises (net of scholarship allowances)	189,453	174,981	170,329	186,678	186,207	168,127	161,143	146,693	131,836	128,220
Interest collected on student loans	202	277	324	342	297	271	295	305	333	301
Other fees	13,768	8,419	14,264	13,441	11,569	10,946	9,778	9,850	9,143	5,982
Other operating revenues	6,714	5,094	5,710	7,481	3,098	2,466	5,240	3,980	3,629	5,450
<b>Total Operating Revenues</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>	<b>839,288</b>	<b>801,198</b>
State and local appropriations	229,088	206,150	201,725	175,649	163,371	158,735	149,059	147,512	144,295	136,401
Federal grants	158,559	166,710	56,030	57,831	57,365	50,127	52,293	52,452	52,113	52,618
Gifts	50,382	31,762	45,065	47,750	55,519	53,891	42,160	45,548	46,444	43,918
Investment income (loss)	(15,730)	5,809	11,944	11,260	4,184	2,533	3,641	2,630	2,342	2,465
Endowment income (loss)	(17,498)	(939)	14,611	13,550	(180)	2,897	6,862	3,144	6,250	3,392
Other nonoperating revenues	-	-	-	-	-	-	-	31,500	12,270	-
Gain on disposal of capital assets	-	1,568	-	587	-	-	-	-	-	-
<b>Total Nonoperating Revenues</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>263,714</b>	<b>238,794</b>
<b>Total Revenues</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>	<b>\$ 1,103,002</b>	<b>\$ 1,039,992</b>

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

										(percent of total revenues)
For the Year Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Revenues</b>										
Student tuition and fees (net of scholarship allowances)	36%	38%	39%	40%	41%	41%	40%	38%	37%	37%
Federal grants and contracts	9%	10%	11%	10%	9%	8%	11%	12%	12%	12%
State grants and contracts	10%	9%	9%	9%	9%	10%	8%	7%	8%	8%
Local grants and contracts	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Nongovernmental grants and contracts	4%	4%	3%	3%	3%	3%	3%	3%	3%	3%
Sales and services of educational and other activities	2%	1%	2%	2%	2%	3%	3%	3%	3%	3%
Sales and services of auxiliary enterprises (net of scholarship allowances)	12%	11%	12%	13%	14%	13%	13%	12%	12%	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%	1%	0%	1%	1%	0%	0%	1%
<b>Total Operating Revenues</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>	<b>76%</b>	<b>77%</b>
State appropriations	15%	13%	14%	12%	12%	12%	12%	13%	13%	14%
Federal grants	10%	11%	4%	4%	4%	4%	4%	4%	5%	5%
Gifts	3%	2%	3%	3%	4%	4%	3%	4%	4%	4%
Investment income	-1%	0%	1%	1%	1%	0%	0%	0%	0%	0%
Endowment income (loss)	-1%	0%	1%	1%	0%	0%	1%	0%	1%	0%
Other nonoperating revenues	0%	0%	0%	0%	0%	0%	0%	3%	1%	0%
Gain on disposal of capital assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total Nonoperating Revenues</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>24%</b>	<b>23%</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>

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

*(amounts expressed in thousands)*

For the Year Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Expenses</b>										
Salaries and fringe benefits	\$ 952,574	\$ 983,888	\$ 949,028	\$ 896,681	\$ 857,594	\$ 820,418	\$ 770,921	\$ 736,540	\$ 707,316	\$ 677,157
Services and supplies	391,910	305,116	339,933	344,703	311,223	292,965	278,641	269,855	248,900	235,707
Utilities	35,410	29,561	29,955	31,069	37,641	34,715	34,526	34,936	34,605	31,090
Scholarships and fellowships	91,560	58,983	51,310	34,130	29,604	28,177	21,756	17,952	18,946	19,960
Depreciation	85,718	79,124	77,438	71,611	68,990	65,473	60,566	66,354	62,340	53,334
Total Operating Expenses	1,557,172	1,456,672	1,447,664	1,378,194	1,305,052	1,241,748	1,166,410	1,125,637	1,072,107	1,017,248
Loss on disposal of capital assets	421	-	928	-	2,258	12,489	136	2,249	720	14,313
Interest on capital asset related debt	26,243	12,871	14,859	14,517	15,662	18,691	23,881	22,178	18,648	18,762
Total Nonoperating Expenses	26,664	12,871	15,787	14,517	17,920	31,180	24,017	24,427	19,368	33,075
<b>Total Expenses</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>	<b>\$ 1,091,475</b>	<b>\$ 1,050,323</b>

*(percent of total expenses)*

For the Year Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Expenses</b>										
Salaries and fringe benefits	60%	67%	65%	65%	65%	64%	65%	64%	65%	65%
Services and supplies	25%	21%	23%	25%	24%	23%	23%	23%	23%	22%
Utilities	2%	2%	2%	2%	3%	3%	3%	3%	3%	3%
Scholarships and fellowships	6%	4%	4%	2%	2%	2%	2%	2%	2%	2%
Depreciation	5%	5%	5%	5%	5%	5%	5%	6%	5%	5%
Total Operating Expenses	98%	99%	99%	99%	99%	97%	98%	98%	98%	97%
Loss on disposal of capital assets	0%	0%	0%	0%	0%	1%	0%	0%	0%	1%
Interest on capital asset related debt	2%	1%	1%	1%	1%	2%	2%	2%	2%	2%
Other nonoperating expenses	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Nonoperating Expenses	2%	1%	1%	1%	1%	3%	2%	2%	2%	3%
<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 Expenses By Function

(amounts expressed in thousands)

For the Year Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Expenses</b>										
Instruction	\$ 490,524	\$ 454,054	\$ 466,159	\$ 458,854	\$ 450,545	\$ 433,832	\$ 390,960	\$ 371,938	\$ 361,122	\$ 338,336
Research	150,321	137,096	137,550	145,706	131,526	134,846	121,960	121,913	118,274	117,024
Public service	78,648	80,820	72,951	59,528	65,851	63,819	66,361	64,519	54,273	57,162
Academic support	114,380	108,678	114,668	100,798	92,241	89,217	88,993	96,061	91,081	82,072
Student services	84,782	73,130	81,230	81,363	76,840	75,956	70,329	72,617	69,469	67,066
Institutional support	111,374	89,269	93,853	87,384	99,244	94,108	85,436	71,061	64,981	65,870
Operation and plant maintenance	121,604	106,374	110,938	108,980	126,394	119,293	119,626	104,374	103,108	97,133
Auxiliary enterprises	183,570	163,930	163,825	167,468	166,188	139,660	142,146	138,552	128,388	119,908
Scholarships and fellowships	81,837	55,531	48,087	30,578	27,233	25,544	20,033	18,248	19,071	19,343
Depreciation	85,718	79,124	77,438	71,611	68,990	65,473	60,566	66,354	62,340	53,334
Loss on disposal of capital assets	421	-	928	-	2,258	12,489	136	2,249	720	14,313
Interest on capital debt	26,243	12,871	14,859	14,517	15,662	18,691	23,881	22,178	18,648	18,762
Pension and OPEB expense	54,414	108,666	80,965	65,924	-	-	-	-	-	-
<b>Total Expenses</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>	<b>\$ 1,091,475</b>	<b>\$ 1,050,323</b>

(percent of total expenses)

For the Year Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Expenses</b>										
Instruction	31%	31%	32%	34%	34%	34%	33%	32%	33%	32%
Research	10%	10%	9%	10%	10%	11%	10%	11%	11%	11%
Public service	5%	5%	5%	4%	5%	5%	6%	6%	5%	6%
Academic support	7%	8%	8%	7%	7%	7%	7%	8%	8%	8%
Student services	5%	5%	6%	6%	6%	6%	6%	6%	6%	6%
Institutional support	7%	6%	6%	6%	7%	7%	7%	6%	6%	6%
Operation and plant maintenance	8%	7%	8%	8%	10%	9%	10%	9%	9%	9%
Auxiliary enterprises	12%	11%	11%	12%	13%	11%	12%	12%	12%	12%
Scholarships and fellowships	5%	4%	3%	2%	2%	3%	2%	2%	2%	2%
Depreciation	5%	5%	5%	5%	5%	5%	5%	6%	6%	5%
Loss on disposal of capital assets	0%	0%	0%	0%	0%	1%	0%	0%	0%	1%
Interest on capital debt	2%	1%	1%	1%	1%	1%	2%	2%	2%	2%
Pension and OPEB expense	3%	7%	6%	5%	0%	0%	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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total revenues (from schedule of revenues by source)	\$ 1,574,596	\$ 1,533,248	\$ 1,461,864	\$ 1,434,729	\$ 1,353,362	\$ 1,276,652	\$ 1,209,035	\$ 1,187,038	\$ 1,103,002	\$ 1,039,992
Total expenses (from schedule of expenses by use and function)	(1,583,836)	(1,469,543)	(1,463,451)	(1,392,711)	(1,322,972)	(1,272,928)	(1,190,427)	(1,150,064)	(1,091,475)	(1,050,323)
Income (loss) before other revenues, and transfers	(9,240)	63,705	(1,587)	42,018	30,390	3,724	18,608	36,974	11,527	(10,331)
State capital appropriations	146,998	6,567	20,397	11,069	272	3,153	23,681	8,175	13,810	11,430
Capital grants and gifts	6,786	6,241	8,710	20,184	27,070	14,717	3,466	26,654	10,555	8,007
Additions to permanent endowments	424	1,643	53	477	3,567	2,000	361	2,970	4,725	1,674
Total changes in net position	144,968	78,156	27,573	73,748	61,299	23,594	46,116	74,773	40,617	10,780
Net position, beginning, as originally stated	5,427	(72,729)	(100,302)	(174,050)	695,371	671,777	625,661	1,254,637	1,214,020	1,203,240
Restatement	-	-	-	-	(930,720)	-	-	(703,749)	-	-
Net position, beginning, as restated	5,427	(72,729)	(100,302)	(174,050)	(235,349)	671,777	625,661	550,888	1,214,020	1,203,240
<b>Net Position, Ending</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>	<b>\$ 1,254,637</b>	<b>\$ 1,214,020</b>
Net investment in capital assets	854,603	879,382	\$ 869,496	\$ 855,079	\$ 817,715	\$ 776,825	\$ 757,731	\$ 747,327	\$ 701,292	\$ 671,053
Restricted - nonexpendable	87,255	87,801	85,738	86,795	85,425	84,984	82,789	82,077	79,285	73,766
Restricted - expendable	309,704	240,046	160,681	168,324	135,216	132,300	140,036	129,704	137,629	121,396
Unrestricted	(1,101,167)	(1,201,802)	(1,188,644)	(1,210,500)	(1,212,406)	(298,738)	(308,779)	(333,447)	336,431	347,805
<b>Total</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>	<b>\$ 1,254,637</b>	<b>\$ 1,214,020</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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
State institution bonds	\$ 115,320	\$ 128,040	\$ 143,020	\$ 154,920	\$ 166,955	\$ 138,660	\$ 147,990	\$ 159,830	\$ 116,035	\$ 109,355
Revenue bonds	369,800	390,310	221,260	232,150	242,540	254,820	272,520	280,065	288,140	295,415
Athletic facilities revenue bonds	169,360	162,830	167,545	173,600	178,200	186,280	151,270	154,750	119,250	121,915
Subtotal Bonds Payable	654,480	681,180	531,825	560,670	587,695	579,760	571,780	594,645	523,425	526,685
Unamortized bond premiums	116,903	116,798	71,820	76,579	80,114	67,828	48,022	43,472	33,459	33,906
Unamortized bond discounts	-	(142)	(155)	(168)	(180)	(542)	(571)	(600)	(628)	(657)
Unamortized loss on bond refunding <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	(5,208)
Total Bonds Payable	771,383	797,836	603,490	637,081	667,629	647,046	619,231	637,517	556,256	554,726
Notes payable	320	362	403	493	98	144	190	265	399	604
Lease obligation	39,312	1,828	1,395	976	743	396	14,824	15,845	16,590	16,697
<b>Total Outstanding Debt</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>	<b>\$ 573,245</b>	<b>\$ 572,027</b>
Full Time Equivalent Students	45,633	46,568	46,727	46,067	45,641	44,646	44,229	43,167	42,065	41,097
Outstanding Debt per Student	\$ 17,773	\$ 17,180	\$ 12,954	\$ 13,861	\$ 14,646	\$ 14,505	\$ 14,340	\$ 15,142	\$ 13,628	\$ 13,919

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

<sup>(1)</sup> Due to the implementation of GASB 65, Unamortized Loss on Bond Refunding is no longer reported as part of the Bonds Payable liability. Beginning in fiscal year 2014, it is now classified as a Deferred Outflow of Resources on the Statement of Net Position.

**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	
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
2014	28,810	8,510	4,600	13,110	2.20
2013	27,778	8,360	4,939	13,299	2.09

**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		
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
2014	58,008	33,586	24,422	715,639	7,275	10,861	18,136	1.35	40.81
2013	54,711	31,895	22,816	677,471	6,495	9,398	15,893	1.44	44.06

**Special Higher Education Revenue Bonds**

Fiscal Year Ended June 30,	Revenues <sup>(3)</sup>	Additional Funds	Pledged Revenues <sup>(3)</sup>	Debt Service Requirements			Pledged Revenues Coverage Ratio
				Principal <sup>(4)</sup>	Interest	Total	
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
2014	73,562	642,077	715,639	-	3,018	3,018	237.12
2013	67,284	610,187	677,471	-	3,018	3,018	224.48

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	
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
2014	98,620	89,014	9,606	1,691	4,072	161	15,530	2,665	5,639	8,304	1.87
2013	90,484	79,611	10,873	1,585	1,695	214	14,367	2,535	5,784	8,319	1.73

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

For the Year Ended June 30,	2022	2021 <sup>(5)</sup>	2020	2019	2018	2017	2016	2015	2014	2013
<b>Assignable Area By Room Use/Function Use Codes <sup>(1)</sup></b>										
Classrooms	423,739	418,397	422,597	422,677	437,814	438,912	432,238	485,392	433,447	468,616
Laboratories	1,235,789	1,215,833	1,208,067	1,157,861	1,117,807	1,107,059	1,078,722	1,034,664	950,490	982,770
Office, Support and Other	4,367,168	4,477,828	4,484,830	4,438,727	4,393,442	4,437,706	4,166,176	4,448,249	4,306,921	4,193,336
Auxiliary Services	3,846,362	3,786,353	3,829,258	3,823,662	3,784,269	4,158,803	4,172,001	3,872,022	3,865,428	3,627,060
<b>Total Assignable Square Feet</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>9,556,286</b>	<b>9,271,782</b>
<b>Student Housing <sup>(2)</sup></b>										
Traditional Residence Hall Beds	1,172	1,172	1,171	1,338	1,170	1,172	1,172	1,172	1,206	1,521
Suite-Style Hall Beds	3,113	3,113	3,110	3,015	3,122	3,111	3,295	3,295	3,299	2,982
Apartments and Apartment-Style Hall Beds	3,392	3,406	2,961	2,977	3,100	2,351	2,215	2,215	2,198	2,277
Units available	7,677	7,691	7,242	7,330	7,392	6,634	6,682	6,682	6,703	6,780
Units in use	7,344	6,093	7,206	7,283	7,302	6,573	6,643	6,593	6,539	6,739
Percent occupancy	95.7%	79.2%	99.5%	99.4%	98.8%	99.1%	99.4%	98.7%	97.6%	99.4%
<b>Dining Facilities <sup>(3)</sup></b>										
Locations	38	36	36	33	31	27	27	26	26	28
Average daily customers	11,277	9,117	19,481	19,476	18,719	18,664	18,664	18,557	12,776	15,667
<b>Parking Facilities <sup>(4)</sup></b>										
Parking spaces available	13,589	12,084	12,330	11,595	11,595	11,595	14,509	14,519	15,058	15,509
Parking permits issued to students	13,729	9,884	15,428	13,140	12,608	14,211	15,982	16,523	18,522	17,049
Parking permits issued to faculty/staff	4,054	5,473	7,602	5,897	5,925	6,192	7,211	7,283	6,594	6,112

Notes:

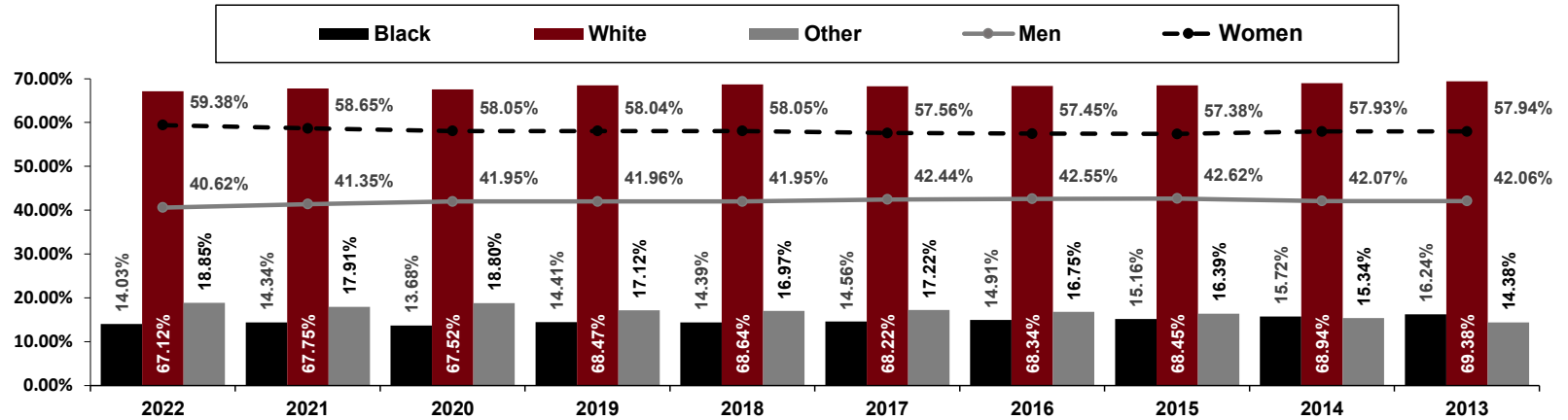
- (1) Assignable Area by Room Use and Function Use Codes as annually reported to the South Carolina Commission on Higher Education. This is a combination of two reports.
- (2) Student Housing is available on the USC Columbia, USC Aiken, USC Beaufort and USC Upstate campuses. All of USC Beaufort and a 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 767 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

**USC System**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Undergraduate and Graduate FTE	45,633	46,568	46,727	46,067	45,641	44,646	44,229	43,167	42,065	41,097
Undergraduate and Graduate Head Count	51,853	52,604	52,633	51,439	51,130	50,099	49,449	48,167	46,672	46,264
Percentage of Men	40.62%	41.35%	41.95%	41.96%	41.95%	42.44%	42.55%	42.62%	42.07%	42.06%
Percentage of Women	59.38%	58.65%	58.05%	58.04%	58.05%	57.56%	57.45%	57.38%	57.93%	57.94%
Percentage of White	67.12%	67.75%	67.52%	68.47%	68.64%	68.22%	68.34%	68.45%	68.94%	69.38%
Percentage of African American or Black	14.03%	14.34%	13.68%	14.41%	14.39%	14.56%	14.91%	15.16%	15.72%	16.24%
Percentage of Other Race and Not Reported	18.85%	17.91%	18.80%	17.12%	16.97%	17.22%	16.75%	16.39%	15.34%	14.38%

**Enrollment -  
Undergraduate  
and Graduate  
Headcount**



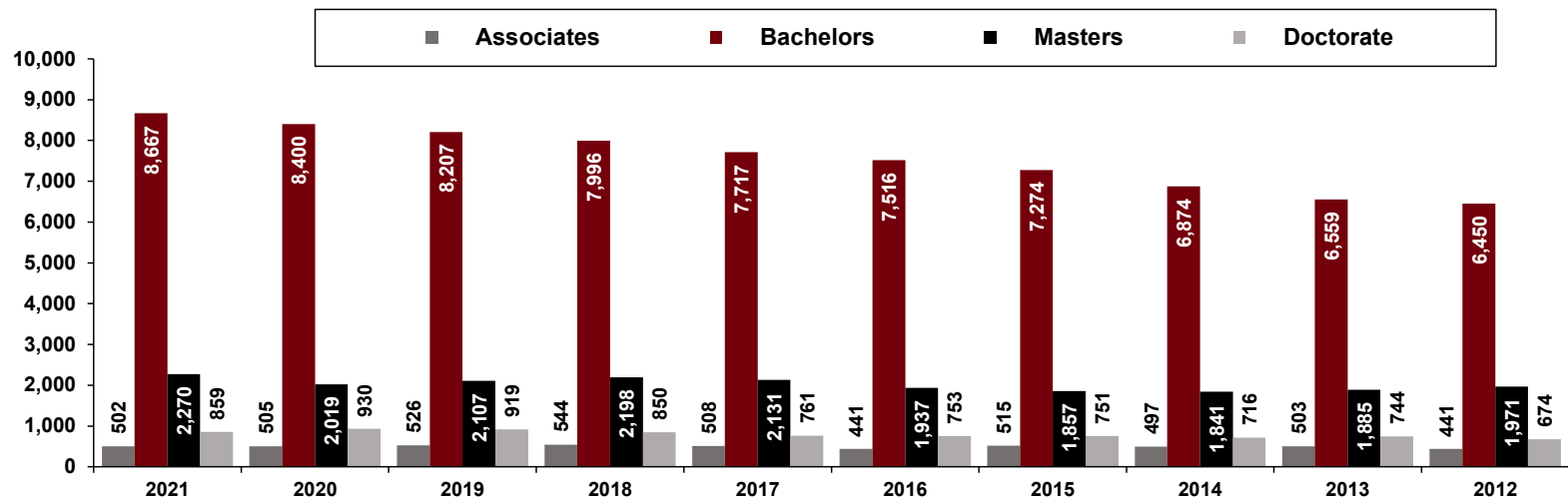
**USC Columbia (including the SOMs)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Undergraduate and Graduate FTE	33,065	33,394	33,288	32,636	32,426	31,774	31,488	30,759	29,764	28,781
Undergraduate and Graduate Head Count	35,388	35,468	35,364	34,795	34,731	34,099	33,724	32,972	31,964	31,288
Percentage of Men	43.07%	44.45%	44.88%	45.08%	44.58%	45.02%	44.80%	44.86%	44.79%	44.73%
Percentage of Women	56.93%	55.55%	55.12%	54.92%	55.42%	54.98%	55.20%	55.14%	55.21%	55.27%
Percentage of White	70.94%	72.04%	72.79%	73.39%	73.39%	73.84%	73.94%	73.92%	74.88%	74.89%
Percentage of African American or Black	9.56%	9.56%	8.81%	9.10%	9.40%	10.05%	10.43%	10.56%	11.08%	11.20%
Percentage of Other Race and Not Reported	19.50%	18.40%	18.40%	17.51%	17.21%	16.11%	15.63%	15.52%	14.04%	13.91%

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

**USC System**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Associates	502	505	526	544	508	441	515	497	503	441
Bachelors	8,667	8,400	8,207	7,996	7,717	7,516	7,274	6,874	6,559	6,450
Masters	2,270	2,019	2,107	2,198	2,131	1,937	1,857	1,841	1,885	1,971
Doctorate	859	930	919	850	761	753	751	716	744	674
<b>Total Degrees Awarded</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>	<b>9,691</b>	<b>9,536</b>



**USC Columbia (including the SOMs)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Associates	-	4	-	2	6	3	4	4	4	7
Bachelors	6,522	6,154	6,039	5,868	5,675	5,529	5,427	4,948	4,629	4,577
Masters	2,047	1,927	2,048	2,158	2,094	1,910	1,827	1,809	1,855	1,941
Doctorate	859	930	919	850	761	753	751	716	744	674
<b>Total Degrees Awarded</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>	<b>7,232</b>	<b>7,199</b>

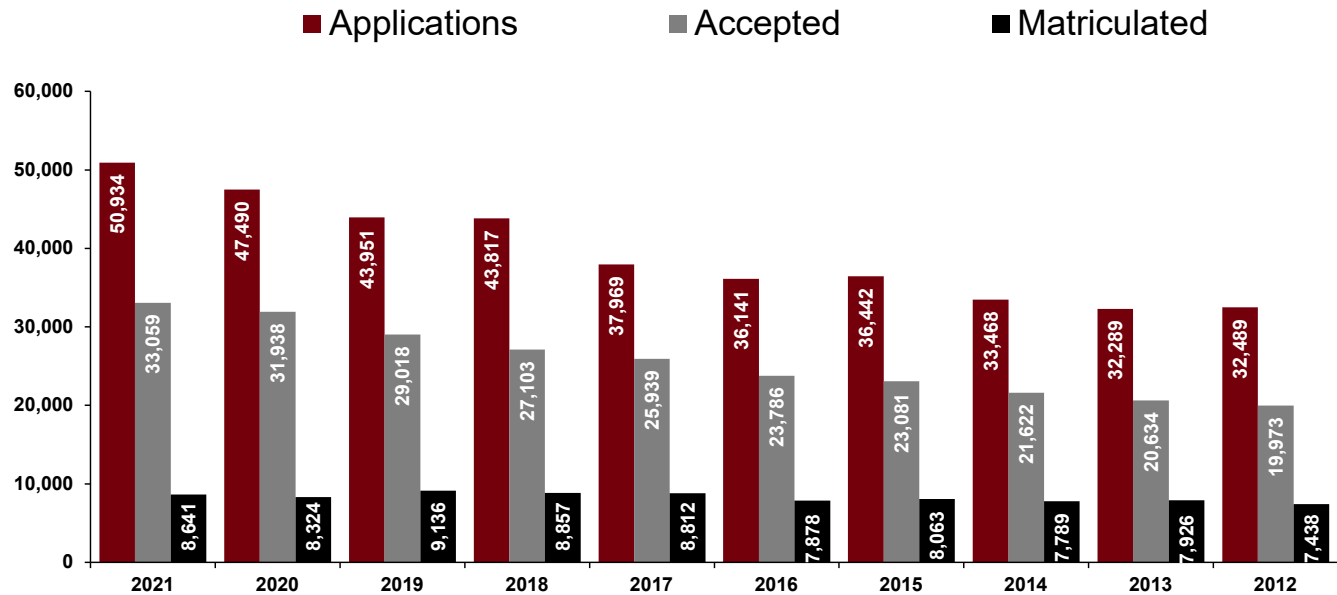


**UNIVERSITY OF SOUTH CAROLINA COLUMBIA**  
**Schedule of Admissions Statistics**  
 Last Ten Academic Years

**USC System**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Number of Applications Received	50,934	47,490	43,951	43,817	37,969	36,141	36,442	33,468	32,289	32,489
Number of Acceptances	33,059	31,938	29,018	27,103	25,939	23,786	23,081	21,622	20,634	19,973
Number of Students Matriculated	8,641	8,324	9,136	8,857	8,812	7,878	8,063	7,789	7,926	7,438
Accepted as a Percentage of Applicants	64.91%	67.25%	66.02%	61.85%	68.32%	65.81%	63.34%	64.60%	63.90%	61.48%
Enrolled as a Percentage of Accepted	26.14%	26.06%	31.48%	32.68%	33.97%	33.12%	34.93%	36.02%	38.41%	37.24%

**Admissions -  
USC System  
Applied,  
Accepted and  
Matriculated**



**USC Columbia**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Number of Applications Received	42,055	34,995	31,268	30,889	26,019	25,057	25,736	23,341	23,035	23,429
Number of Acceptances	25,893	23,893	21,464	19,480	18,811	17,073	16,611	15,219	14,844	14,199
Number of Students Matriculated	6,179	5,742	6,286	5,854	5,880	5,110	5,156	4,980	5,046	4,625
Accepted as a Percentage of Applicants	61.57%	68.28%	68.65%	63.06%	72.30%	68.14%	64.54%	65.20%	64.44%	60.60%
Enrolled as a Percentage of Accepted	23.86%	24.03%	29.29%	30.05%	31.26%	29.93%	31.04%	32.72%	33.99%	32.57%
Median Combined SAT Score	1,250	1,241	1,270	1,275	1,254	1,215	1,210	1,210	1,207	1,199
South Carolina Average SAT Score	1,028	1,019	1,070	1,064	1,085	987	978	978	971	969

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

**USC System**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Faculty <sup>(1)</sup></b>										
Number of FTE Faculty	2,655	2,683	2,731	2,674	2,698	2,778	2,527	2,637	2,649	2,457
Number of Full-time Faculty	2,276	2,304	2,309	2,267	2,305	2,310	2,068	2,174	2,213	2,031
Number of Part-time Faculty	1,140	1,132	1,270	1,222	1,179	1,404	1,377	1,390	1,307	1,277
Number of Tenured Faculty	1,533	1,564	1,507	1,517	1,565	1,525	1,256	1,307	1,368	1,328
Tenure Ratio (%) Full-time	67%	68%	65%	67%	68%	66%	61%	60%	62%	65%
<b>Total Employees <sup>(2)</sup></b>										
Full-time FTE Position	6,096	6,286	6,411	6,285	6,263	6,267	6,084	6,106	6,053	5,914
Part-time FTE Position	58	65	68	71	73	71	82	86	101	107
Temporary	2,990	3,014	3,539	3,502	3,641	3,576	3,335	3,196	3,183	3,404
Research Grant	744	743	731	792	836	822	892	848	782	752
Students	6,327	5,699	7,702	7,902	7,462	7,256	7,345	7,147	7,337	6,990
<b>Total Employees</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>17,456</b>	<b>17,167</b>
<b>Students per FTE</b>										
Faculty	17.19	17.36	17.11	17.23	16.92	16.07	17.50	16.37	15.88	16.73
Full-time Employees	7.49	7.41	7.29	7.33	7.29	7.12	7.27	7.07	6.95	6.95

**USC Columbia (including the SOMs)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Faculty <sup>(1)</sup></b>										
Number of FTE Faculty	1,894	1,903	1,911	1,886	1,914	1,999	1,869	1,974	1,948	1,767
Number of Full-time Faculty	1,675	1,693	1,689	1,667	1,701	1,707	1,581	1,666	1,689	1,520
Number of Part-time Faculty	657	631	665	658	640	877	864	923	776	742
Number of Tenured Faculty	1,102	1,126	1,111	1,092	1,113	1,105	944	982	1,035	992
Tenure Ratio (%) Full-time	66%	67%	66%	66%	65%	65%	60%	59%	61%	65%
Average Faculty Salary	\$102,889	\$98,857	\$96,362	\$97,074	\$96,576	\$95,825	\$93,074	\$89,967	\$88,005	\$86,552
<b>Total Employees <sup>(2)</sup></b>										
Full-time FTE Position	4,731	4,907	5,027	4,959	4,932	4,941	4,722	4,799	4,730	4,633
Part-time FTE Position	53	55	57	58	67	66	78	78	92	96
Temporary	2,074	2,089	2,451	2,450	2,619	2,573	2,366	2,275	2,242	2,445
Research Grant	719	720	706	763	802	787	864	819	753	720
Students	5,474	4,946	6,583	6,732	6,296	6,126	6,217	6,003	6,114	5,803
<b>Total Employees</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>13,931</b>	<b>13,697</b>
<b>Students per FTE</b>										
Faculty	17.46	17.55	17.42	17.30	16.94	15.89	16.85	15.58	15.28	16.29
Full-time Employees	6.99	6.81	6.62	6.58	6.57	6.43	6.67	6.41	6.29	6.21

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.

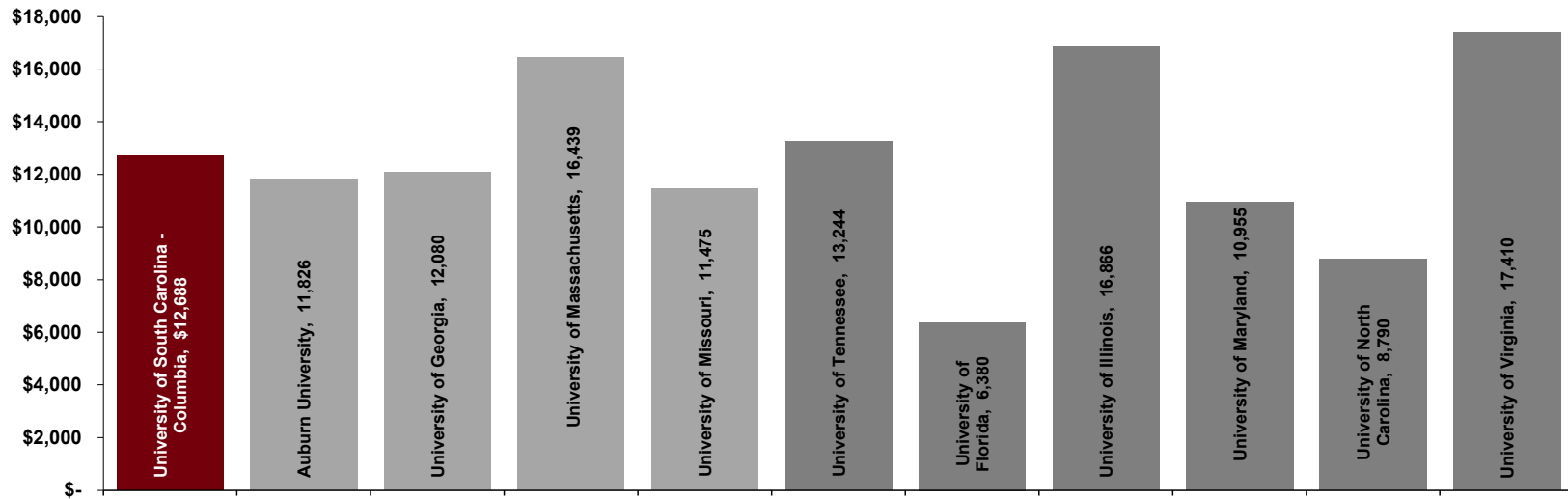
(2) Total USC Columbia Employees and Total System Employees compiled annually by Human Resources in October of each year.

(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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Undergraduate Resident</b>										
University of South Carolina - Columbia	\$ 12,688	\$ 12,688	\$ 12,688	\$ 12,616	\$ 12,262	\$ 11,854	\$ 11,482	\$ 11,158	\$ 10,816	\$ 10,488
<b>Peer Institutions</b>										
Auburn University	11,826	11,796	11,492	11,276	10,968	10,696	10,424	10,200	9,852	9,446
University of Georgia	12,080	12,080	12,080	11,830	11,818	11,634	11,622	10,836	10,262	9,842
University of Massachusetts	16,439	16,439	16,389	15,887	15,411	14,971	14,171	13,443	13,443	13,415
University of Missouri	11,475	10,723	10,477	9,972	11,008	10,716	10,586	10,286	9,415	9,257
University of Tennessee	13,244	13,264	13,264	13,006	12,970	12,724	12,186	11,876	11,194	9,092
<b>Peer-Aspirant Institutions</b>										
University of Florida	6,380	6,380	6,380	6,380	6,380	6,380	6,310	6,310	6,263	6,143
University of Illinois	16,866	16,862	16,210	16,004	15,074	15,058	15,054	15,020	14,750	14,522
University of Maryland	10,955	10,779	10,779	10,595	10,399	10,181	9,996	9,427	9,162	8,908
University of North Carolina	8,790	8,790	8,750	8,987	8,989	8,834	8,591	8,336	8,340	7,693
University of Virginia	17,410	17,296	17,266	16,734	16,068	15,714	14,476	13,111	12,466	12,216

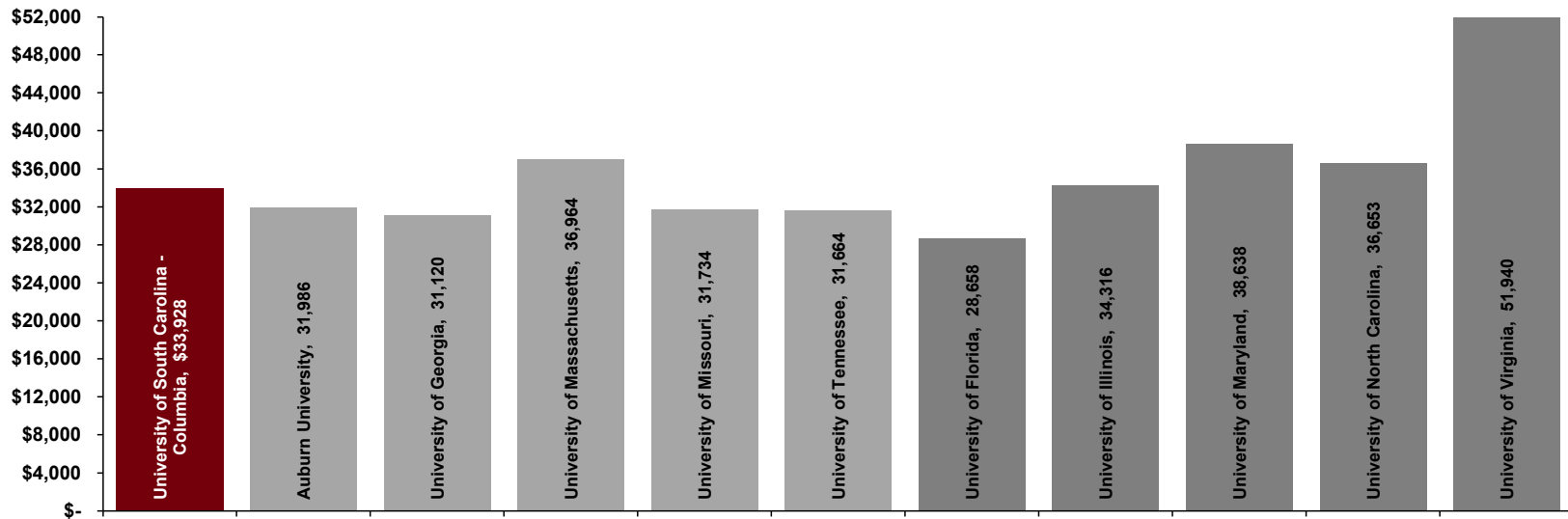
**Undergraduate Tuition and Fees - Resident**



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

For the Year Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Undergraduate Nonresident</b>										
University of South Carolina - Columbia	\$ 33,928	\$ 33,928	\$ 33,928	\$ 33,298	\$ 32,362	\$ 31,282	\$ 30,298	\$ 29,440	\$ 28,528	\$ 27,644
<b>Peer Institutions</b>										
Auburn University	31,986	31,956	31,124	30,524	29,640	28,840	28,040	27,384	26,364	25,190
University of Georgia	31,120	31,120	31,120	30,404	30,392	29,844	29,832	29,046	28,472	28,052
University of Massachusetts	36,964	36,427	35,710	34,570	33,477	32,204	30,504	28,998	28,159	26,830
University of Missouri	31,734	29,005	28,348	27,042	26,596	25,998	25,198	24,312	23,764	23,366
University of Tennessee	31,664	31,684	31,684	31,426	31,390	31,144	30,636	30,326	29,684	27,582
<b>Peer-Aspirant Institutions</b>										
University of Florida	28,658	28,658	28,658	28,658	28,658	28,658	28,588	28,588	28,540	28,420
University of Illinois	34,316	34,312	33,352	32,574	31,194	30,680	30,214	29,646	29,132	28,664
University of Maryland	38,638	36,891	36,891	35,216	33,606	32,045	31,144	29,720	28,348	27,287
University of North Carolina	36,653	36,653	35,929	35,170	34,588	33,916	33,673	33,418	30,122	28,445
University of Virginia	51,940	51,826	50,184	48,458	46,546	45,058	43,772	42,297	39,852	37,546

**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>
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%
2013	171,088,428	4,774,839	35,831	7.6%
2012	165,595,079	4,723,723	35,056	9.1%

(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>2021</b>	<b>2012</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.
Publix Super Markets, Inc.	Palmetto Health Alliance, Inc.
School District of Greenville County	School District of Greenville County
Spartanburg Regional Medical Center	U.S. Department of Defense
Upstate Affiliate Organization	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.