University of South Carolina
Columbia, South Carolina

Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

UNIVERSITY OF
South Carolina

ON THE COVER

The new home of the University of South Carolina School of Law opened in June 2017. The building, which will anchor South Carolina's legal corridor, was specifically designed to enhance collaboration among faculty, students, and the legal community.

Photo provided by University Communications and Public Affairs

Comprehensive Annual Financial Report

For the Year Ended June 30, 2019

A Component Unit of the State of South Carolina

Prepared by the Controller's Office

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Introductory Section

(Unaudited)

UNIVERSITY OF SOUTH CAROLINA

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UNIVERSITY OF
South Carolina

October 1, 2019

Robert L. Caslen, Jr.
President

Dear Carolina Community:

Momentum. Our university has clearly definable momentum. With 56 nationally ranked academic programs, the nation's best public university Honors College, and ranked in the top three percent in the nation for the number of African-American graduates, the University of South Carolina has the momentum necessary to expand its role as South Carolina's flagship university.

Within the very name of our beloved university rests its most solemn obligation – the obligation to the people of South Carolina. The obligation of access. Not just admitting more South Carolinians, but ensuring more of South Carolina's students are academically prepared for higher education. The obligation of alignment. Ensuring our state's youth can enter the University of South Carolina system at a place and time that is most convenient and affordable for them, and that they can also move within our system without barrier or challenge. And the obligation of ensuring their academic training aligns with available job opportunities within our state and within an increasingly competitive global marketplace.

Our momentum is built on a solid 218-year-old foundation. A foundation laid by great leaders, talented faculty, innovative research, and corporate and community partners that give our students real world experiences that help shape their success after graduation. As we look ahead for Carolina, we will refine a vision that combines the strength of our foundation with our growing momentum to better serve our state's young people and our state's economy.

In the year ahead I will work with our leaders, faculty, staff and students from across the University of South Carolina system to refine the vision of our great university to ensure we are best meeting the needs of our state and her 21st century students and workforce. A vision that increases the diversity of our system and increases opportunities for engaged inclusion among our students, faculty and staff. A vision that promotes academic and research excellence in ways that make a measurable impact on the employability of our students and the ability of our university to be the economic engine for our state.

Our university is our state's flagship for higher education. That means we lead, we set the pace, and we create the direction for momentum that not only lifts our university system, it lifts our state and her youth in ways that make life for all even better. I am honored to lead this great university and look forward to working alongside each of you as together we serve the needs of our state, nation and the world.

Bob Caslen

University of South Carolina
Strategic Plan

Initiated in 2008, *Focus Carolina* is a strategic plan that outlines the key strategic drivers that guide decision-making for the University of South Carolina, Columbia.

Focus Carolina articulates the university's emphasis on quality, leadership, innovation, diversity, access, global competition, and community engagement. Specific initiatives derived from Focus Carolina include aerospace science and engineering; alternative fuels, materials science, composites technology, and nanotechnology; sustainability and the environment; P-20 education; and, Rule of Law. Other goals include improvement of student retention and on-time graduation, increasing access to baccalaureate degree through USC's regional campuses, and more focused efforts with community engagement.

On September 8, 2015, President Harris Pastides assembled the executive team for a day-long retreat to consider options for refining *Focus Carolina* and for developing a refreshed strategic plan for the university. President Pastides called for a plan for the university's future that assumes the still-relevant priorities of *Focus Carolina* while establishing updated goals that are based on current environmental dynamics in the state, nation, and the world.

At the October 18, 2015, meeting of the university's Board of Trustees, President Pastides and Provost Joan Gabel outlined for the Board a process by which a refreshed strategic plan would be developed, vetted, and discussed with university stakeholders. President Pastides and Provost Gabel committed to developing a refreshed strategic plan containing measurable goals, progress against which will be reported to the Board on a regular basis. The strategic plan's goals were to be aligned with an institutional dashboard of metrics that contain our data with data that allows us to compare the university's progress against peer and peer aspirant institutions across time.

During the January 2016 retreat of the Board of Trustees, the university's administration presented to the Board an initial draft of the refreshed goals of the new *Focus Carolina* strategic plan and proposed objectives. The new plan reduced the seven goals of the original *Focus Carolina* plan to five.

-Educating the Thinkers and Leaders of Tomorrow
-Assembling and Supporting a World Class Faculty
-Spurring Innovation, Creative Expression, and Community Engagement
-Building Inclusive and Inspiring Communities
-Demanding Institutional Excellence

Over the course of the 2016 calendar year, these goals and corresponding objectives were discussed and vetted through a series of stakeholder meetings to include:

-The bi-annual Provost Retreat,
-The Council of Academic Deans Retreat,
-The Strategic Planning Committee,
-Faculty Senate, and
-The Provost Town Hall on Strategic Planning.

During the January 2017 retreat of the Board of Trustees, the provost presented the new Academic Blueprints that were developed to ease the ability to collect and compare performance data across academic units. An updated draft of the new strategic plan's goals, objectives, action items and metrics was also presented. This was the first attempt to connect the strategic plan with metrics that help the university's Board and administration to monitor the institutions' progress against proposed strategic objectives both across the university and within each academic unit.

In August 2018, the final version of the strategic plan, entitled Focus Carolina 2023, was unanimously approved by the Board of Trustees. The same five objectives (now called Strategic Priorities) presented to the Board in January 2016 represent the broad strategic direction for the university. For each strategic priority, strategic objectives have been defined; and, for each strategic objective there are commitments and performance indicators that are used to track progress over the next five-year implementation. A summary of the strategic priorities and objectives follows:

Strategic Priority 1 – Educate the Thinkers and Leaders of Tomorrow

Strategic Objective 1A – Measured enrollment growth of a highly competitive and diverse student population **Strategic Objective 1B** – Improve student retention and progress toward on-time graduation

Strategic Objective 1C – Maintain academic programs that are robust, relevant, innovative, and collaborative **Strategic Objective 1D** – Expand high impact experiential learning within- and beyond-the-classroom

Strategic Objective 1E – Improve student career readiness and placement

Strategic Objective 1F – Increase graduate enrollment and doctoral degrees conferred

Strategic Priority 2 – Assemble and Support a World Class Faculty

Strategic Objective 1A – Hire and retain highly productive and diverse faculty scholars and educators

Strategic Objective 1B – Incent and reward high quality teaching

Strategic Priority 3 – Spur Innovation, Creative Expression and Community Engagement

Strategic Objective 1A – Increase entrepreneurship and innovation

Strategic Objective 1B – Encourage creativity and engagement with the arts

Strategic Objective 1C – Facilitate community partnerships

Strategic Priority 4 – Build Inclusive and Inspiring Communities

Strategic Objective 1A – Develop a welcoming community and an inclusive university culture

Strategic Objective 1B – Increase the diversity of students, faculty and staff

Strategic Priority 5 – Demand Institutional Excellence

Strategic Objective 1A – Improve notable external measures/rankings

Strategic Objective 1B – Increase philanthropic support

Strategic Objective 1C – Implement an incentive-based, measured growth budget model to create sufficient revenue and align resources with incentives

UNIVERSITY OF
South Carolina

Letter of Transmittal

October 1, 2019

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

We are pleased to present our Comprehensive Annual Financial Report (CAFR) of the University of South Carolina for the year ended June 30, 2019. This CAFR includes the financial statements for the year ended June 30, 2019, as well as other useful information that helps ensure the University's accountability to the public. Responsibility for the accuracy of the information and for the completeness and fairness of its presentation, including all disclosures, rests with the University's management. We believe the information is accurate in all material respects and fairly presents the University's financial position, revenues, expenses and other changes in net position.

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

State law, federal guidelines, and certain bond covenants require that the University's accounting and financial records be audited each year. For the fiscal year ended June 30, 2019, the University contracted with the independent certified public accounting firm of Elliott Davis, LLC 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 and Compliance Committee of the Board of Trustees.

The CAFR 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, 2019.

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 Comprehensive Annual Financial Report. This report fulfills that requirement for the fiscal year ending June 30, 2019. 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 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 twenty 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. Eleven 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 University of South Carolina Upstate Capital Development 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 increases in net tuition and fee revenue, 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 2019 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. The state experienced a revenue surplus of more than $350 million or 8.6 percent growth primarily due to higher than expected individual income tax payments and lower than expected individual refunds.

For the 2020 fiscal year now underway, additional Education and General funding was provided to all University system campuses to support academic initiatives that promote access and affordability through tuition mitigation for residents of South Carolina. Total new operating funding is approximately $14.8 million and fringe benefit funding of $2.9 million is provided to support a portion of state employee retirement contributions and health insurance increases. In addition, the University system campuses received critical capital project funding of $36.8 million for 2020.

The University's overall financial position remains strong. The University relies on tuition and fees to support the general operating budget and with added state support for fiscal year 2020 the University has been able to mitigate tuition increase for 2020 to a minimum. For the 2020 year, the University of South Carolina's tuition increase is 0.6 percent marking the ninth year of tuition increases below 4 percent and notably the lowest tuition increase in twenty years. An average increase of 2.5 percent in student housing and 2.9 percent dining plans will be used to improve dining, housing and student life facilities.

Demand for enrollment and interest in the University remains strong with more than 31,000 applications received, and a freshman class enrolled at the University Columbia campus for Fall 2019 of 6,250 students. Preliminary data indicate that this entering class is also the most academically talented in the University's history with an average SAT score of 1273 and an average ACT score of 28.

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 $90 million across the different scholarship programs. Additionally, funding from lottery proceeds supports technology needs at the system comprehensive and Palmetto College campuses.

Research grant awards were $278.6 million in the 2019 fiscal year, a $20.5 million or a 7.9 percent increase over the prior year. The University's Columbia campus makes up approximately 97% of total research awards or approximately $270.3 million. University researchers were particularly successful in competing for federal research funds, which totaled $166.5 million in FY2019.

The University's total endowment is currently $673.1 million, with $539.1 million held by the University Foundations. The endowment is comprised of a mix of restricted and unrestricted funds, quasi endowed, term endowed and permanently endowed. Investment income for the endowment has averaged 3 percent over the past three fiscal years.

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 CAFR for the fiscal year ended June 30, 2018. This was the eighth 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 CAFR.

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

Sincerely,

Mr. Edward Walton
Chief of Staff and Chief Financial Officer

Ms. Mandy M. Kibler
University Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

University of South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

University of South Carolina
Board of Trustees

John C. von Lehe Jr., Chairman
9th Judicial Circuit
Attorney

Hubert F. "Hugh" Mobley, Vice Chairman
6th Judicial Circuit
Pharmacist/Business Owner

Eugene P. Warr Jr., Chairman Emeritus
4th Judicial Circuit
Attorney

C. Dan Adams
Governor's Designee
Investment Banker

Chuck Allen
10th Judicial Circuit
Attorney

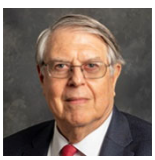
J. Egerton Burroughs
15th Judicial Circuit
Real Estate Developer

Robert F. Dozier Jr.,
President, USC Alumni Association
Banker

A.C. "Bubba" Fennell III
8th Judicial Circuit
Retired CPA

C. Edward Floyd, M.D.
12th Judicial Circuit
Surgeon

William C. Hubbard
5th Judicial Circuit
Attorney



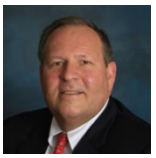
Richard A. Jones Jr.
Governor's Appointee
Attorney

Toney J. Lister
7th Judicial Circuit
Attorney

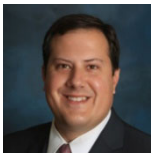
Miles Loadholt
2nd Judicial Circuit
Attorney

Leah B. Moody
16th Judicial Circuit
Attorney

Rose Buyck Newton
14th Judicial Circuit
Banker



C. Dorn Smith III, M.D.
3rd Judicial Circuit
Physician



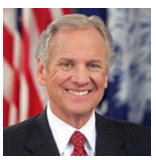
Thad H. Westbrook
11th Judicial Circuit
Attorney

Mack I. Whittle Jr.
13th Judicial Circuit
Retired Bank President

Charles H. Williams
1st Judicial Circuit
Attorney

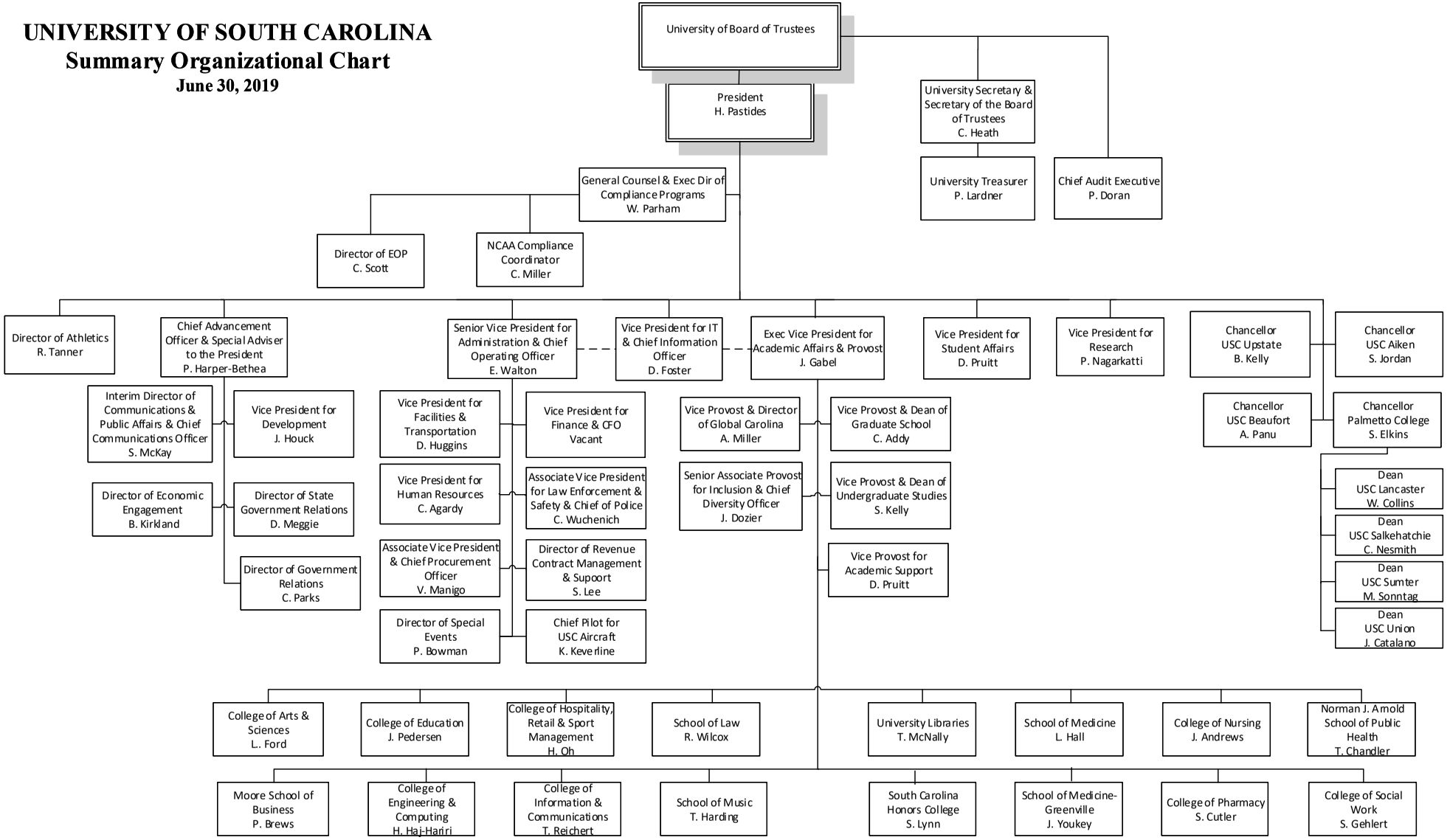
Molly M. Spearman
State Superintendent of Education

J. Cantey Heath Jr.
Secretary



Henry McMaster
Governor of South Carolina

UNIVERSITY OF SOUTH CAROLINA
Summary Organizational Chart
June 30, 2019



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Financial Section

elliott davis

Independent Auditor's Report

The Board of Trustees
University of South Carolina
Columbia, South Carolina

Report on Financial Statements

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, 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the South Carolina Research Foundation; the University of South Carolina School of Medicine Educational Trust; 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 USC Upstate Foundation; the USC Upstate Capital Development Foundation; and the Educational Foundation of the University of South Carolina - Lancaster, which represent approximately 94 percent, 96 percent, and 94 percent, respectively, 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the 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 USC Upstate Foundation; the USC Upstate Capital Development Foundation; the Educational Foundation of the University of South Carolina – Lancaster; and the Gamecock Club of the University of South Carolina were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate discretely presented component units of the University as of June 30, 2019, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 OPEB Liability, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The Introductory Section, Columbia Campus Athletics Department Schedule of Funds Available for Debt Service, and Statistical Section, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Columbia Campus Athletics Department Schedule of Funds Available for Debt Service is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Columbia Campus Athletics Department Schedule of Funds Available for Debt Service is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2019, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Elliott Davis, LLC

Columbia, South Carolina
October 1, 2019

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, 2019, with comparative information for the fiscal year ended June 30, 2018. 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
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FINANCIAL OVERVIEW

The University maintained its solid financial position at June 30, 2019 reporting total assets and deferred outflows of resources at $2.7 billion at June 30, 2019 compared to $2.6 billion at June 30, 2018.

Total assets increased by 2.5 percent from the prior year, and total liabilities increased 0.4 percent for the same period. Total assets changes were largely due to the increase in investments and cash and cash equivalents. Total liabilities increased due largely to increases in retainage, net pension liability and net other postemployment benefit liability.

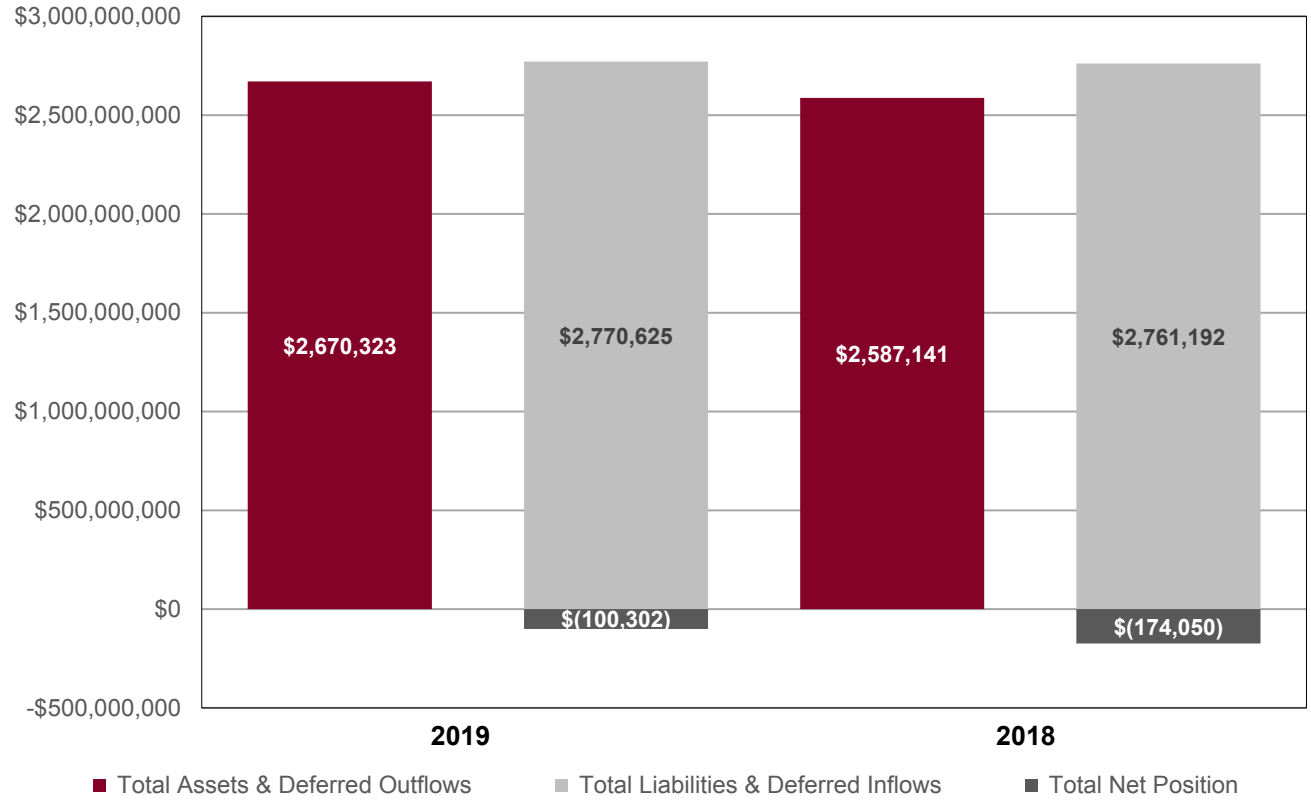
Operating revenues increased 5.1 percent as compared to the prior year due to increases in student tuition and fees net, sales and services, and grants and contracts. Net nonoperating revenues increased 11.3 percent over the prior year, reflecting an increase in state appropriations, investment and endowment income. Conversely, operating expenses increased 5.6 percent, due in large part to increases in salaries and fringe benefits.

State appropriations, tuition and fees, and sales and services along with campus auxiliary operations continue to provide 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.

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, 2019, and June 30, 2018, respectively, is presented below. Net position increased $73.7 million at June 30, 2019, 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 a tangible asset over its useful life to indicate how much of an asset's value has been consumed.

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, 2019, and June 30, 2018:

CONDENSED STATEMENT OF NET POSITION

Dollars in thousands

	2019	2018	Increase (Decrease) Amount	Percent
Assets:				
Current assets	$ 857,218	$ 852,175	$ 5,043	0.6%
Non-current assets				
Endowment and investments	99,369	94,792	4,577	4.8%
Capital assets, net of depreciation	1,461,701	1,408,408	53,293	3.8%
Other noncurrent assets	15,764	18,591	(2,827)	-15.2%
Total assets	**2,434,052**	**2,373,966**	**60,086**	**2.5%**
Deferred outflows of resources	**236,271**	**213,176**	**23,095**	**10.8%**
Liabilities:				
Current liabilities	169,037	204,323	(35,286)	-17.3%
Non-current liabilities	2,520,067	2,472,767	47,300	1.9%
Total liabilities	**2,689,104**	**2,677,090**	**12,014**	**0.4%**
Deferred inflows of resources	**81,521**	**84,102**	**(2,581)**	**-3.1%**
Net Position:				
Net investment in capital assets	855,079	817,715	37,364	4.6%
Restricted	255,119	220,641	34,478	15.6%
Unrestricted	(1,210,500)	(1,212,406)	1,906	0.2%
Total net position	**$ (100,302)**	**$ (174,050)**	**$ 73,748**	**42.4%**

CURRENT ASSETS AND LIABILITIES

Current assets consist of 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 5.07 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 6.75 months of total operating expenses, excluding depreciation. For fiscal year 2019, one month of operating expenses equaled approximately $108.9 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 $1.46 billion invested in capital assets as of June 30, 2019, an increase of $53.3 million over June 30, 2018. A summary of changes in capital assets is disclosed in Note 4. Capital assets, net of accumulated depreciation and amortization, at June 30, 2019, and June 30, 2018, were as follows:

CAPITAL ASSETS

Dollars in thousands

	2019	2018	Percent Change
Land and Other Nondepreciable Assets	$ 140,669	$ 134,348	4.7%
Construction in Progress	40,932	96,002	-57.4%
Land Improvements, *net*	62,104	66,267	-6.3%
Buildings and Improvements, *net*	1,098,695	1,024,660	7.2%
Machinery, Equipment and Vehicles, *net*	65,812	59,634	10.4%
Intangibles, *net*	53,489	27,497	94.5%
Total	**$ 1,461,701**	**$ 1,408,408**	**3.8%**

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

Completed construction or infrastructure projects totaling $151.6 million were reclassified from construction in progress (CIP) to other asset categories during fiscal year 2019. Additions to buildings and land improvements were $118.4 million during fiscal year 2019, offset by annual depreciation of $48.6 million. Additions to intangibles were $33.2 million which included the capitalization of the PeopleSoft HCM project.

Construction activity — Current projects include: adapt the old law school to a new Science and Technology Classroom and Lab building which will house innovation space for faculty start-ups, adapt the old business school to a new classroom and lab building which houses the state of the art Speech and Hearing Lab, constructed the Hilton Head Island Hospitality Management Facility on the Beaufort campus, constructed the Football Operations Facility for Athletics and major renovation of the Science building on the Sumter campus. In addition, the University has many ongoing maintenance projects to preserve and protect building and grounds assets.

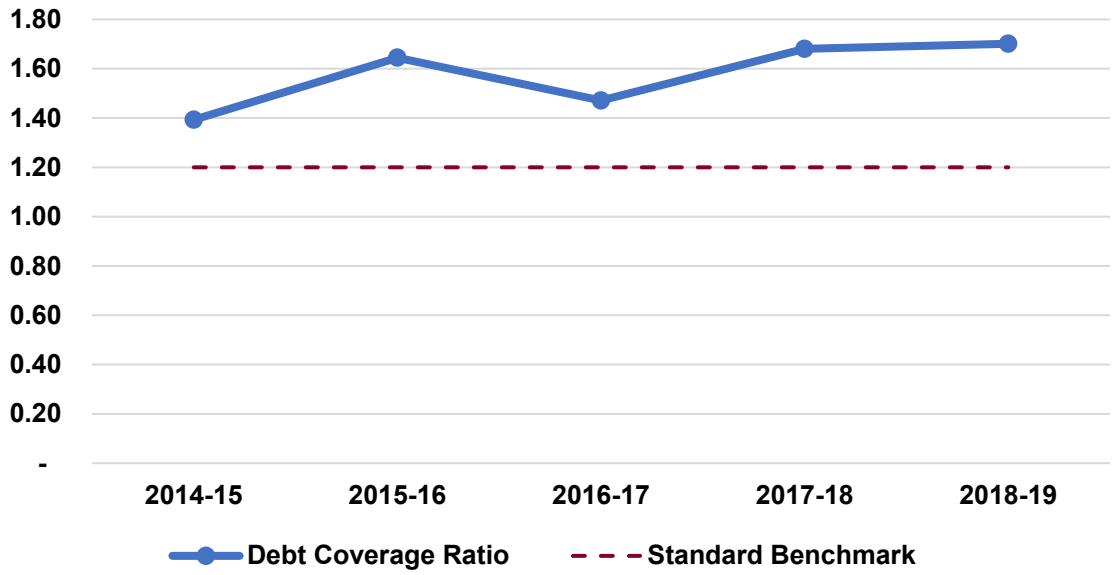
Facilities planning — The Facilities Planning, Design and Construction (FPDC) department conceives thoughtful planning and coordinates design and construction for capital projects to renew, adapt and expand the physical campus to support the University's mission of higher education. The vision through this work is to pursue excellence and to foster learning in an inspiring academic environment. Construction contracts in excess of $100 million dollars annually are managed for the entire University system. FPDC is currently working on several significant projects including Campus Village Residential Development, Health Sciences campus for the Columbia School of Medicine, master planning for Student Union on Columbia campus and master planning for expansion for Upstate campus.

Capital financing — During fiscal year 2019, the University issued $4.3 million in State Institution Refunding bonds to achieve interest savings. See Note 9 for additional details.

Further evidence of the University's financial stability is demonstrated by maintenance of strong credit ratings for debt issuance for capital projects. In the University's most recent appearance in the Bond market, (August 2017) Moody's Investors Service assigned a Aa2 rating to the University of South Carolina's approximately $21 million of Higher Education Refunding Revenue Bonds, Series 2017A and a Aa3 rating to the approximately $48 million of Athletic Facilities Revenue Bonds Refunding Series 2017B. Moody's maintains Aa2 and Aa3 ratings on the University's approximately $406 million of outstanding Higher Education, Special Higher Education, and Athletic Facilities Revenue Bonds. Fitch Ratings for the same issue was AA.

Debt management —The University uses the debt coverage ratio to measure debt capacity, financial health, and credit quality. The debt service coverage ratio provides an indicator of the University's ability to repay annual principal and interest relative to its overall operating expenses. The unrestricted net position included in this calculation excludes the impact of the net pension and net other post-employment benefits (OBEB) liabilities since these do not have an impact on the University's ability to pay debt. At June 30, 2019, the debt service coverage ratio was 1.7. The University continues to remain above the standard benchmark of 1.2.

DEBT COVERAGE RATIO



The University continues to maintain its long-term bond ratings of Aa2/Aa3 from Moody's Investor Services and Fitch Ratings, respectively. According to Moody's Public College and University Ratings by Rating Level for the 2018 medians, only 22 public institutions have a higher credit rating than the University of South Carolina.

OTHER NONCURRENT ASSETS AND LIABILITIES

Excluding investments and capital assets discussed above, other noncurrent assets were $109.0 million at June 30, 2019, and $108.2 million at June 30, 2018, reflecting a 1.0 percent increase. Other noncurrent assets include restricted cash and cash equivalents, federal loan receivables, and investments.

Total noncurrent liabilities were $2.52 billion at June 30, 2019, and $2.47 billion at June 30, 2018. These noncurrent liabilities for 2019 and 2018 respectively include net pension liability of $977.3 million, OPEB liability of $914.9 million and $605.5 million in bonds and notes payable. The overall increase in noncurrent liabilities is due to the increase in net pension and net OPEB liability. For more 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. The University implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions in fiscal year 2015 and GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions (OPEB) in fiscal year 2018. These Statements require participating employers to report their proportionate share of the plans' net pension and OPEB liabilities, pension and OPEB expense and the related deferred outflows and inflows. The University's net position was ($100.3) million at June 30, 2019, and ($174.0) million at June 30, 2018.

NET POSITION SUMMARY

Dollars in thousands

			Increase (Decrease)	
	2019	2018	Amount	Percent Change
Net investment in capital assets	$ 855,079	$ 817,715	$ 37,364	4.6%
Restricted for:				
Nonexpendable	86,795	85,425	1,370	1.6%
Expendable	168,324	135,216	33,108	24.5%
Unrestricted	(1,210,500)	(1,212,406)	1,906	0.2%
Total Net Position	**$ (100,302)**	**$ (174,050)**	**$ 73,748**	**42.4%**

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. Capitalized assets increased by $37.4 million and were offset by a $1.9 million increase in debt used to finance those capital assets, for a net change of $35.5 million.

Restricted nonexpendable net position represents the historical value (corpus) of the University's permanent endowments, which cannot be expended due to donor restrictions. The increase in nonexpendable net position included new gifts of $1.4 million.

Restricted expendable net position includes spendable earnings on permanent and quasi-endowments, gifts, grants and contracts, and loan funds that are subject to externally imposed restrictions governing their use. Restricted expendable net position increased $33.1 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 $977.3 million and OPEB liability of $914.9 million.

Excluding the impact of GASB 68 and GASB 75 on unrestricted net position, the University's unrestricted net position was $546.9 million at June 30, 2019, and $491.1 million at June 30, 2018 reflecting an increase of $55.8 million or 11.4 percent.

NET POSITION EXCLUDING GASB 68 AND GASB 75

Dollars in thousands

			Increase (Decrease)	
	2019	2018	Amount	Percent Change
Net investment in capital assets	$ 855,079	$ 817,715	$ 37,364	4.6%
Restricted for:				
Nonexpendable	86,795	85,425	1,370	1.6%
Expendable	168,324	135,216	33,108	24.5%
Unrestricted	546,906	491,128	55,778	11.4%
Total Net Position excluding GASB 68 and GASB 75	**$ 1,657,104**	**$ 1,529,484**	**$ 127,620**	**8.3%**

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 aid and gifts will result in operating deficits. GASB requires state appropriations 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.

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, 2019, and June 30, 2018:

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

Dollars in thousands

	2019	2018	Increase (Decrease) Amount	Increase (Decrease) Percent
Operating Revenues:				
Student Tuition and Fees, *net*	$ 572,919	$ 552,222	$ 20,697	3.7%
Grants and Contracts	313,286	289,633	23,653	8.2%
Sales and Services, *net*	220,633	216,284	4,349	2.0%
Other Operating Revenues	21,264	14,964	6,300	42.1%
Total Operating Revenues	**1,128,102**	**1,073,103**	**54,999**	**5.1%**
Operating Expenses	**1,378,194**	**1,305,052**	**73,142**	**5.6%**
Operating Loss	**(250,092)**	**(231,949)**	**(18,143)**	**7.8%**
Nonoperating Revenues (Expenses):				
State Appropriations	175,649	163,371	12,278	7.5%
Federal Grants	57,831	57,365	466	0.8%
Gifts	47,750	55,519	(7,769)	-14.0%
Investment and Endowment Income	24,810	4,004	20,806	519.6%
Other Nonoperating Revenues (Expenses)	(13,930)	(17,920)	3,990	-22.3%
Net Nonoperating Revenues	**292,110**	**262,339**	**29,771**	**11.3%**
Income before Other Revenues	**42,018**	**30,390**	**11,628**	**38.3%**
Capital Appropriations	11,069	272	10,797	3969.5%
Capital Grants and Gifts	20,184	27,070	(6,886)	-25.4%
Additions to Permanent Endowments	477	3,567	(3,090)	-86.6%
Increase in Net Position	**73,748**	**61,299**	**12,449**	**20.3%**
Net Position - July 1	**(174,050)**	**695,371**	**(869,421)**	**-125.0%**
Restatements	**-**	**(930,720)**	**930,720**	**100.0%**
Net Position - June 30	**$ (100,302)**	**$ (174,050)**	**$ 73,748**	**42.4%**

OPERATING REVENUES

Operating revenues represent resources generated by the University in fulfilling its instruction, research, and public service missions. Student tuition and fees (net) for fiscal year 2019 increased 3.7 percent over the prior year. Student tuition and fees are reported net of scholarship discounts, which totaled $573.0 million for fiscal year 2019 and $552.2 million for the prior year. Tuition rates for fiscal year 2019 increased 2.9 percent for the Columbia campus and across system campuses.

Revenues and expenditures from sponsored projects increased in fiscal year 2019 reflecting a continued upward trajectory with an increase of $23.7 million or 8.2 percent. The National Institutes of Health (NIH) remained the University's largest funding source with funding exceeding $35.5 million in 2019. Other top funders include: National Science Foundation $17.0 million and the Department of Health and Human Services, excluding NIH, $28.1 million.

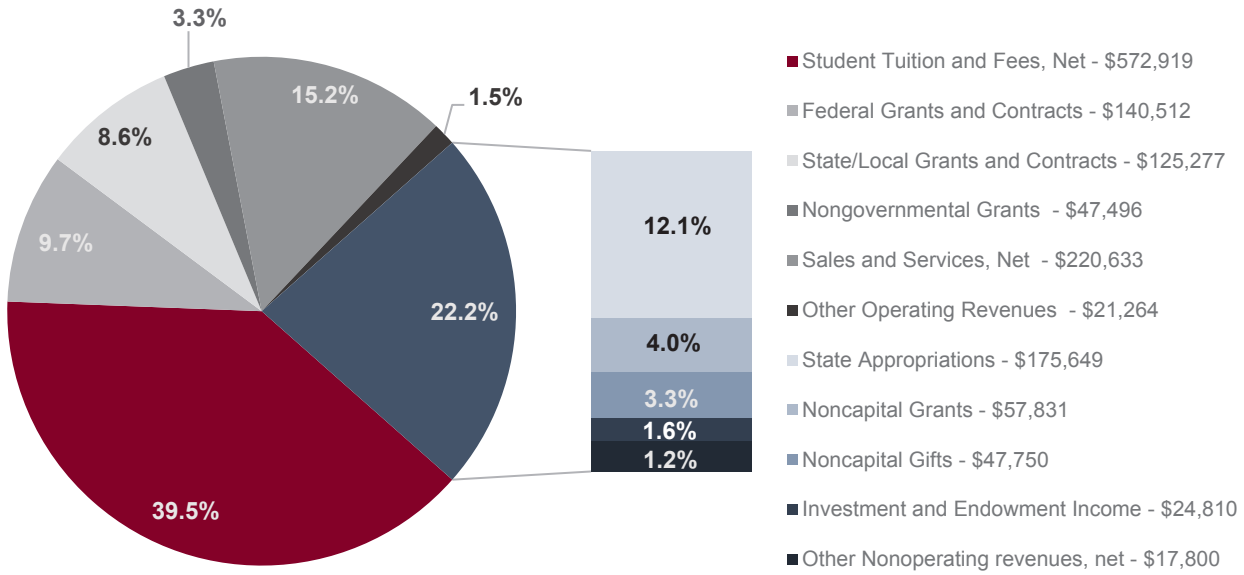
Sales and services, net revenues increased 2.0 percent or $4.3 million in fiscal year 2019 and includes the revenues of campus auxiliary operations (student housing, campus health services, parking and transportation and athletics).

REVENUES AND OTHER SOURCES OF OPERATIONAL FUNDING

Below is a chart of revenues by source (both operating and nonoperating). These revenues were used to fund the University's operating activities for the fiscal year ended June 30, 2019. As noted earlier, GASB requires state appropriations, current gifts and Pell grants to be treated as nonoperating revenues. Endowment spending is not current-year revenue but a distribution of previously recognized investment income. However, it is an important funding source for current operations and is included in the chart below to present a more accurate picture of the University's funding of current operations.

2019 REVENUES BY SOURCE - $1,451,941

Dollars in thousands



Net student tuition and fees, and grants and contracts are the largest revenues providing 39.5 percent and 21.6 percent respectively. Sales and services, net revenue, is approximately 15.2 percent.

State appropriations, noncapital gifts and grants, and net investment income are considered nonoperating because they are not generated by the University's principal, ongoing operations. State appropriations are provided to help fund operating expenses. State appropriations revenue totaled $175.6 million for fiscal year 2019, an increase of 7.5 percent from the $163.4 million received during the prior year. Increases included tuition mitigation funding of $7.1 million, employer contribution allocation increases of $3.1 million, and $1.1 million in funding for the South Carolina Children's Advocacy Medical Response System.

Noncapital gifts and grants decreased 13.1 percent to $106.0 million and include expendable gifts and federal government awards, as well as other awards that are not considered to be operating revenues. This decrease is due primarily to a decline in gift revenues of $7.1 million. Investment and endowment income had a substantial increase of $20.8 million of which $8.9 million was unrealized. 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.

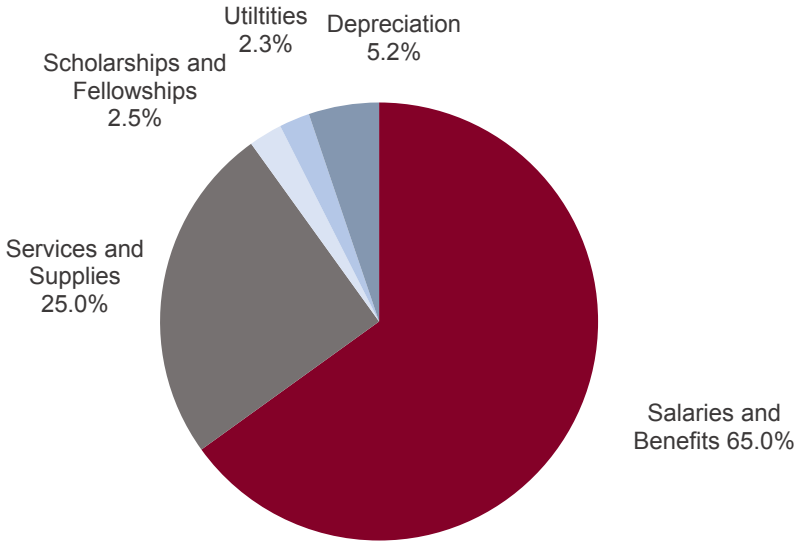
OPERATING EXPENSES

The University's operating expenses were $1.4 billion for the fiscal year ended June 30, 2019, an increase of 5.6 percent from the prior year. The majority of the increase, approximately $39.0 million was primarily driven by an increase in the employer contribution rate and increases due to GASB 68 and GASB 75. Services and supplies increased $33.5 million due to inflationary and enrollment increases, on-going upgrades to campus technology systems, and athletic expenses due to extended postseason competition. In fiscal year 2019, utilities saw a decrease of $6.6 million due to a decrement from Dominion Energy. Depreciation expense increased $2.6 million due to addition of new capital assets.

OPERATING EXPENSES BY NATURAL CLASSIFICATION

Dollars in thousands

			Increase (Decrease)	
	2019	2018	Amount	Percent
Salaries and Benefits	$ 896,681	$ 857,646	$ 39,035	4.6%
Services and Supplies	344,703	311,171	33,532	10.8%
Scholarships and Fellowships	34,130	29,604	4,526	15.3%
Utilities	31,069	37,641	(6,572)	-17.5%
Depreciation	71,611	68,990	2,621	3.8%
Total Operating Expenses	**$ 1,378,194**	**$ 1,305,052**	**$ 73,142**	**5.6%**

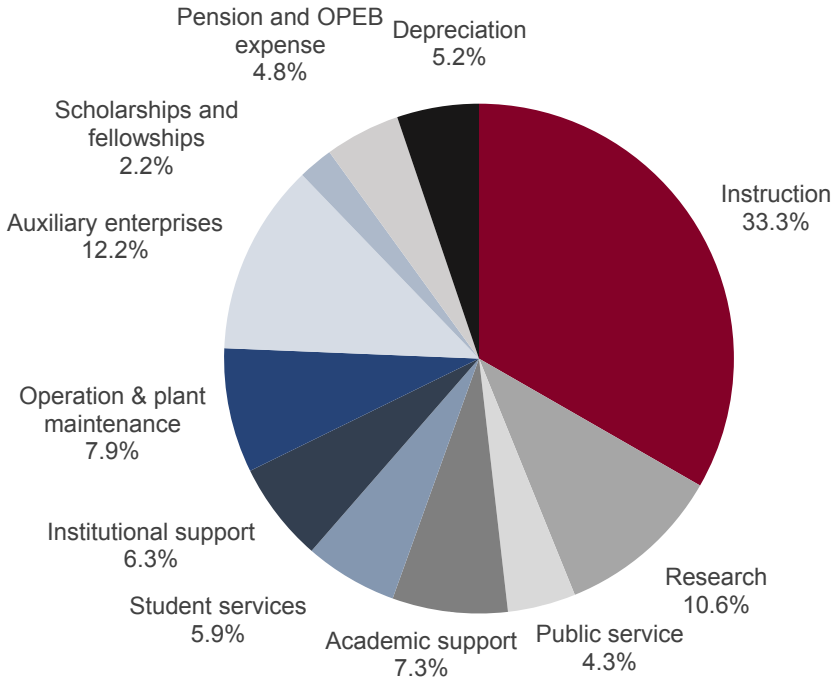


Instruction and research have historically represented the largest non-auxiliary functional categories: 44.0 percent of total operating expenses in fiscal year 2019 and 44.4 percent in fiscal year 2018. The next largest functional category, auxiliary expenses, represented 12.2 percent of total operating expenses in fiscal year 2019 and 12.7 percent in fiscal year 2018. Across all functional categories, salaries and benefits represent the largest component followed by services.

2019 OPERATING EXPENSES BY FUNCTION

Dollars in thousands

	2019	2018	Increase (Decrease) Amount	Increase (Decrease) Percent
Instruction	$ 458,854	$ 450,545	$ 8,309	1.8%
Research	145,706	131,526	14,180	10.8%
Public service	59,528	65,851	(6,323)	-9.6%
Academic support	100,798	92,241	8,557	9.3%
Student services	81,363	76,840	4,523	5.9%
Institutional support	87,384	99,244	(11,860)	-12.0%
Operation and plant maintenance	108,980	126,394	(17,414)	-13.8%
Auxiliary enterprises	167,468	166,188	1,280	0.8%
Scholarships and fellowships	30,578	27,233	3,345	12.3%
Pension and OPEB expense	65,924	-	65,924	100.0%
Depreciation	71,611	68,990	2,621	3.8%
Total Operating Expenses	**$ 1,378,194**	**$ 1,305,052**	**$ 73,142**	**5.6%**



ECONOMIC OUTLOOK

The economic position of the University remains robust evidenced by consistent operating revenue growth, strong increases in net tuition and fee revenue due to 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 2019 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. The state experienced a revenue surplus of more than $350 million or 8.6 percent growth primarily due to higher than expected individual income tax payments and lower than expected individual refunds.

For the 2020 fiscal year now underway, additional Education and General funding was provided to all University system campuses to support academic initiatives that promote access and affordability through tuition mitigation for residents of South Carolina. Total new operating funding is approximately $14.8 million and fringe benefit funding of $2.9 million is provided to support a portion of state employee retirement contributions and health insurance increases. In addition, the University system campuses received critical capital project funding of $36.8 million for 2020.

The University's overall financial position remains strong. The University relies on tuition and fees to support the general operating budget and with added state support for fiscal year 2020 the University has been able to mitigate the tuition increase for 2020. For the 2020 year, the University of South Carolina's tuition increase is 0.6 percent marking the ninth year of tuition increases below 4 percent and notably the lowest tuition increase in twenty years. An average increase of 2.5 percent in student housing and 2.9 percent dining plans will be used to improve dining, housing and student life facilities.

Demand for enrollment and interest in the University remains strong with more than 31,000 applications received, and a freshman class enrolled at the University Columbia campus for Fall 2019 of 6,250 students. Preliminary data indicate that this entering class is also the most academically talented in the University's history with an average SAT score of 1273 and an average ACT score of 28.

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 $90 million across the different scholarship programs. Additionally, funding from lottery proceeds supports technology needs at the system comprehensive and Palmetto College campuses.

Research grant awards were $278.6 million in the 2019 fiscal year, a $20.5 million or a 7.9 percent increase over the prior year. University Columbia campus makes up approximately 97% of total research awards or approximately $270.3 million. University researchers were particularly successful in competing for federal research funds, which totaled $166.5 million in FY2019.

The University's total endowment is currently $673.1 million, with $539.1 million held by the University Foundations. The endowment is comprised of a mix of restricted and unrestricted funds, quasi endowed, term endowed and permanently endowed. Investment income for the endowment has averaged 3 percent over the past three fiscal years.

UNIVERSITY OF SOUTH CAROLINA
Statement of Net Position
As of June 30, 2019

ASSETS	
Current assets:	
Cash and cash equivalents	$ 676,055,760
Restricted - cash and cash equivalents	112,525,309
Accounts receivable, net	63,497,942
Student loans receivable, current	2,000
Inventories	2,121,797
Prepaid items	805,989
Funds due from others	2,208,805
Total current assets	857,217,602
Noncurrent assets:	
Restricted - cash and cash equivalents	93,260,118
Investments	6,109,120
Prepaid items	1,700,000
Restricted - federal student loans receivable	14,063,633
Capital assets, net of accumulated depreciation	1,461,701,342
Total noncurrent assets	1,576,834,213
Total assets	2,434,051,815
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on debt refunding	19,877,647
Deferred outflows related to OPEB	65,729,691
Deferred outflows related to net pension liability	150,663,959
Total deferred outflows of resources	236,271,297
LIABILITIES	
Current liabilities:	
Accounts payable	17,072,092
Retainage payable - current portion	1,921,398
Accrued interest payable	4,947,165
Accrued payroll and related liabilities	22,753,178
Accrued compensated absences - current portion	27,564,326
Capital lease obligations - current portion	268,293
Bonds and notes payable - current portion	32,050,961
Unearned revenues	46,382,705
Deposits	3,440,800
Other liabilities	676,205
Funds held for others	11,960,038
Total current liabilities	169,037,161
Noncurrent liabilities:	
Accrued compensated absences	5,250,351
Federal loan liability	16,308,026
Capital lease obligations	707,081
Bonds and notes payable	605,523,398
Net OPEB liability	914,953,998
Net pension liability	977,324,491
Total noncurrent liabilities	2,520,067,345
Total liabilities	2,689,104,506
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to net OPEB liability	74,833,981
Deferred inflows related to net pension liability	6,686,626
Total deferred inflows of resources	81,520,607
NET POSITION	
Net investment in capital assets	855,078,903
Restricted for:	
Nonexpendable	86,794,706
Expendable	
Scholarships, research, instruction, and other	38,296,012
Loans	2,764,365
Capital projects	117,724,421
Debt service	9,539,488
Unrestricted	(1,210,499,896)
Total net position	**$ (100,302,001)**

See Notes to the Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Statement of Revenues, Expenses and Changes in Net Position
For the year ended June 30, 2019

OPERATING REVENUES		
Student tuition and fees ($38,932,573 pledged for bonds)	$	898,695,783
Less: scholarship discounts and allowances		(325,776,738)
Federal grants and contracts		140,511,686
State grants and contracts		123,753,430
Local grants and contracts		1,524,984
Nongovernmental grants and contracts		47,496,302
Sales and services of educational and other activities		33,955,063
Sales and services of auxiliary enterprises ($27,183,189 pledged for bonds)		190,600,046
Less: scholarship discounts and allowances		(3,922,449)
Interest collected on student loans		342,299
Other fees ($5,804,209 pledged for bonds)		13,440,700
Other operating revenues		7,480,842
Total operating revenues		1,128,101,948
OPERATING EXPENSES		
Salaries and wages		617,743,885
Fringe benefits		278,936,509
Services and supplies		344,703,097
Utilities		31,068,717
Scholarships and fellowships		34,130,173
Depreciation expense		71,611,396
Total operating expenses		1,378,193,777
Operating loss		(250,091,829)
NONOPERATING REVENUES (EXPENSES)		
State appropriations		175,648,873
Federal grants		57,831,102
Gifts		47,749,594
Investment income		11,260,375
Endowment income		13,550,204
Gain on disposal of capital assets		587,442
Interest on capital asset related debt		(14,517,470)
Net nonoperating revenues		292,110,120
Income before other revenues		42,018,291
State capital appropriations		11,069,346
Capital grants and gifts		20,184,250
Additions to permanent endowments		476,540
Change in net position		73,748,427
NET POSITION, BEGINNING OF YEAR		(174,050,428)
NET POSITION, END OF YEAR	**$**	**(100,302,001)**

See Notes to the Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Statement of Cash Flows
For the year ended June 30, 2019

OPERATING ACTIVITIES		
Student tuition and fees	$	574,631,869
Research grants and contracts		325,056,449
Sales and services of educational and other activities		33,542,310
Sales and services of auxiliary enterprises		192,327,046
Student loans disbursed		(339,855)
Student loans collected		2,849,593
Interest collected on student loans		342,299
Inflows from federal direct student loans		309,837,738
Outflows from federal direct student loans		(309,668,012)
Payments to employees for services		(616,587,589)
Payments to employees for benefits		(224,183,977)
Payments to suppliers		(384,857,577)
Payments to students for scholarships and fellowships		(34,130,172)
Other receipts		20,983,217
Inflows from agency funds		70,001,373
Outflows from agency funds		(73,478,252)
Net cash used by operating activities		(113,673,540)
NONCAPITAL FINANCING ACTIVITIES		
State appropriations		175,648,873
Federal grants		57,831,102
Gifts		49,887,599
Additions to permanent endowments		476,540
Federal loan liability		207,960
Net cash provided by noncapital financing activities		284,052,074
CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt		5,495,867
State capital appropriations		11,069,346
Capital grants and gifts		13,851,312
Purchase and construction of capital assets		(105,130,368)
Principal paid on capital asset related debt		(31,719,004)
Interest paid on capital asset related debt		(27,177,482)
Net cash used by capital and related financing activities		(133,610,329)
INVESTING ACTIVITIES		
Investment income		10,831,906
Endowment income		12,567,439
Net cash provided by investing activities		23,399,345
Net increase (decrease) in cash and cash equivalents		60,167,550
Cash and cash equivalents, beginning of year		821,673,637
Cash and cash equivalents, end of year	**$**	**881,841,187**
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	$	676,055,760
Restricted - cash and cash equivalents, current		112,525,309
Restricted - cash and cash equivalents, noncurrent		93,260,118
	$	**881,841,187**

See Notes to the Financial Statements **(Continued)**

UNIVERSITY OF SOUTH CAROLINA
Statement of Cash Flows
For the year ended June 30, 2019

Reconciliation of net operating loss to net cash used by operating activities	
Operating loss	(250,091,829)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	71,611,396
Accrued benefits related to net pension liability	53,870,967
Student loans cancelled	254,153
Change in current assets and liabilities:	
Accounts receivable, net	23,320,978
Student loans receivable	2,509,738
Inventories	109,929
Prepaid items	(567,983)
Accounts payable	(8,828,245)
Retainage payable - noncapital	(17,270)
Accrued payroll	169,332
Accrued benefits	881,568
Accrued compensated absences	863,385
Unearned revenues	(4,832,991)
Deposits	363,600
Other liabilities	119,172
Funds held for and due from others	(3,409,440)
Net cash used by operating activities	**$ (113,673,540)**
NONCASH TRANSACTIONS	
Gifts of capital assets reducing proceeds of capital grants and gifts	**$ 5,986,667**
Net change in capital grants and gifts receivable and unearned revenues	**$ 346,272**
Gain on disposal of capital assets, net	**$ 587,442**
Capital assets acquired through capital leases	**$ 587,827**
Change in value of investments recognized in endowment and investment income	**$ 982,765**

See Notes to the Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Governmental Discretely Presented Component Units
Statements of Net Position
June 30, 2019

	South Carolina Research Foundation	School of Medicine Educational Trust	Beaufort-Jasper Higher Education Commission	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 287,599	$ 21,306,344	$ 5,070,509	$ 26,664,452
Restricted cash and cash equivalents	39,873,531	13,721,055	500,000	54,094,586
Investments and security deposits	-	10,350,125	1,542,832	11,892,957
Patient and other accounts receivable, net	2,762,665	338,787	918,464	4,019,916
Prepaid items and deposits	62,586	-	154,340	216,926
Total current assets	42,986,381	45,716,311	8,186,145	96,888,837
Noncurrent assets				
Capital assets, net of accumulated depreciation	31,883	6,613,797	49,121,172	55,766,852
Total noncurrent assets	31,883	6,613,797	49,121,172	55,766,852
Total assets	43,018,264	52,330,108	57,307,317	152,655,689
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on debt refunding	-	-	622,810	622,810
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	2,340,160	14,343,767	486,932	17,170,859
Retainage payable	-	-	2,134	2,134
Accrued compensated balances	-	255,762	21,000	276,762
Unearned revenue	40,182,301	-	-	40,182,301
Current portion of long term debt	-	2,975,000	2,313,586	5,288,586
Total current liabilities	42,522,461	17,574,529	2,823,652	62,920,642
Noncurrent liabilities				
Noncurrent portion of long term debt	-	-	35,851,949	35,851,949
Total noncurrent liabilities	-	-	35,851,949	35,851,949
Total liabilities	42,522,461	17,574,529	38,675,601	98,772,591
NET POSITION				
Net investment in capital assets	31,883	3,638,797	11,576,313	15,246,993
Restricted for capital projects and debt service	-	-	500,000	500,000
Unrestricted	463,920	31,116,782	7,178,213	38,758,915
Total net position	**$ 495,803**	**$ 34,755,579**	**$ 19,254,526**	**$ 54,505,908**

See Notes to the Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Governmental Discretely Presented Component Units
Statements of Revenues, Expenses and Changes in Net Position
For the year ended June 30, 2019

	South Carolina Research Foundation	School of Medicine Educational Trust	Beaufort-Jasper Higher Education Commission	Total
REVENUES				
Operating revenues				
Contracts and grants	$ 242,176,228	$ 9,666,117	$ -	$ 251,842,345
Patient charges, net of allowances	-	60,746	-	60,746
Management fees and recoveries	787,999	-	-	787,999
Realized investment income, net	-	507,900	-	507,900
Housing	-	-	6,452,739	6,452,739
Dining	-	-	2,977,032	2,977,032
Other operating revenues	328,465	33,031,446	97,752	33,457,663
Total operating revenues	243,292,692	43,266,209	9,527,523	296,086,424
EXPENSES				
Operating expenses				
Salaries and administrative expenses	733,812	29,085,004	976,037	30,794,853
Services and supplies	1,048,794	9,258,139	5,149,020	15,455,953
Research and development direct costs	242,435,717	-	-	242,435,717
Depreciation and amortization	-	611,034	1,748,922	2,359,956
Total operating expenses	244,218,323	38,954,177	7,873,979	291,046,479
Operating income (loss)	(925,631)	4,312,032	1,653,544	5,039,945
NONOPERATING REVENUES (EXPENSES)				
Private gifts and donations	65,220	(4,039,650)	(1,974,108)	(5,948,538)
Interest and investment income	1,221,513	-	47,595	1,269,108
Unrealized gain (loss) on investment holdings, net	-	20,819	-	20,819
County appropriations	-	-	2,259,645	2,259,645
Interest on capital asset debt	-	-	(901,400)	(901,400)
Proceeds from damages claim	-	-	61,385	61,385
Net nonoperating revenues (expenses)	1,286,733	(4,018,831)	(506,883)	(3,238,981)
Change in net position	361,102	293,201	1,146,661	1,800,964
NET POSITION, BEGINNING OF YEAR, AS RESTATED	134,701	34,462,378	18,107,865	52,704,944
NET POSITION, END OF YEAR	**$ 495,803**	**$ 34,755,579**	**$ 19,254,526**	**$ 54,505,908**

See Notes to the Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Non-Governmental Discretely Presented Component Units
Statements of Financial Position
June 30, 2019

	USC Development Foundation	USC Educational Foundation	USC Business Partnership Foundation	Greater USC Alumni Association	USC Upstate Foundation	USC Upstate Capital Development Foundation	Educational Foundation of USC Lancaster	Gamecock Club of USC	Total
ASSETS									
Cash and cash equivalents	$ 10,759,174	$ 13,638,744	$ 9,525,799	$ 4,000,287	$ 261,735	$ 49,197	$ 83,827	$ 5,000	$ 38,323,763
Investments	27,346,167	474,212,463	101,633,579	5,514,539	13,442,105	-	8,639,887	-	630,788,740
Real estate held for investment	40,255,451	3,434,424	-	-	-	-	-	192,000	43,881,875
Assets held in trust	-	5,802,687	-	-	301,462	-	-	10,608,170	16,712,319
Accounts receivable, net	970,466	16,850,239	716,608	4,473,086	31,251	44,880	700,192	25,729	23,812,451
Contributions receivable, net	1,374,096	48,660,383	1,863,231	-	1,478,642	-	38,402	-	53,414,754
Prepaid expenses	4,674	-	16,250	133,387	-	-	-	-	154,311
Other assets	4,024,265	251	65,752	41,355	-	-	-	3,154,488	7,286,111
Fixed assets, net of depreciation	136,432,658	1,354,464	-	19,752,014	-	372,000	7,270,038	-	165,181,174
Total assets	**$ 221,166,951**	**$ 563,953,655**	**$ 113,821,219**	**$ 33,914,668**	**$ 15,515,195**	**$ 466,077**	**$ 16,732,346**	**$ 13,985,387**	**$ 979,555,498**
LIABILITIES									
Accounts payable and accrued expenses	$ 3,092,229	$ 9,345,580	$ 1,436,764	$ 452,038	$ 1,644	$ -	$ 28	$ 112,039	$ 14,440,322
Lines of credit	31,034,882	-	-	-	-	-	-	-	31,034,882
Deferred revenues	5,668,280	-	-	193,366	-	-	-	-	5,861,646
Bonds and notes payable	138,006,397	8,583,004	-	20,933,004	1,250,000	402,702	3,141,824	-	172,316,931
Interest rate swap	7,066,900	-	-	-	-	-	-	-	7,066,900
Other liabilities	35,958	9,483,976	-	-	613,073	-	-	25,379	10,158,386
Total liabilities	**184,904,646**	**27,412,560**	**1,436,764**	**21,578,408**	**1,864,717**	**402,702**	**3,141,852**	**137,418**	**240,879,067**
NET ASSETS									
Without donor restrictions	17,893,884	90,093,437	52,996,155	10,544,397	495,921	63,375	5,660,795	5,643,480	183,391,444
With donor restrictions	18,356,749	446,447,658	59,388,300	1,791,863	13,154,557	-	7,929,699	8,204,489	555,273,315
Total Foundation net assets	**36,250,633**	**536,541,095**	**112,384,455**	**12,336,260**	**13,650,478**	**63,375**	**13,590,494**	**13,847,969**	**738,664,759**
Noncontrolling interest	11,672	-	-	-	-	-	-	-	11,672
Total net assets	36,262,305	536,541,095	112,384,455	12,336,260	13,650,478	63,375	13,590,494	13,847,969	738,676,431
Total liabilities and net assets	**$ 221,166,951**	**$ 563,953,655**	**$ 113,821,219**	**$ 33,914,668**	**$ 15,515,195**	**$ 466,077**	**$ 16,732,346**	**$ 13,985,387**	**$ 979,555,498**

See Notes to the Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Non-Governmental Discretely Presented Component Units
Statements of Activities
For the year ended June 30, 2019

	USC Development Foundation	USC Educational Foundation	USC Business Partnership Foundation	Greater USC Alumni Association	USC Upstate Foundation	USC Upstate Capital Development Foundation	Educational Foundation of USC Lancaster	Gamecock Club of USC	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS									
Revenues, gains and other support									
Contributions	$ 2,032,948	$ 26,835,514	$ 1,743,407	$ 406,094	$ 162,298	$ -	$ 670,311	$ 11,745,957	$ 43,596,529
Investment returns (losses)	1,029,352	1,719,627	2,744,690	102,733	19,004	3,513	36,751	465,508	6,121,178
Net realized and unrealized gains (losses)	8,604,267	11,488,146	-	216,255	65,696	-	-	-	20,374,364
Earned income	18,040,903	-	4,290,872	1,044,625	-	-	-	-	23,376,400
Program service revenue	-	-	-	2,677,436	-	-	-	-	2,677,436
Other	678,138	676,824	-	141,273	83,202	-	57,805	141,975	1,779,217
Net assets released from restrictions:									
Transfers	-	-	747,679	-	-	-	(13,999)	-	733,680
Satisfaction of program restrictions	802,900	963,501	2,259,146	287,500	859,859	-	213,455	-	5,386,361
Expiration of time restrictions	-	12,783,046	-	-	-	-	-	1,932,377	14,715,423
Total revenues, gains and other support	31,188,508	54,466,658	11,785,794	4,875,916	1,190,059	3,513	964,323	14,285,817	118,760,588
Expenses									
Scholarships and student assistance	-	13,607,824	2,029,410	287,500	121,072	-	179,470	12,350,000	28,575,276
Program services	19,404,811	30,185,120	6,148,930	1,948,026	242,369	-	561,755	1,331,160	59,822,171
Supporting services	2,073,950	4,580,007	715,946	1,067,282	645,437	-	131,630	47,800	9,262,052
Other expenses	-	-	-	2,259,171	46,625	8,648	-	-	2,314,444
Total expenses	21,478,761	48,372,951	8,894,286	5,561,979	1,055,503	8,648	872,855	13,728,960	99,973,943
Excess revenues over (under) expenses	9,709,747	6,093,707	2,891,508	(686,063)	134,556	(5,135)	91,468	556,857	18,786,645
Interest rate swap fair value adjustment	(5,770,836)	-	-	-	-	-	-	-	(5,770,836)
Change in net assets without donor restrictions	$ 3,938,911	$ 6,093,707	$ 2,891,508	$ (686,063)	$ 134,556	$ (5,135)	$ 91,468	$ 556,857	$ 13,015,809

See Notes to the Financial Statements

(Continued)

UNIVERSITY OF SOUTH CAROLINA
Non-Governmental Discretely Presented Component Units
Statements of Activities
For the year ended June 30, 2019

	USC Development Foundation	USC Educational Foundation	USC Business Partnership Foundation	Greater USC Alumni Association	USC Upstate Foundation	USC Upstate Capital Development Foundation	Educational Foundation of USC Lancaster	Gamecock Club of USC	Total
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS									
Contributions	$ 412,590	$ 9,351,603	$ 1,144,688	$ 405,812	$ 2,171,079	$ -	$ 60,488	$ 1,403,884	$ 14,950,144
Investment returns (losses)	103,671	4,057,292	2,938,111	-	135,000	-	214,404	-	7,448,478
Net realized and unrealized gains (losses)	-	5,178,003	-	-	322,236	-	-	101,901	5,602,140
Other	-	200,842	-	224,940	47,337	-	5,647	-	478,766
Net assets released from restrictions:									
Transfers	-	-	(747,679)	-	-	-	13,999	(1,932,377)	(2,666,057)
Satisfaction of program restrictions	(802,900)	(963,501)	(2,259,146)	(287,500)	(859,859)	-	(213,455)	-	(5,386,361)
Expiration of time restrictions	-	(12,783,046)	-	-	-	-	-	-	(12,783,046)
Change in net assets with donor restrictions	(286,639)	5,041,193	1,075,974	343,252	1,815,793	-	81,083	(426,592)	7,644,064
Change in net assets	3,652,272	11,134,900	3,967,482	(342,811)	1,950,349	(5,135)	172,551	130,265	20,659,873
Net change attributable to noncontrolling interest	(1,718,243)	-	-	-	-	-	-	-	(1,718,243)
NET ASSETS, BEGINNING OF YEAR	34,316,604	525,406,195	108,416,973	12,679,071	11,700,129	68,510	13,417,943	13,717,704	719,723,129
NET ASSETS, END OF YEAR	**$ 36,250,633**	**$ 536,541,095**	**$ 112,384,455**	**$ 12,336,260**	**$ 13,650,478**	**$ 63,375**	**$ 13,590,494**	**$ 13,847,969**	**$ 738,664,759**

See 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 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, *Colleges and 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. 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.

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 I50, *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.

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, debt service reserve 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 and service agreements, and travel reservations 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 with a unit value in excess of $5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of $100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of $5,000, are charged to operating expenses in the year in which the expense 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.

The University capitalizes as a component of construction in progress interest cost in excess of earnings on invested debt proceeds associated with the capital projects. Therefore, asset values in capital assets include such interest costs. Capitalized interest for fiscal year 2019 was $9,000,138.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 under the forfeit terms of the agreement.

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.

Noncurrent Liabilities - Noncurrent liabilities include (1) principal amounts of bonds payable, notes payable, and capital lease obligations 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; (3) net pension and net OPEB liabilities; and (4) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

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 - decreases in net pension and net OPEB liabilities that were not included in expenses. Also, employer contributions subsequent to the measurement date of the net pension and net OPEB liabilities are reported as deferred outflows of resources.

Deferred Inflows of Resources - The acquisition of net position that is applicable to future reporting periods. The University's deferred inflows of resources consist of increases in the net pension and net OPEB liabilities that were not included in expenses.

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 represents resources derived from student tuition and fees, sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board to meet current expenses for any purpose.

The University policy for applying expenses that can use both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources then to unrestricted resources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 including federal grants and contract revenue 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; and
(4) grants and contracts that are essentially the same as contracts for services that finance programs the University would not otherwise undertake.

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.

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.

Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the University's financial statements.

To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

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, 2019.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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, 2019, $18,081,754 of the amount reported as *net position, restricted expendable - scholarships, research, instruction and other,* represented cumulative net appreciation of donor-restricted endowments.

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)	$ 676,055,760
Restricted cash and cash equivalents (current) for:	
Debt service	10,044,052
Scholarship, research, instruction, and other	35,541,669
University administered loans	237,315
Capital projects	66,702,273
	112,525,309
Restricted cash and cash equivalents (noncurrent) for:	
Endowments	80,611,977
Federal student loans	4,779,143
Debt service reserves	7,868,998
	93,260,118
Investments (noncurrent)	6,109,120
Total	**$ 887,950,307**
Notes	
Cash on hand	570,824
Deposits held by State Treasurer	880,948,627
Other deposits	321,736
Investments held by State Treasurer	4,646,327
Other investments	1,462,793
Total	**$ 887,950,307**

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 Comprehensive Annual 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 Comprehensive Annual Financial Report of the State of South Carolina. For the fiscal year ending June 30, 2019, $8,949,170 of the $880,948,627 identified in the preceding schedule as "Deposits held by State Treasurer" is attributable to unrealized appreciation.

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. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions. The University's investments consist of $1,196,400 Level 1 assets, $209,994 Level 2 assets, and $56,399 Level 3 assets. The investment assets held in the State's cash management pool are all Level 2 assets.

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 and Other Investments - The University's investments include common stock held by the State Treasurer for the University.

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.

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 $1,462,793 were collateralized by securities held by the pledging bank's trust department but not in the University's name.

The net change in unrealized appreciation of investments for the current fiscal year was $982,765.

NOTE 3 - RECEIVABLES

Accounts Receivable – Accounts receivable consisted of the following:

Student	$	18,326,672
Auxiliary enterprises		7,771,388
Federal grants and contracts		29,700,609
State grants and contracts		1,997,795
Local grants and contracts		172,522
Non-governmental grants and contracts		4,907,884
Accrued interest		3,351,997
		66,228,867
Less allowance for doubtful accounts		(2,730,925)
Accounts receivable, net	**$**	**63,497,942**

Allowances for doubtful accounts are based upon actual losses experienced in prior years and evaluations 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 administrating the loan programs.

Capital Improvement Bonds Proceeds Receivable - This amount represents outstanding state capital improvement and infrastructure bond fund proceeds, and capital reserve fund appropriations that have been expended but not yet drawn.

The State has authorized capital improvement bonds, research infrastructure bonds, University infrastructure bonds and capital reserve fund appropriations to fund improvements and expansion of state facilities. The University is not obligated to repay these funds to the State. Authorized funds can be requested once the State authorities have given approval to begin specific projects and project expenditures have been incurred.

At June 30, 2019 the University had no capital improvement bond proceeds receivable.

NOTE 4 - CAPITAL ASSETS

	June 30, 2018	Additions	Reductions	June 30, 2019
Capital assets not being depreciated				
Land and improvements	$ 94,045,424	$ -	$ -	$ 94,045,424
Construction in progress	96,002,039	96,538,022	151,608,049	40,932,012
Works of art and historical treasures	40,302,913	6,330,702	10,079	46,623,536
Total capital assets not being depreciated	230,350,376	102,868,724	151,618,128	181,600,972
Other capital assets				
Land improvements	110,478,166	9,610	-	110,487,776
Buildings and improvements	1,782,923,263	118,429,159	-	1,901,352,422
Machinery, equipment and other	205,552,041	23,569,344	18,678,002	210,443,383
Vehicles	18,275,860	1,488,524	4,038,786	15,725,598
Intangibles	57,559,096	33,174,464	14,371	90,719,189
Total capital assets at historical cost	2,174,788,426	176,671,101	22,731,159	2,328,728,368
Less accumulated depreciation for				
Land improvements	44,211,062	4,172,605	-	48,383,667
Buildings and improvements	758,263,544	44,393,476	-	802,657,020
Machinery, equipment and other	151,870,198	14,641,763	18,036,033	148,475,928
Vehicles	12,323,730	1,220,153	1,663,201	11,880,682
Intangibles	30,061,673	7,183,399	14,371	37,230,701
Total accumulated depreciation	996,730,207	71,611,396	19,713,605	1,048,627,998
Other capital assets, net	1,178,058,219	105,059,705	3,017,554	1,280,100,370
Capital assets, net	**$ 1,408,408,595**	**$ 207,928,429**	**$ 154,635,682**	**$ 1,461,701,342**

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 a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publically available through the Retirement Benefits' link on PEBA's website at www.peba.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the State.

Plan Description

The South Carolina Retirement System (SCRS), a cost sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

The State Optional Retirement Program (ORP) is a defined contribution plan that is offered as an alternative to 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.

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 (8.41 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.

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 - Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary. The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization period.

Required **employee** contribution rates for fiscal year 2018-2019 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

NOTE 5 - PENSION PLANS, Continued

Required **employer** contribution rates[1] for fiscal year 2018-2019 are as follows:

SCRS	
Employer Class II	14.41% of earnable compensation
Employer Class III	14.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation
ORP	
Employer Contribution[2]	14.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation
PORS	
Employer Class II	16.84% of earnable compensation
Employer Class III	16.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

[1] Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

[2] 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.

Of the ORP employer contribution of 14.41% of earnable compensation, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to SCRS.

For fiscal year 2019, total contributions requirements to the ORP were $38,027,000 (excluding the surcharge) from the University as employer and approximately $23,750,000 from its employees as plan members.

Net Pension Liability (NPL) - At June 30, 2019, the University reported liabilities of $961,307,644 and $16,016,847 for its proportionate share of the SCRS and PORS NPL, respectively. The NPLs were measured as of June 30, 2018, 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, 2018, the University's proportionate shares of the SCRS and PORS plans were 4.290247% and 0.565259%, respectively.

Pension Expense - For the year ended June 30, 2019, the University recognized pension expense of $103,637,714 and $2,292,500 for SCRS and PORS, respectively, for a total pension expense of $105,930,214.

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 2018. 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, 2018 measurement period, PEBA provided non-employer contributions to the College in the amount of $5,147,536 which is shown as a reduction to net pension liability and other grant revenue in the year ended June 30, 2019.

NOTE 5 - PENSION PLANS, Continued

Deferred Inflows of Resources and Deferred Outflows of Resources – At June 30, 2019, 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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,735,281	$ 5,657,032
Changes of assumptions	38,139,313	-
Net difference between projected and actual earnings on pension plan investments	15,270,402	-
Changes in proportion and differences between University contributions and proportionate share of contributions	29,763,036	967,072
University contributions subsequent to the measurement date	61,758,365	-
Total	$ 146,666,397	$ 6,624,104

Police Officers Retirement System

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 493,505	$ -
Changes of assumptions	1,056,069	-
Net difference between projected and actual earnings on pension plan investments	320,299	-
Changes in proportion and differences between University contributions and proportionate share of contributions	730,555	62,522
University contributions subsequent to the measurement date	1,397,134	-
Total	$ 3,997,562	$ 62,522

NOTE 5 - PENSION PLANS, Continued

The $61,758,365 and $1,397,134 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, 2019 will be recognized as a reduction of the NPLs in the year ending June 30, 2020.

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:

	SCRS
Year ended June 30:	
2020	$ 48,096,512
2021	35,487,958
2022	(4,199,842)
2023	(1,100,700)
	$ 78,283,928

	PORS
Year ended June 30:	
2020	$ 1,193,088
2021	938,473
2022	342,886
2023	63,459
	$ 2,537,906

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 July 1, 2015.

The June 30, 2018, 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, 2017. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2018, using generally accepted actuarial principles.

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, 2018 for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)[1]	3.5% to 9.5% (varies by service)[1]
Benefit adjustments	lesser of 1% or $500 annually	lesser of 1% or $500 annually

[1] *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 published Scale AA projected from the year 2016.

Assumptions used in the June 30, 2018 TPL are as follows.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

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, 2018, 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
SCRS	$48,821,730,067	$26,414,916,370	$22,406,813,697	54.1%
PORS	7,403,972,673	4,570,430,247	2,833,542,426	61.7%

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.

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 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 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 on the following page. For actuarial purposes, the 7.28 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.03 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	**47.0%**		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets	**10.0%**		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	**13.0%**		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
Diversified Credit	**18.0%**		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income	**12.0%**		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Real Return	**100.0%**		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

Discount Rate - The discount rate used to measure the TPL was 7.25 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 7.25 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 (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

NOTE 5 - PENSION PLANS, Continued

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

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	$1,228,372,645	$961,307,644	$770,381,739
PORS	21,592,706	16,016,847	11,449,743

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, 2018 (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, 2018.

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

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, 6.05% of annual covered payroll for 2019 and 5.50% of annual covered payroll for 2018. The IB sets the employer contribution rate based on a pay-as-you-go basis. The University paid approximately $33,600,900 and $30,160,000 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2019 and 2018, respectively. BLTD benefits are funded through a person's premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to IB was $3.22 for the fiscal year ended June 30, 2019. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

NOTE 6 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS, Continued

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.

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, 2019, the University reported a liability of $914,953,998 for its proportionate share of the SCRHITF net OPEB liability. The OPEB liability was measured as of June 30, 2018, 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, 2018, the University's proportionate share of the SCRHITF plan was 6.456708%.

OPEB Expense - For the year ended June 30, 2019, the University recognized OPEB expense of $55,899,548 for SCRHITF.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Post-Employment Benefits Other Than Pensions (OPEB) – At June 30, 2019, 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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,706,427	$ 318,800
Changes of assumptions	-	74,504,860
Net difference between projected and actual earnings on OPEB plan investments	3,508,282	-
Changes in proportion and differences between University contributions and proportionate share of contributions	15,015,813	10,321
University contributions subsequent to the measurement date	33,499,169	-
Total	$ 65,729,691	$ 74,833,981

NOTE 6 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS, Continued

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:	
2020	$ (8,505,103)
2021	(8,505,103)
2022	(8,505,103)
2023	(8,880,783)
2024	(9,476,094)
Thereafter	1,268,727
	$ (42,603,459)

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, 2017 actuarial valuation for SCRHITF:

Actuarial Methods and Assumptions:	
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	4.00%, net of OPEB plan investment expense, including inflation
Single discount rate	3.62% as of June 30, 2018
Demographic assumptions	Based on the experience study performed for the SCRS for the 5-year period ending June 30, 2015
Mortality assumptions	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Healthcare trend rate	Initial trend starting at 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years
Aging factors	Based on plan specific experience
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 3.59% as of June 30, 2017 to 3.62% as of June 30,2018

NOTE 6 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS, Continued

Discount Rate - The Single Discount Rate of 3.62% 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)

Long Term Expected Rate of Return

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	20.00%	0.84%	0.17%
Total	100.00%		1.84%
Expected Inflation			2.25%
Total Return			4.09%
Investment Return Assumption			4.00%

For the SCRHITF, the annual money-weighted rate of return on the plan investments were 0.27%.

Sensitivity Analysis - The following table presents the University's proportionate share of the SCRHITF net other postemployment benefits (OPEB) liability calculated using the discount rate of 3.62 percent, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.62 percent) or 1 percentage point higher (4.62 percent) than the current rate:

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

1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
$ 1,077,903,711	$914,953,998	$783,603,640

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:

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
$752,859,420	$914,953,998	$1,124,512,269

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 believes disallowances, if any, would not be material.

The University had outstanding commitments of $69,640,466 for capital and $44,647,672 for noncapital projects. 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 - LEASE OBLIGATIONS

The future minimum lease payments for noncancelable operating leases are as follows:

2020	$	11,481,436
2021		11,105,743
2022		11,002,331
2023		10,565,444
2024		10,375,172
2025-2029		14,771,908
2030-2034		8,951,297
2035-2036		1,608,338
Total minimum lease payments	**$**	**79,861,669**

The preceding payment schedule relates to noncancelable operating leases having remaining terms of more than one year and expiring in various fiscal years from 2020-2036. These noncancelable operating leases include agreements between the University and third party vendors as well as other State agencies and related parties. Certain operating leases provide for renewal options at their fair rental value at the end of their lease term. Total real property operating lease payments were $12,031,669 for fiscal year 2019. Of this amount, $280,843 was paid to other State agencies. In the current fiscal year, the University incurred expenses of $605,415 for office copier contingent rentals on a cost per copy basis.

The University also has a 35 year operating lease agreement for two city blocks of parking surrounding the Colonial Life Arena for $100,000 per year. In accordance with the terms of the lease, in fiscal year 2003, the University paid $3,500,000, representing rent due for the entire term. As of June 30, 2019, the remaining unamortized prepaid balance related to the parking lease agreement was $1,800,000 with $100,000 reflected as a current asset.

NOTE 8 - LEASE OBLIGATIONS, Continued

Capital Leases

Buildings, land, and equipment held by the University under capital leases as of June 30, 2019:

	Cost	Accumulated Depreciation	Net
Buildings	$ 393,703	$ 93,505	$ 300,198
Land	245,000	-	245,000
Equipment	1,698,432	619,141	1,079,291

The future minimum capital lease obligations and the net present value of the minimum capital lease payments are as follows:

2020	$ 327,213
2021	258,146
2022	248,224
2023	211,070
2024	73,202
Total minimum lease payments	1,117,855
Less amount representing interest	(142,481)
Present value of minimum lease payments by year	**$ 975,374**

Capital lease obligations consist of:

Agreement with USC Upstate Foundation for land and building, dated February 2010, payable in monthly installments of $6,500, with a fixed interest rate of 4.11%. This agreement expires in December 2019.	$ 38,537
Agreements with Presidio for copiers payable in monthly installments ranging from $13 to $1,472 with fixed interest rates ranging from 5.76% to 7.52%. The agreements expire May 2024.	898,836
Agreement with GE Capital for Bobcat Skid Steer loaders, payable in monthly installments of $488. This agreement expires November 2019.	2,610
Agreement with Wells Fargo for a Hyundai Forklift, payable in monthly installments of $495 with a fixed interest rate of 3.54%. The agreement expires December 2023.	25,500
Agreement with VGM Financial Services for Jacobsen Turf equipment, payable in monthly installments of $2,473. The agreement expires October 2019.	9,891
Present value of minimum lease payments by lease	**$ 975,374**

NOTE 9 - BONDS AND NOTES PAYABLE

Bonds Payable – Bonds payable consisted of the following:

	Original Debt	Interest Rates (Outstanding)	Maturity Dates	June 30, 2019 Balance	Debt Retired in Fiscal Year 2019
State Institution Bonds					
Series 2009B	8,550,000		04/01/29	-	5,330,000
Series 2011A Refunding	20,085,000	3.5% to 5%	03/01/22	6,755,000	2,060,000
Series 2011E	23,955,000	4.125% to 5%	03/01/31	16,645,000	1,005,000
Series 2012A Refunding	21,475,000	2.5% to 5%	04/01/24	6,545,000	1,320,000
Series 2014A	15,190,000	3% to 5%	04/01/34	12,465,000	575,000
Series 2015A	56,725,000	2% to 5%	04/01/35	48,655,000	2,075,000
Series 2015B Refunding	30,625,000	5%	04/01/26	22,830,000	2,675,000
Series 2017B	39,450,000	2.625% to 5%	04/01/37	36,735,000	1,285,000
Series 2019B	4,290,000	5%	04/01/29	4,290,000	-
Total State Institution Bonds				**154,920,000**	**16,325,000**
Revenue Bonds					
Series 2010A	28,510,000	4%	06/01/40	695,000	670,000
Series 2010A Athletic	65,855,000	4% to 5%	05/01/40	10,470,000	1,480,000
Series 2010B Refunding Athletic	12,840,000	4% to 5%	05/01/27	1,980,000	700,000
Series 2012	61,945,000	3.5% to 5%	05/01/35	53,755,000	2,165,000
Series 2012 Refunding	28,110,000	4% to 5%	05/01/34	20,325,000	1,430,000
Series 2012A Athletic	13,580,000	2.5% to 4%	05/01/42	11,530,000	320,000
Series 2012B Refunding Athletic	6,350,000	3.5%	05/01/32	6,350,000	-
Series 2013	37,185,000	3% to 5%	05/01/43	32,445,000	950,000
Series 2015 Athletic	38,270,000	3% to 5%	05/01/45	35,610,000	715,000
Series 2015	48,175,000	3.5% to 5%	05/01/35	38,305,000	3,140,000
Series 2016 Refunding	67,820,000	4% to 5%	05/01/39	65,785,000	2,035,000
Series 2016A Refunding Athletic	22,400,000	4% to 5%	05/01/38	21,705,000	695,000
Series 2017A Athletic	40,325,000	4% to 5%	05/01/47	38,965,000	690,000
Series 2017B Refunding Athletic	46,990,000	5%	05/01/40	46,990,000	-
Series 2017A Refunding Housing	20,840,000	5%	05/01/40	20,840,000	-
Total Revenue Bonds				**405,750,000**	**14,990,000**
Subtotal bonds payable				560,670,000	31,315,000
Plus unamortized bond premiums				76,578,880	4,297,668
Less unamortized bond discounts				(167,700)	(12,900)
Total Bonds Payable				**$ 637,081,180**	**$ 35,599,768**

State institution bonds are general obligation bonds of the State backed by the full faith, credit, and taxing power of the State. Tuition revenue is pledged for the payment of principal and interest on state institution bonds. The legal debt margin for state institution bonds shall not exceed ninety percent of tuition fees received from the preceding fiscal year for the University as a whole.

NOTE 9 - BONDS AND NOTES PAYABLE, Continued

Tuition fees used to calculate the University's debt service limit on bond indebtedness for the preceding year were $34,643,324, which results in a legal annual debt service limit at June 30, 2019 of $31,178,992. The annual debt service payments for the fiscal year were $18,568,567. Tuition revenue pledged in fiscal year 2019 was $37,012,227 for state institution bonds.

General revenue bonds are payable from a pledge of net revenues derived by the University from the operation of the facilities constructed with the bond proceeds. General revenue bonds may also be payable from a pledge of additional funds. Additional funds are all available funds and academic fees of the University which are not (i) otherwise designated or restricted; (ii) funds derived from appropriations; and (iii) tuition funds pledged to the repayment of state institution bonds. Pledged net revenues for general revenue bonds in fiscal year 2019 were $22,150,088.

Athletic facilities revenue bonds are payable from a pledge of net revenues of the athletic department, gross receipts of a special admission fee to facilities and a special student fee as authorized by the governing board. Pledged revenues for athletic facilities revenue bonds in fiscal year 2019 were $1,920,346 of special student fees, $5,804,209 of special admission fees and $5,033,101 of athletic department revenues.

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

On May 2, 2019, the University issued $4,290,000 in State Institution bonds to fully refund the Series 2009B State Institution Bonds with a final maturity of April 1, 2029 with a call date of April 1, 2019. The refunding transaction resulted in a deferred loss on refunding of $27,962, and aggregate debt payment reduction of $677,508 over the next ten years and an economic gain of $621,374. The refunding bonds were used to retire $4,935,000 of University bonds.

NOTE 9 - BONDS AND NOTES PAYABLE, Continued

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

	Principal	Interest	Total
State Institution Bonds			
2020	$ 11,900,000	$ 6,588,092	$ 18,488,092
2021	12,335,000	6,121,950	18,456,950
2022	12,940,000	5,505,200	18,445,200
2023	11,165,000	4,858,200	16,023,200
2024	10,540,000	4,332,650	14,872,650
2025-2029	45,905,000	14,242,644	60,147,644
2030-2034	38,205,000	5,516,544	43,721,544
2035-2037	11,930,000	616,631	12,546,631
Total	**$ 154,920,000**	**$ 47,781,911**	**$ 202,701,911**

	Principal	Interest	Total
Revenue Bonds			
2020	$ 15,700,000	$ 18,533,044	$ 34,233,044
2021	15,840,000	18,439,444	34,279,444
2022	16,625,000	17,660,094	34,285,094
2023	17,435,000	16,841,844	34,276,844
2024	17,925,000	15,980,869	33,905,869
2025-2029	95,770,000	66,217,656	161,987,656
2030-2034	104,065,000	42,546,525	146,611,525
2035-2039	79,845,000	19,502,575	99,347,575
2040-2044	33,225,000	5,511,600	38,736,600
2045-2047	9,320,000	665,400	9,985,400
Total	**$ 405,750,000**	**$ 221,899,051**	**$ 627,649,051**

Notes Payable – Notes payable consisted of the following:

Note payable to acquire energy savings equipment and lighting retrofit, dated December 2008, payable in annual installments of $51,251 subject to amount drawn at any given time, matures April 2020, fixed interest rate of 3.00%.	$ 49,446
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%.	443,733
	$ 493,179

NOTE 9 - BONDS AND NOTES PAYABLE, Continued

The scheduled maturities of the notes payable are as follows:

	Principal	Interest	Total
2020	$ 89,971	$ 10,678	$ 100,649
2021	41,335	8,064	49,399
2022	42,162	7,237	49,399
2023	43,005	6,394	49,399
2024-2029	276,706	19,689	296,395
Total	**$ 493,179**	**$ 52,062**	**$ 545,241**

NOTE 10 - LONG-TERM LIABILITIES

Long-term liability activity was as follows:

	June 30, 2018	Additions	Reductions	June 30, 2019	Due Within One Year	Long-Term Portion
Bonds Payable:						
State Institution Bonds	$ 166,955,000	$ 4,290,000	$ 16,325,000	$ 154,920,000	$ 11,900,000	$ 143,020,000
Revenue Bonds	420,740,000	-	14,990,000	405,750,000	15,700,000	390,050,000
Subtotal Bonds Payable	587,695,000	4,290,000	31,315,000	560,670,000	27,600,000	533,070,000
Unamortized Bond Premiums	80,114,415	762,133	4,297,668	76,578,880	4,373,891	72,204,989
Unamortized Bond Discounts	(180,600)	-	(12,900)	(167,700)	(12,900)	(154,800)
Total Bonds Payable	667,628,815	5,052,133	35,599,768	637,081,180	31,960,991	605,120,189
Notes Payable	97,763	443,734	48,318	493,179	89,970	403,209
Total Bonds and Notes Payable	**$ 667,726,578**	**$ 5,495,867**	**$ 35,648,086**	**$ 637,574,359**	**$ 32,050,961**	**$ 605,523,398**
Capital Lease Obligations	$ 743,233	$ 587,827	$ 355,686	$ 975,374	$ 268,293	$ 707,081
Accrued Compensated Absences	$ 31,951,293	$ 30,324,534	$ 29,461,150	$ 32,814,677	$ 27,564,326	$ 5,250,351

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

NOTE 11 - COMPONENT UNITS

Certain separately chartered legal entities whose activities are related to those of the University exist primarily to provide financial assistance and other support to the University and its educational program. They include the 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; the University of South Carolina Upstate Capital Development Foundation; 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 non-governmental reporting entities.

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.

NOTE 11 - COMPONENT UNITS, Continued

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 Foundation receives research funding from private sources and also competes for federal funds. The University receives flow through funds for research from the Foundation. In 2013, University and Research Foundation management agreed to administrative process changes that allowed the University to resume its historic role of directly processing new federal grant and contract transactions. The University expects that over the next several years this decision will result in the University processing all federal grant and contract transactions and an equal reduction in the federal grant activities processed by the Research 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, to perform the functions of, or to carry out the purposes of the University of South Carolina School of Medicine. The Trust is governed by a board consisting of the Dean of the University's School of Medicine, the Chairman of each of the twelve departments of the School of Medicine, as well as other employees of the University 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).

The Trust is involved in continuing discussions regarding the integration of patient operations with its primary affiliated hospital/healthcare partner, Prisma Health. Formal Management Service Agreements and other operating agreements and documents were finalized and operational during fiscal year 2017. Prisma Health provides healthcare services to substantially the same patient and demographic populations as before. 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: Earle Holley.

Non-Governmental 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 rent, the lease of real property and reimbursement for computer and personnel services provided by the University from the Foundation. The University also pays the Foundation for the lease of real property and for research programs. As of June 30, 2019 the Foundation held $27,424,569 in endowment funds for the University. Complete financial statements for the Foundation can be obtained at USC Foundations, 1027 Barnwell St. Columbia, SC 29208, Attention: Jason Caskey.

NOTE 11 - COMPONENT UNITS, Continued

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; reimbursement for computer and personnel services provided by the University. As of June 30, 2019 the Foundation held $399,821,004 in endowment funds for 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, fringe benefits and other administrative costs from the Foundation. As of June 30, 2019 the Foundation held $99,407,583 in endowment funds for the University. 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 Greater 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, fringe benefits 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 USC 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 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 can be obtained at USC Upstate Foundation, 800 University Way, Spartanburg, SC 29303, Attention: Meredith N. Brunen.

The USC Upstate Capital Development Foundation (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 USC Upstate that is integral to the growth of the campus, and to manage property under leasing agreements to the University. Complete financial statements for the Foundation can be obtained at USC Upstate Capital Development Foundation, 800 University Way, Spartanburg, SC 29303, Attention: Meredith N. Brunen.

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 fund-raising 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. As of June 30, 2019 the Foundation held $8,859,711 in endowment funds for the University. Complete financial statements for the Foundation can be obtained at PO Box 809, Lancaster, SC 29721.

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 fund-raising programs to support athletic scholarships. The University receives scholarship funds from the Gamecock Club for student athletes. As of June 30, 2019 the Gamecock Club held $3,546,948 in endowment funds for the University. Complete financial statements for the Gamecock Club can be obtained at 1304 Heyward St., Columbia, SC 29208, Attention: Jeff Tallant.

NOTE 11 - COMPONENT UNITS, Continued

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	$	8,238,080
USC School of Medicine Educational Trust		845,611
Beaufort-Jasper Higher Education Commission		1,974,108
USC Development Foundation		4,709,427
USC Educational Foundation		30,367,140
USC Business Partnership Foundation		4,777,771
Greater USC Alumni Association		1,339,889
USC Upstate Foundation		289,146
Educational Foundation of USC Lancaster		169,412
Gamecock Club		12,350,000
Total	**$**	**65,060,584**

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 $1,574,684 due from the South Carolina Research Foundation at June 30, 2019.

Funds Paid to Component Units

Beaufort-Jasper Higher Education Commission	$	4,990,785
USC Development Foundation		1,311,452
USC Educational Foundation		160,869
USC Business Partnership Foundation		11,871
Greater USC Alumni Association		3,553,297
USC Upstate Foundation		11,500
USC Upstate Capital Foundation		78,000
Educational Foundation of USC Lancaster		11,867
Total	**$**	**10,129,641**

NOTE 12 - RELATED PARTIES

There are several separately charted 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. 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, 2019 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, 2019, 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 and cash management services to the Commission at no charge, including management of the operating portion of its cash. The Commission leases its land and buildings to USC Aiken for $1 annually. At June 30, 2019, the Commission had a net position of $2,438,327.

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 college 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, 2019, the Commission received an annual appropriation of $1,932,661 and $3,282 in interest income. The Commission disbursed $1,127,100 to USC Lancaster for operations and maintenance of the physical plant, commencement exercises, campus master planning and support. An additional $5,356 was disbursed to vendors for insurance, professional services, and commencement expenses. There was a $480,000 disbursement to the Educational Foundation of USC Lancaster for Founders Hall. USC Lancaster provides accounting and cash management services to the Commission at no charge. At June 30, 2019, the Commission had a net position of $1,766,961.

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 college 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 University of South Carolina Sumter (USC Sumter) operates the Sumter Campus under contract with the Commission at a cost of $1 annually. During the fiscal year ended June 30, 2019, the Commission made payments to USC Sumter totaling $608,856 for the operation and maintenance of the campus. At June 30, 2019, the Commission had a net position of $608,924.

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 $23,724 for the fiscal year ended June 30, 2019. USC Upstate provides accounting and record maintenance services to the Commission at no charge. The Commission owns six duplexes, one has a mortgage, 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 $374,398 endowment or the operating funds of the Commission. At June 30, 2019, the Commission had a net position of $851,322.

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 college 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 $202,095 to accomplish these objectives. During FY19 the Union Laurens Commission also received an additional $463,959 from the Union County Healthcare Foundation to support nursing program opportunities at the University of South Carolina Union (USC Union). During the year ended June 30, 2019, the Commission made grants to USC Union totaling $365,154 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 clerical, accounting, and cash management services to the Commission at no charge. At June 30, 2019, the Commission had a net position of $3,132,872.

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 college 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 $77,024 for the fiscal year ended June 30, 2019. The Commission allows the use of its land and buildings to USC Salkehatchie at no cost. USC Salkehatchie provides accounting and cash management services to the Commission at no charge, including management of the operating portion of its cash. At June 30, 2019, the Commission had a net position of $267,598.

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:

NOTE 13 - RISK MANAGEMENT, Continued

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.

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	$ 289,766,723	$ 99,006,609	$ 68,663,422	$ 90,344	$ 1,327,197	$ -	$ 458,854,295
Research	61,490,535	23,463,911	59,756,400	1,849	992,962	-	145,705,657
Public service	35,583,578	11,730,681	11,620,458	63,393	529,924	-	59,528,034
Academic support	49,405,582	16,661,375	34,709,608	9,005	12,319	-	100,797,889
Student services	38,647,059	12,551,628	29,285,769	620,176	258,236	-	81,362,868
Institutional support	55,074,911	19,424,321	12,846,496	7,177	31,306	-	87,384,211
Operation & plant maintenance	30,122,507	11,974,018	45,793,025	21,089,024	10	-	108,978,584
Auxiliary enterprises	57,550,220	16,587,408	81,824,423	9,187,749	2,318,691	-	167,468,491
Scholarships & fellowships	102,770	1,612,683	203,496	-	28,659,528	-	30,578,477
Pension & OPEB expense	-	65,923,875	-	-	-	-	65,923,875
Depreciation	-	-	-	-	-	71,611,396	71,611,396
Total operating expenses	**$ 617,743,885**	**$ 278,936,509**	**$ 344,703,097**	**$ 31,068,717**	**$ 34,130,173**	**$ 71,611,396**	**$1,378,193,777**

NOTE 15 - ENDOWMENTS AND SIMILAR FUNDS

The University's endowment funds and type consist of the following:

Net Position Classification	True Endowment	Quasi Endowment	Total
Restricted - nonexpendable	$ 86,794,706	$ -	$ 86,794,706
Unrestricted	-	47,242,678	47,242,678
Total	**$ 86,794,706**	**$ 47,242,678**	**$ 134,037,384**

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 will be considered a non-capitalized gift-in-kind. $116,666,286 was awarded in the fiscal year ended June 30, 2019. Future awards are as follows:

2020	$116,666,288
2021	116,666,288
2022	116,666,288
	$349,998,864

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Required Supplementary Information

to the Financial Statements

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

South Carolina Retirement System (SCRS)					
For the Year	University's Proportion of the Net Pension Liability	University's Proportionate Share of the Net Pension Liability	University's Covered Payroll During the Measurement Period	University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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%

Police Officers Retirement System (PORS)					
For the Year	University's Proportion of the Net Pension Liability	University's Proportionate Share of the Net Pension Liability	University's Covered Payroll During the Measurement Period	University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.565259%	$ 16,016,847	$ 7,883,293	203.17%	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

South Carolina Retirement System (SCRS)					
For the Year	Contractually Required Contribution	Contributions Made to Pension Plan	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Portion of Covered Payroll
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%

Police Officers Retirement System (PORS)					
For the Year	Contractually Required Contribution	Contributions Made to Pension Plan	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Portion of Covered Payroll
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

South Carolina Retiree Health Insurance Trust Fund (SCRHITF)					
For the Year	University's Proportion of the Net OPEB Liability	University's Proportionate Share of the Net OPEB Liability	University's Covered Payroll During the Measurement Period	University's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
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

South Carolina Retiree Health Insurance Trust Fund (SCRHITF)					
For the Year	Contractually Required Contribution	Contributions Made to Plan	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	$ 33,499,169	$ 33,499,169	$ -	$ 555,380,041	6.03%
2018	29,477,021	29,477,021	-	548,356,852	5.38%
2017	28,528,445	28,528,445	-	535,242,866	5.33%

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

Supplementary Information

to the Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Columbia Campus Athletics Department
Schedule of Funds Available for Debt Service
For Fiscal Year Ending June 30, 2019

REVENUES	
Admissions/Ticket Sales[(1)]	18,119,567
Student Athletic Fees	2,862,262
Guarantees	5,000
Contributions	31,763,030
NCAA/ Conference (SEC) Distribution	44,694,662
Media Rights	8,865,000
Direct Institutional Support	4,657,991
Program, Concession, Novelty, Parking (Aux. Svcs)	4,945,100
Royalties, Licensing, Adv. Sponsor.	9,983,456
Sports Camp Revenues	66,731
Endowment and Investment Inc	350,552
Other Operating	10,774,837
Total Revenues	137,088,188
EXPENSES	
Athletics Student Aid - Grants/Scholarships	19,401,849
Guarantees	3,451,563
Personnel	51,842,941
Recruiting	2,128,748
Team Travel	6,898,691
Equipment, Uniforms and Supplies	3,511,335
Game Services	7,468,053
Fund Raising, Marketing, and Promotion	2,166,988
Sports Camps	139,564
Direct Facilities and Administrative Support	17,023,996
Spirit Groups	398,568
Medical and Insurance	1,670,156
Memberships and Dues	166,800
Student Athlete Meals (Non-travel)	1,185,617
Other Services	5,916,899
Total Expenses	123,371,768
Net Revenues	13,716,420
Mandatory Transfers	373,290
Net Revenues after Mandatory Transfers	13,343,130
Other Receipts:	
Admissions Fees	5,804,209
Special Student Fees	1,920,346
Interest and Other	140,908
Total Other Receipts	7,865,463
Total Funds Available for Debt Service	21,208,593

[(1)] Excludes Admissions Fees

Statistical Section

(Unaudited)

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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 90-94

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 95-97

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 98-104

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 105-106

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,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Student tuition and fees (net of scholarship allowances)	$ 572,919	$ 552,222	$ 520,904	$ 481,768	$ 448,058	$ 407,914	$ 383,366	$ 359,234	$ 331,713	$ 296,871
Federal grants and contracts	140,512	126,683	107,649	136,661	138,914	128,485	128,745	135,957	147,393	130,115
State grants and contracts	123,753	119,391	123,775	93,079	87,638	88,354	85,610	80,832	78,346	76,985
Local grants and contracts	1,525	1,163	1,278	1,365	1,208	1,167	1,329	1,337	1,439	1,245
Nongovernmental grants and contracts	47,496	42,396	39,518	32,854	36,704	38,818	34,932	38,481	26,027	26,196
Sales and services of educational and other activities	33,955	30,077	33,535	32,837	30,902	29,609	27,263	26,500	27,938	24,217
Sales and services of auxiliary enterprises (net of scholarship allowances)	186,678	186,207	168,127	161,143	146,693	131,836	128,220	125,215	116,176	110,315
Interest collected on student loans	342	297	271	295	305	333	301	328	309	303
Other fees	13,441	11,569	10,946	9,778	9,850	9,143	5,982	5,967	6,099	6,151
Other operating revenues	7,481	3,098	2,466	5,240	3,980	3,629	5,450	5,465	7,034	5,618
Total Operating Revenues	1,128,102	1,073,103	1,008,469	955,020	904,252	839,288	801,198	779,316	742,474	678,016
State appropriations	175,649	163,371	158,735	149,059	147,512	144,295	136,401	118,333	124,637	160,184
Federal grants	57,831	57,365	50,127	52,293	52,452	52,113	52,618	53,320	94,125	65,552
Gifts	47,750	55,519	53,891	42,160	45,548	46,444	43,918	38,401	37,967	42,086
Investment income	11,260	4,184	2,533	3,641	2,630	2,342	2,465	7,823	5,570	9,420
Endowment income (loss)	13,550	(180)	2,897	6,862	3,144	6,250	3,392	6,679	6,120	8,383
Other nonoperating revenues	-	-	-	-	31,500	12,270	-	-	14	14
Gain on disposal of capital assets	587	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues	306,627	280,259	268,183	254,015	282,786	263,714	238,794	224,556	268,433	285,639
Total Revenues	**$ 1,434,729**	**$ 1,353,362**	**$ 1,276,652**	**$ 1,209,035**	**$ 1,187,038**	**$ 1,103,002**	**$ 1,039,992**	**$ 1,003,872**	**$ 1,010,907**	**$ 963,655**

Source: University of South Carolina Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Schedule of Revenues By Source

(percent of total revenues)

For the Year Ended June 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Student tuition and fees (net of scholarship allowances)	40%	41%	41%	40%	38%	37%	37%	36%	33%	31%
Federal grants and contracts	10%	9%	8%	11%	12%	12%	12%	13%	15%	13%
State grants and contracts	9%	9%	10%	8%	7%	8%	8%	8%	8%	8%
Local grants and contracts	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Nongovernmental grants and contracts	3%	3%	3%	3%	3%	3%	3%	4%	2%	3%
Sales and services of educational and other activities	2%	2%	3%	3%	3%	3%	3%	3%	3%	2%
Sales and services of auxiliary enterprises (net of scholarship allowances)	13%	14%	13%	13%	12%	12%	12%	12%	11%	11%
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	1%	0%	1%	1%	0%	0%	1%	1%	1%	1%
Total Operating Revenues	79%	79%	80%	80%	76%	76%	77%	78%	74%	70%
State appropriations	12%	12%	12%	12%	13%	13%	14%	11%	12%	17%
Federal grants	4%	4%	4%	4%	4%	5%	5%	5%	9%	7%
Gifts	3%	4%	4%	3%	4%	4%	4%	4%	4%	4%
Investment income	1%	1%	0%	0%	0%	0%	0%	1%	0%	1%
Endowment income (loss)	1%	0%	0%	1%	0%	1%	0%	1%	1%	1%
Other nonoperating revenues	0%	0%	0%	0%	3%	1%	0%	0%	0%	0%
Gain on disposal of capital assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Nonoperating Revenues	21%	21%	20%	20%	24%	24%	23%	22%	26%	30%
Total Revenues	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: University of South Carolina Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Schedule of Expenses By Use

(amounts expressed in thousands)

For the Year Ended June 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Compensation and employee benefits	$ 896,681	$ 857,594	$ 820,418	$ 770,921	$ 736,540	$ 707,316	$ 677,157	$ 636,503	$ 595,861	$ 574,398
Services and supplies	344,703	311,223	292,965	278,641	269,855	248,900	235,707	223,142	216,733	197,044
Utilities	31,069	37,641	34,715	34,526	34,936	34,605	31,090	29,515	29,803	28,061
Scholarships and fellowships	34,130	29,604	28,177	21,756	17,952	18,946	19,960	20,206	21,792	21,378
Depreciation	71,611	68,990	65,473	60,566	66,354	62,340	53,334	51,253	50,819	49,324
Total Operating Expenses	1,378,194	1,305,052	1,241,748	1,166,410	1,125,637	1,072,107	1,017,248	960,619	915,008	870,205
Loss on disposal of capital assets	-	2,258	12,489	136	2,249	720	14,313	575	1,760	717
Interest on capital asset related debt	14,517	15,662	18,691	23,881	22,178	18,648	18,762	19,025	19,579	19,040
Other nonoperating expenses	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Expenses	14,517	17,920	31,180	24,017	24,427	19,368	33,075	19,600	21,339	19,757
Total Expenses	**$ 1,392,711**	**$ 1,322,972**	**$ 1,272,928**	**$ 1,190,427**	**$ 1,150,064**	**$ 1,091,475**	**$ 1,050,323**	**$ 980,219**	**$ 936,347**	**$ 889,962**

(percent of total expenses)

For the Year Ended June 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Compensation and employee benefits	65%	65%	64%	65%	64%	65%	65%	65%	64%	65%
Services and supplies	25%	24%	23%	23%	23%	23%	22%	23%	23%	22%
Utilities	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Scholarships and fellowships	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Depreciation	5%	5%	5%	5%	6%	5%	5%	5%	6%	6%
Total Operating Expenses	99%	99%	97%	98%	98%	98%	97%	98%	98%	98%
Loss on disposal of capital assets	0%	0%	1%	0%	0%	0%	1%	0%	0%	0%
Interest on capital asset related debt	1%	1%	2%	2%	2%	2%	2%	2%	2%	2%
Other nonoperating expenses	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Nonoperating Expenses	1%	1%	3%	2%	2%	2%	3%	2%	2%	2%
Total Expenses	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: University of South Carolina Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Schedule of Expenses By Function

(amounts expressed in thousands)

For the Year Ended June 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Instruction	$ 458,854	$ 450,545	$ 433,832	$ 390,960	$ 371,938	$ 361,122	$ 338,336	$ 315,093	$ 296,837	$ 291,267
Research	145,706	131,526	134,846	121,960	121,913	118,274	117,024	116,169	113,563	109,769
Public service	59,528	65,851	63,819	66,361	64,519	54,273	57,162	57,305	55,876	53,664
Academic support	100,798	92,241	89,217	88,993	96,061	91,081	82,072	71,975	71,651	68,890
Student services	81,363	76,840	75,956	70,329	72,617	69,469	67,066	58,241	52,225	50,011
Institutional support	87,384	99,244	94,108	85,436	71,061	64,981	65,870	70,397	54,839	47,090
Operation and plant maintenance	108,980	126,394	119,293	119,626	104,374	103,108	97,133	86,999	93,328	81,146
Auxiliary enterprises	167,468	166,188	139,660	142,146	138,552	128,388	119,908	114,216	105,454	98,964
Scholarships and fellowships	30,578	27,233	25,544	20,033	18,248	19,071	19,343	18,971	20,416	20,080
Depreciation	71,611	68,990	65,473	60,566	66,354	62,340	53,334	51,253	50,819	49,324
Loss on disposal of capital assets	-	2,258	12,489	136	2,249	720	14,313	575	1,760	717
Interest on capital debt	14,517	15,662	18,691	23,881	22,178	18,648	18,762	19,025	19,579	19,040
Pension and OPEB expense	65,924	-	-	-	-	-	-	-	-	-
Total Expenses	**$ 1,392,711**	**$ 1,322,972**	**$ 1,272,928**	**$ 1,190,427**	**$ 1,150,064**	**$ 1,091,475**	**$ 1,050,323**	**$ 980,219**	**$ 936,347**	**$ 889,962**

Prior to fiscal year 2019, Pension and OPEB expense was allocated to the various functions.

(percent of total expenses)

For the Year Ended June 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Instruction	34%	34%	34%	33%	32%	33%	32%	32%	32%	33%
Research	10%	10%	11%	10%	11%	11%	11%	12%	12%	12%
Public service	4%	5%	5%	6%	6%	5%	6%	6%	6%	6%
Academic support	7%	7%	7%	7%	8%	8%	8%	7%	8%	8%
Student services	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Institutional support	6%	7%	7%	7%	6%	6%	6%	7%	6%	5%
Operation and plant maintenance	8%	10%	9%	10%	9%	9%	9%	9%	10%	9%
Auxiliary enterprises	12%	13%	11%	12%	12%	12%	12%	12%	11%	11%
Scholarships and fellowships	2%	2%	3%	2%	2%	2%	2%	2%	2%	2%
Depreciation	5%	5%	5%	5%	6%	6%	5%	5%	5%	6%
Loss on disposal of capital assets	0%	0%	1%	0%	0%	0%	1%	0%	0%	0%
Interest on capital debt	1%	1%	1%	2%	2%	2%	2%	2%	2%	2%
Pension and OPEB expense	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Expenses	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: University of South Carolina Financial Statements
Prior to fiscal year 2019, Pension and OPEB expense was allocated to the various functions.

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

(amounts expressed in thousands)

For the Year Ended June 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total revenues (from schedule of revenues by source)	$ 1,434,729	$ 1,353,362	$ 1,276,652	$ 1,209,035	$ 1,187,038	$ 1,103,002	$ 1,039,992	$ 1,003,872	$ 1,010,907	$ 963,655
Total expenses (from schedule of expenses by use and function)	(1,392,711)	(1,322,972)	(1,272,928)	(1,190,427)	(1,150,064)	(1,091,475)	(1,050,323)	(980,219)	(936,347)	(889,962)
Income (loss) before other revenues, and transfers	42,018	30,390	3,724	18,608	36,974	11,527	(10,331)	23,653	74,560	73,693
State capital appropriations	11,069	272	3,153	23,681	8,175	13,810	11,430	2,585	2,082	7,631
Capital grants and gifts	20,184	27,070	14,717	3,466	26,654	10,555	8,007	11,416	5,256	9,824
Additions to permanent endowments	477	3,567	2,000	361	2,970	4,725	1,674	5,384	18,090	6,446
Transfers to other state funds, net	-	-	-	-	-	-	-	(1,468)	(1,694)	(1,296)
Total changes in net position	73,748	61,299	23,594	46,116	74,773	40,617	10,780	41,570	98,294	96,298
Net position, beginning, as originally stated	(174,050)	695,371	671,777	625,661	1,254,637	1,214,020	1,203,240	1,161,670	1,063,376	967,078
Restatement	-	(930,720)	-	-	(703,749)	-	-	-	-	-
Net position, beginning, as restated	(174,050)	(235,349)	671,777	625,661	550,888	1,214,020	1,203,240	1,161,670	1,063,376	967,078
Net Position, Ending	**$ (100,302)**	**$ (174,050)**	**$ 695,371**	**$ 671,777**	**$ 625,661**	**$ 1,254,637**	**$ 1,214,020**	**$ 1,203,240**	**$ 1,161,670**	**$ 1,063,376**
Net investment in capital assets	$ 855,079	$ 817,715	$ 776,825	$ 757,731	$ 747,327	$ 701,292	$ 671,053	$ 569,666	$ 592,929	$ 596,114
Restricted - nonexpendable	86,795	85,425	84,984	82,789	82,077	79,285	73,766	72,136	66,491	48,148
Restricted - expendable	168,324	135,216	132,300	140,036	129,704	137,629	121,396	200,308	140,672	92,909
Unrestricted	(1,210,500)	(1,212,406)	(298,738)	(308,779)	(333,447)	336,431	347,805	361,130	361,578	326,205
Total	**$ (100,302)**	**$ (174,050)**	**$ 695,371**	**$ 671,777**	**$ 625,661**	**$ 1,254,637**	**$ 1,214,020**	**$ 1,203,240**	**$ 1,161,670**	**$ 1,063,376**

Source: University of South Carolina Financial Statements

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,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
State institution bonds	$ 154,920	$ 166,955	$ 138,660	$ 147,990	$ 159,830	$ 116,035	$ 109,355	$ 117,715	$ 128,435	$ 112,130
Revenue bonds	232,150	242,540	254,820	272,520	280,065	288,140	295,415	264,725	212,100	218,320
Athletic facilities revenue bonds	173,600	178,200	186,280	151,270	154,750	119,250	121,915	124,450	112,700	47,175
Bond anticipation notes payable	-	-	-	-	-	-	-	-	-	17,600
Subtotal Bonds Payable	560,670	587,695	579,760	571,780	594,645	523,425	526,685	506,890	453,235	395,225
Unamortized bond premiums	76,579	80,114	67,828	48,022	43,472	33,459	33,906	31,725	14,401	5,129
Unamortized bond discounts	(168)	(180)	(542)	(571)	(600)	(628)	(657)	(685)	(461)	(479)
Unamortized loss on bond refunding [1]	-	-	-	-	-	-	(5,208)	(5,604)	(3,829)	(2,221)
Total Bonds Payable	637,081	667,629	647,046	619,231	637,517	556,256	554,726	532,326	463,346	397,654
Notes payable	493	98	144	190	265	399	604	1,467	1,424	34,267
Capital lease obligation	976	743	396	14,824	15,845	16,590	16,697	17,291	17,448	17,942
Total Outstanding Debt	**$ 638,550**	**$ 668,470**	**$ 647,586**	**$ 634,245**	**$ 653,627**	**$ 573,245**	**$ 572,027**	**$ 551,084**	**$ 482,218**	**$ 449,863**
Full Time Equivalent Students	46,067	45,641	44,646	44,229	43,167	42,065	41,097	40,475	39,592	37,965
Outstanding Debt per Student	$ 13,861	$ 14,646	$ 14,505	$ 14,340	$ 15,142	$ 13,628	$ 13,919	$ 13,615	$ 12,180	$ 11,849

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 USC Institutional Assessment & Compliance Office

[1] 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 and Matriculation Fees	Total Revenue Available for Debt Service	Debt Service Requirements				Coverage Ratio
			Principal	Interest	Other Fees	Total	
2019	$ 37,012	$ 37,012	$ 11,390	$ 7,178	$ 77	$ 18,645	1.99
2018	34,643	34,643	11,155	7,296	53	18,504	1.87
2017	32,251	32,251	9,330	6,351	8	15,689	2.06
2016	31,865	31,865	11,840	6,525	223	18,588	1.71
2015	30,034	30,034	9,395	5,259	196	14,850	2.02
2014	28,810	28,810	8,510	4,600	4	13,114	2.20
2013	27,778	27,778	8,360	4,939	19	13,318	2.09
2012	26,111	26,111	8,255	4,955	103	13,313	1.96
2011	23,638	23,638	6,920	4,987	93	12,000	1.97
2010	23,074	23,074	6,670	5,229	2	11,901	1.94

Revenue Bonds

Fiscal Year Ended June 30,	Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements				Coverage Ratio
				Principal	Interest	Other Fees	Total	
2019	$ 77,112	$ 48,166	$ 28,946	$ 8,225	$ 8,964	$ 6	$ 17,195	1.68
2018	76,569	47,171	29,398	8,455	8,983	123	17,561	1.67
2017	66,662	41,752	24,910	7,560	9,146	231	16,937	1.47
2016	64,576	37,074	27,502	6,180	10,345	200	16,725	1.64
2015	62,249	36,441	25,808	8,075	10,451	3	18,529	1.39
2014	58,008	33,586	24,422	7,275	10,861	3	18,139	1.35
2013	54,711	31,895	22,816	6,495	9,398	6	15,899	1.44
2012	53,705	30,519	23,186	6,505	9,731	140	16,376	1.42
2011	49,345	29,438	19,907	6,220	10,071	5	16,296	1.22
2010	48,667	29,582	19,085	5,490	9,079	3	14,572	1.31

Special Revenue Bonds

Fiscal Year Ended June 30,	Revenues	Additional Funds	Total Revenue Available for Debt Service	Debt Service Requirements				Coverage Ratio
				Principal	Interest	Other Fees	Total	
2019	$ 72,521	$ 883,920	$ 956,441	$ 2,165	$ 2,796	$ 2	$ 4,963	192.71
2018	76,196	842,956	919,152	2,080	2,865	2	4,947	185.80
2017	68,844	792,355	861,199	2,000	2,946	2	4,948	174.05
2016	68,807	751,413	820,220	1,945	3,008	2	4,955	165.53
2015	74,263	699,171	773,434	-	3,018	2	3,020	256.10
2014	73,562	642,077	715,639	-	3,018	2	3,020	236.97
2013	67,284	610,187	677,471	-	3,018	-	3,018	224.48
2012	70,425	579,634	650,059	-	159	-	159	4,088.42

Note: The Special Revenue Bonds were issued in 2012 therefore there is not 10 years of historical data to present.
Source: USC Annual Bond Indebtedness Reports and Annual Reports on Financial Statements.

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

Athletic Facilities Revenue Bonds

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	Other Fees	Total	
2019	$ 137,088	$ 123,745	$ 13,343	$ 1,920	$ 5,804	$ 141	$ 21,208	$ 4,600	$ 8,157	$ 11	$ 12,768	1.66
2018	137,383	122,376	15,006	1,862	3,929	219	21,016	4,475	7,665	240	12,380	1.70
2017	132,343	118,671	13,672	1,778	3,832	1,496	20,778	3,675	6,694	278	10,647	1.95
2016	120,086	105,948	14,138	1,765	3,516	195	19,614	3,480	7,269	39	10,788	1.82
2015	110,243	98,989	11,254	1,724	4,027	126	17,131	2,770	5,698	97	8,565	2.00
2014	98,620	89,014	9,606	1,691	4,072	161	15,530	2,665	5,639	6	8,310	1.87
2013	90,484	79,611	10,873	1,585	1,695	214	14,367	2,535	5,784	7	8,326	1.73
2012	87,608	79,628	7,980	1,551	1,709	262	11,502	2,195	5,436	36	7,667	1.50
2011	84,010	70,511	13,499	1,491	1,754	277	17,021	1,920	4,538	44	6,502	2.62
2010	79,879	62,970	16,909	1,498	1,803	362	20,572	2,955	2,875	19	5,849	3.52

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

UNIVERSITY OF SOUTH CAROLINA
Schedule of Capital Asset Information

For the Year Ended June 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Assignable Area By Room Use/Function Use Codes [1]										
Classrooms	422,677	437,814	438,912	432,238	485,392	433,447	468,616	418,613	414,930	418,832
Laboratories	1,157,861	1,117,807	1,107,059	1,078,722	1,034,664	950,490	982,770	983,826	983,594	967,433
Office, Support and Other	4,438,727	4,393,442	4,437,706	4,166,176	4,448,249	4,306,921	4,193,336	4,164,334	4,240,663	4,054,742
Auxiliary Services	3,873,662	3,784,269	4,158,803	4,172,001	3,872,022	3,865,428	3,627,060	3,589,702	4,213,104	4,120,283
Total Assignable Square Feet	9,892,927	9,733,332	10,142,480	9,849,137	9,840,327	9,556,286	9,271,782	9,156,475	9,852,291	9,561,290
Student Housing [2]										
Traditional Residence Hall Beds	1,338	1,170	1,172	1,172	1,172	1,206	1,521	1,481	1,481	2,086
Suite-Style Hall Beds	3,015	3,122	3,111	3,295	3,295	3,299	2,982	2,972	2,416	2,420
Apartments and Apartment-Style Hall Beds	2,977	3,100	2,351	2,215	2,215	2,198	2,277	2,269	2,274	2,274
Units available	7,330	7,392	6,634	6,682	6,682	6,703	6,780	6,722	6,171	6,780
Units in use	7,283	7,302	6,573	6,643	6,593	6,539	6,739	6,658	6,218	6,303
Percent occupancy	99.4%	98.8%	99.1%	99.4%	98.7%	97.6%	99.4%	99.0%	100.8%	93.0%
Dining Facilities [3]										
Locations	33	31	27	27	26	26	28	27	26	27
Average daily customers	19,476	18,719	18,664	18,664	18,557	12,776	15,667	13,902	14,283	13,937
Parking Facilities [4]										
Parking spaces available	14,015	14,015	14,015	14,509	14,519	15,058	15,509	15,801	16,822	16,822
Parking permits issued to students	13,140	12,608	14,211	15,982	16,523	18,522	17,049	18,085	17,533	16,742
Parking permits issued to faculty/staff	5,897	5,925	6,192	7,211	7,283	6,594	6,112	6,244	5,853	5,833

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 for 2018 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.

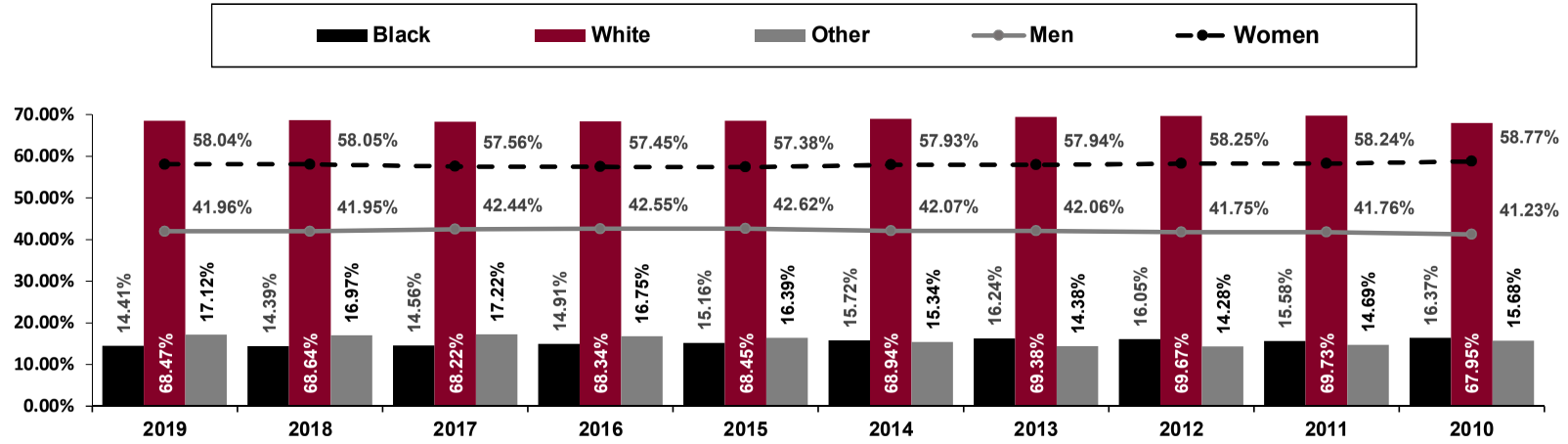
Sources: University Housing, University Facilities, and University Parking and Transportation Services

UNIVERSITY OF SOUTH CAROLINA
Schedule of Enrollment Statistics
Last Ten Academic Years

USC System

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Undergraduate and Graduate FTE	46,067	45,641	44,646	44,229	43,167	42,065	41,097	40,475	39,592	37,965
Undergraduate and Graduate Head Count	51,439	51,130	50,099	49,449	48,167	46,672	46,264	45,774	44,557	43,100
Percentage of Men	41.96%	41.95%	42.44%	42.55%	42.62%	42.07%	42.06%	41.75%	41.76%	41.23%
Percentage of Women	58.04%	58.05%	57.56%	57.45%	57.38%	57.93%	57.94%	58.25%	58.24%	58.77%
Percentage of White	68.47%	68.64%	68.22%	68.34%	68.45%	68.94%	69.38%	69.67%	69.73%	67.95%
Percentage of African American or Black	14.41%	14.39%	14.56%	14.91%	15.16%	15.72%	16.24%	16.05%	15.58%	16.37%
Percentage of Other Race and Not Reporte	17.12%	16.97%	17.22%	16.75%	16.39%	15.34%	14.38%	14.28%	14.69%	15.68%

Enrollment - Undergraduate and Graduate Headcount



USC Columbia (including the SOMs)

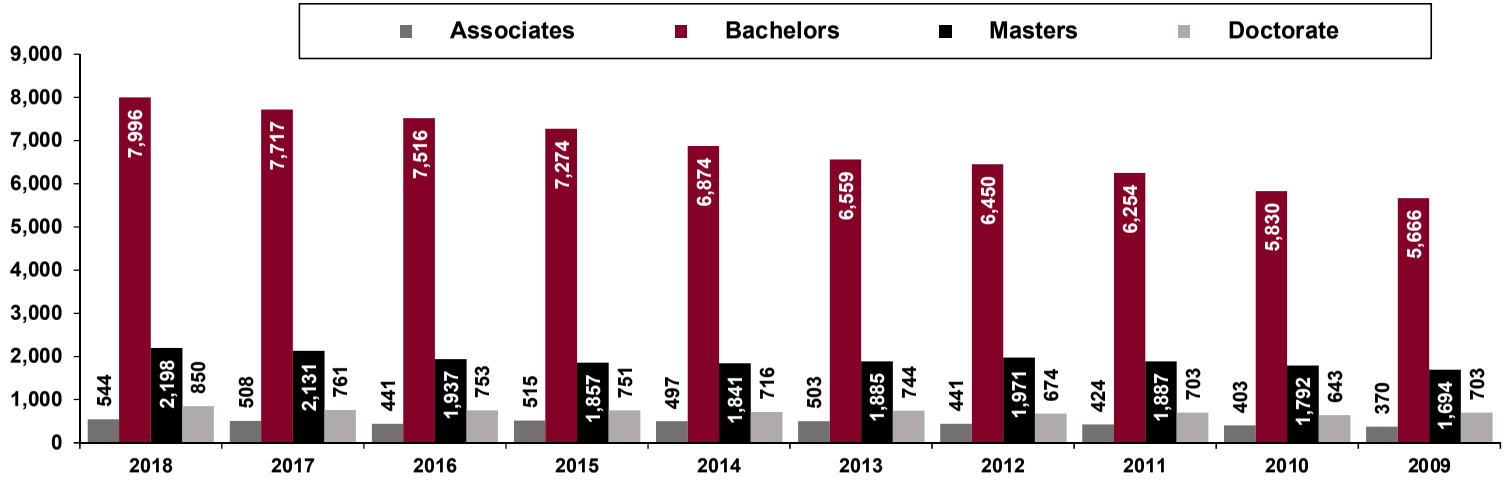
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Undergraduate and Graduate FTE	32,636	32,426	31,774	31,488	30,759	29,764	28,781	28,084	27,150	25,940
Undergraduate and Graduate Head Count	34,795	34,731	34,099	33,724	32,972	31,964	31,288	30,721	29,597	28,481
Percentage of Men	45.08%	44.58%	45.02%	44.80%	44.86%	44.79%	44.73%	44.70%	44.54%	43.83%
Percentage of Women	54.92%	55.42%	54.98%	55.20%	55.14%	55.21%	55.27%	55.30%	55.46%	56.17%
Percentage of White	73.39%	73.39%	73.84%	73.94%	73.92%	74.88%	74.89%	75.36%	75.01%	71.32%
Percentage of African American or Black	9.10%	9.40%	10.05%	10.43%	10.56%	11.08%	11.20%	10.95%	10.98%	11.67%
Percentage of Other Race and Not Reporte	17.51%	17.21%	16.11%	15.63%	15.52%	14.04%	13.91%	13.69%	14.01%	17.01%

Source: Office of Institutional Assessment and Compliance

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

USC System

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Associates	544	508	441	515	497	503	441	424	403	370
Bachelors	7,996	7,717	7,516	7,274	6,874	6,559	6,450	6,254	5,830	5,666
Masters	2,198	2,131	1,937	1,857	1,841	1,885	1,971	1,887	1,792	1,694
Doctorate	850	761	753	751	716	744	674	703	643	703
Total Degrees Awarded	**11,588**	**11,117**	**10,647**	**10,397**	**9,928**	**9,691**	**9,536**	**9,268**	**8,668**	**8,433**



USC Columbia (including the SOMs)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Associates	2	6	3	4	4	4	7	6	8	5
Bachelors	5,868	5,675	5,529	5,427	4,948	4,629	4,577	4,462	4,135	4,092
Masters	2,158	2,094	1,910	1,827	1,809	1,855	1,941	1,870	1,760	1,666
Doctorate	850	761	753	751	716	744	674	703	643	703
Total Degrees Awarded	**8,878**	**8,536**	**8,195**	**8,009**	**7,477**	**7,232**	**7,199**	**7,041**	**6,546**	**6,466**

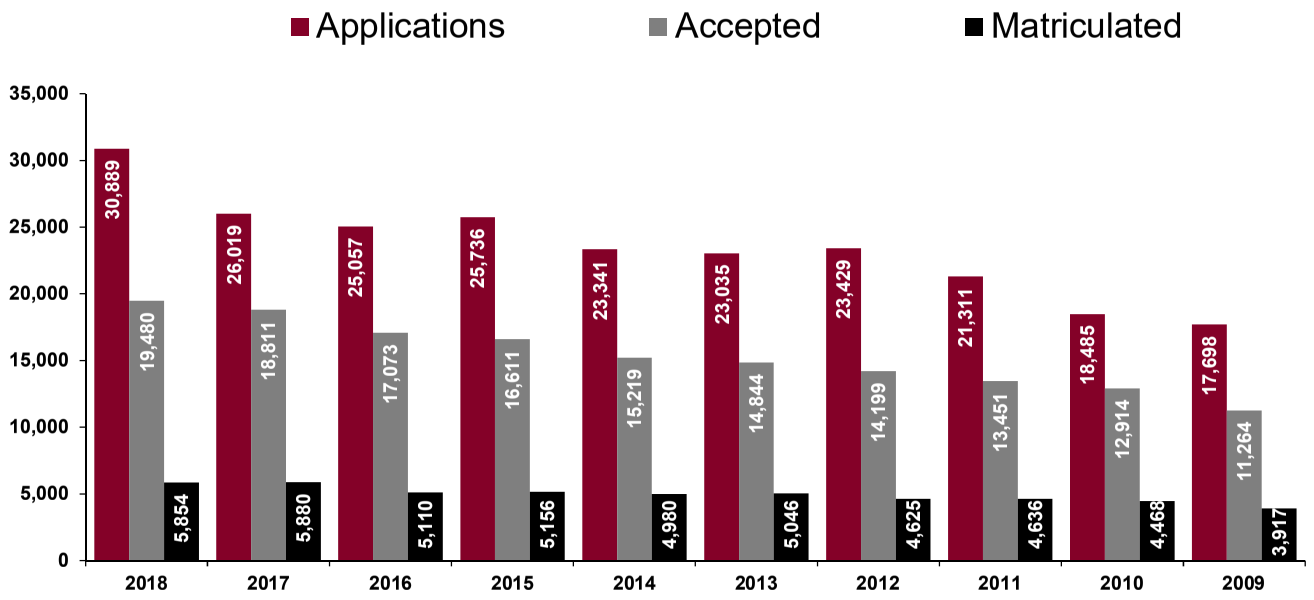
Source: Office of Institutional Assessment and Compliance

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

USC Columbia

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Number of Applications Received	30,889	26,019	25,057	25,736	23,341	23,035	23,429	21,311	18,485	17,698
Number of Acceptances	19,480	18,811	17,073	16,611	15,219	14,844	14,199	13,451	12,914	11,264
Number of Students Matriculated	5,854	5,880	5,110	5,156	4,980	5,046	4,625	4,636	4,468	3,917
Accepted as a Percentage of Applicants	63.06%	72.30%	68.14%	64.54%	65.20%	64.44%	60.60%	63.12%	69.86%	63.65%
Enrolled as a Percentage of Accepted	30.05%	31.26%	29.93%	31.04%	32.72%	33.99%	32.57%	34.47%	34.60%	34.77%
Median Combined SAT Score	1,275	1,254	1,215	1,210	1,210	1,207	1,199	1,190	1,187	1,192
South Carolina Average SAT Score	1,064	1,085	987	978	978	971	969	972	979	982

Admissions - USC Columbia Applied, Accepted and Matriculated



Source: Admissions Office

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

USC System

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Faculty [1]										
Number of FTE Faculty	2,674	2,698	2,778	2,527	2,637	2,649	2,457	2,415	2,352	2,323
Number of Full-time Faculty	2,267	2,305	2,310	2,068	2,174	2,213	2,031	2,070	2,006	1,997
Number of Part-time Faculty	1,222	1,179	1,404	1,377	1,390	1,307	1,277	1,036	1,037	977
Number of Tenured Faculty	1,517	1,565	1,525	1,256	1,307	1,368	1,328	1,371	1,340	1,324
Tenure Ratio (%) Full-time	67%	68%	66%	61%	60%	62%	65%	66%	67%	66%
Total Employees [2]										
Full-time FTE Position	6,285	6,263	6,267	6,084	6,106	6,053	5,914	5,789	5,740	5,765
Part-time FTE Position	71	73	71	82	86	101	107	107	109	89
Temporary	3,502	3,641	3,576	3,335	3,196	3,183	3,404	3,140	2,867	2,584
Research Grant	792	836	822	892	848	782	752	683	630	560
Students	7,902	7,462	7,256	7,345	7,147	7,337	6,990	6,907	6,454	6,536
Total Employees	**18,552**	**18,275**	**17,992**	**17,738**	**17,383**	**17,456**	**17,167**	**16,626**	**15,800**	**15,534**
Students per FTE										
Faculty	16.80	16.80	16.07	17.50	16.37	15.88	16.73	16.76	16.83	16.34
Full-time Employees	7.29	7.29	7.12	7.27	7.07	6.95	6.95	6.99	6.90	6.59

USC Columbia (including the SOMs)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Faculty [1]										
Number of FTE Faculty	1,886	1,914	1,999	1,869	1,974	1,948	1,767	1,719	1,654	1,641
Number of Full-time Faculty	1,667	1,701	1,707	1,581	1,666	1,689	1,520	1,525	1,465	1,463
Number of Part-time Faculty	658	640	877	864	923	776	742	581	568	533
Number of Tenured Faculty	1,092	1,113	1,105	944	982	1,035	992	1,004	977	974
Tenure Ratio (%) Full-time	66%	65%	65%	60%	59%	61%	65%	66%	67%	67%
Average Faculty Salary	$97,074	$96,576	$95,825	$93,074	$89,967	$88,005	$86,552	$83,236	$80,577	$79,615
Total Employees [2]										
Full-time FTE Position	4,959	4,932	4,941	4,722	4,799	4,730	4,633	4,503	4,475	4,499
Part-time FTE Position	58	67	66	78	78	92	96	93	97	80
Temporary	2,450	2,619	2,573	2,366	2,275	2,242	2,445	2,206	1,939	1,753
Research Grant	763	802	787	864	819	753	720	646	587	517
Students	6,732	6,296	6,126	6,217	6,003	6,114	5,803	5,743	5,370	5,471
Total Employees	**14,962**	**14,716**	**14,493**	**14,247**	**13,974**	**13,931**	**13,697**	**13,191**	**12,468**	**12,320**
Students per FTE										
Faculty	16.77	16.77	15.89	16.85	15.58	15.28	16.29	16.34	16.41	15.81
Full-time Employees	6.57	6.57	6.43	6.67	6.41	6.29	6.21	6.24	6.07	5.77

Notes:

(1) USC Columbia Faculty Data and System Faculty Data compiled annually by the Office of Institutional Research and Assessment in October of each year. All prior years have been restated to reflect the data reported to IPEDS.

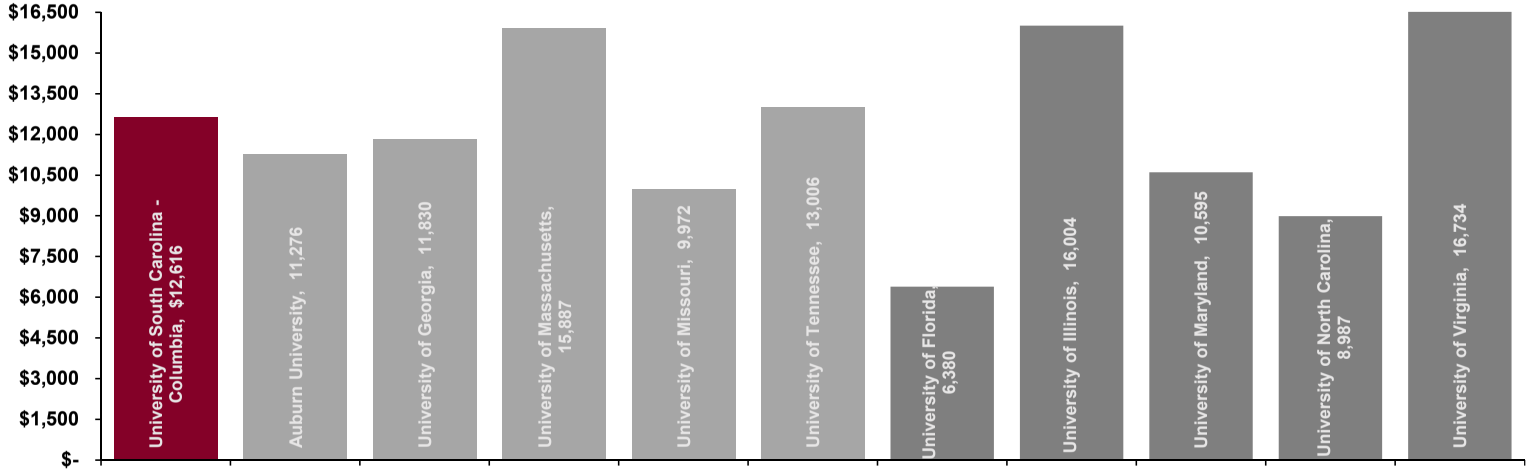
(2) Total USC Columbia Employees and Total System Employees compiled annually by Human Resources in October of each year.

Sources: Office of Institutional Assessment and Compliance; Human Resources

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

For the Year Ended June 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Undergraduate Resident										
University of South Carolina - Columbia	$ 12,616	$ 12,262	$ 11,854	$ 11,482	$ 11,158	$ 10,816	$ 10,488	$ 10,168	$ 9,786	$ 9,156
Peer Institutions										
Auburn University	11,276	10,968	10,696	10,424	10,200	9,852	9,446	8,698	7,900	6,972
University of Georgia	11,830	11,818	11,634	11,622	10,836	10,262	9,842	9,472	8,736	7,530
University of Massachusetts	15,887	15,411	14,971	14,171	13,443	13,443	13,415	12,797	11,917	11,917
University of Missouri	9,972	11,008	10,716	10,586	10,286	9,415	9,257	8,989	8,501	8,501
University of Tennessee	13,006	12,970	12,724	12,186	11,876	11,194	9,092	8,396	7,382	6,850
Peer-Aspirant Institutions										
University of Florida	6,380	6,380	6,380	6,310	6,310	6,263	6,143	5,657	5,045	4,373
University of Illinois	16,004	15,074	15,058	15,054	15,020	14,750	14,522	13,838	13,096	12,528
University of Maryland	10,595	10,399	10,181	9,996	9,427	9,162	8,908	8,655	8,416	8,053
University of North Carolina	8,987	8,989	8,834	8,591	8,336	8,340	7,693	7,008	6,665	5,625
University of Virginia	16,734	16,068	15,714	14,476	13,111	12,466	12,216	11,786	10,828	9,872

Undergraduate Tuition and Fees - Resident - FY 2018-2019

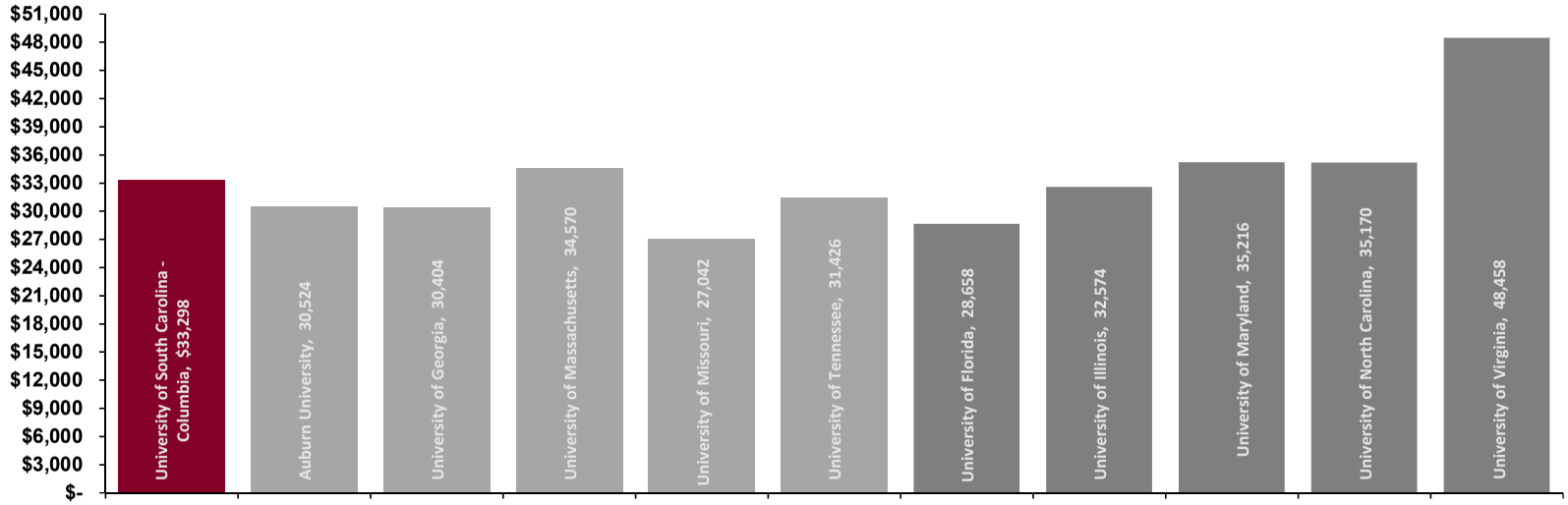


Source: Institutional websites and direct contact

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

For the Year Ended June 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Undergraduate Resident										
University of South Carolina - Columbia	$ 33,298	$ 32,362	$ 31,282	$ 30,298	$ 29,440	$ 28,528	$ 27,644	$ 26,352	$ 25,362	$ 23,732
Peer Institutions										
Auburn University	30,524	29,640	28,840	28,040	27,384	26,364	25,190	23,920	21,916	19,452
University of Georgia	30,404	30,392	29,844	29,832	29,046	28,472	28,052	27,682	26,946	25,740
University of Massachusetts	34,570	33,477	32,204	30,504	28,998	28,159	26,830	25,585	23,813	23,414
University of Missouri	27,042	26,596	25,998	25,198	24,312	23,764	23,366	21,784	20,516	19,592
University of Tennessee	31,426	31,390	31,144	30,636	30,326	29,684	27,582	25,538	22,720	20,946
Peer-Aspirant Institutions										
University of Florida	28,658	28,658	28,658	28,588	28,588	28,540	28,420	27,934	27,322	23,744
University of Illinois	32,574	31,194	30,680	30,214	29,646	29,132	28,664	27,980	27,238	26,670
University of Maryland	35,216	33,606	32,045	31,144	29,720	28,348	27,287	26,026	24,831	23,990
University of North Carolina	35,170	34,588	33,916	33,673	33,418	30,122	28,445	26,834	25,280	23,513
University of Virginia	48,458	46,546	45,058	43,772	42,297	39,852	37,546	36,108	33,102	31,430

Undergraduate Tuition and Fees - Resident - FY 2018-2019



Source: Institutional websites and direct contact

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

Year	Personal Income (In thousands) (a)	Population at at July 1 (a)	Per Capita Income (a)	Average Annual Unemployment Rate (b)
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%
2011	159,747,330	4,673,348	34,183	10.4%
2010	151,536,772	4,635,835	32,688	11.2%
2009	148,602,980	4,589,872	32,376	11.5%

(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

2018	2009
BMW Manufacturing Corp.	Bi-Lo, LLC
Lowes Home Centers, Inc.	Blue Cross Blue Shield of South Carolina
Michelin North America, Inc.	Greenville Hospital System
Palmetto Health Alliance, Inc.	Michelin North America, Inc.
School District of Greenville County	Palmetto Health Alliance, Inc.
University of South Carolina	School District of Greenville County
Upstate Affiliate Organization	University of South Carolina
U.S. Department of Defense	U.S. Department of Defense
U.S. Postal Service	U.S. Postal Service
Wal-Mart Associates, Inc.	Wal-Mart Associates, Inc.

Note: Due to confidentiality issues, the number of employees for each company is not available and the employers are listed alphabetically rather than in order of size.
Source: South Carolina Department of Employment and Workforce.

This Comprehensive Annual Report is also available on the University of South Carolina's Financial Reporting website located at:
https://www.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.

UNIVERSITY OF
South Carolina