University of South Carolina
Columbia, South Carolina

Annual Comprehensive Financial Report
For the Year Ended June 30, 2026



A Component Unit of the State of South Carolina

UNIVERSITY OF
South Carolina

ON THE COVER

Standing in front of the College of Education, the Torchbearer statue represents the University's commitment to education and the passing of knowledge from generation to generation. The statue was donated to the University in 1965 by its artist, sculptor Ann Hyatt Huntington.

Photo provided by University Communications and Public Affairs



Annual Comprehensive Financial Report

For the year ended June 30, 2026

A Component Unit of the State of South Carolina

Prepared by the Controller's Office

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University of South Carolina
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Introductory Section

(Unaudited)

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UNIVERSITY OF
South Carolina

Michael D. Amiridis
President

September 30, 2026

Dear Carolina community,

As we reflect on the achievements of the University of South Carolina over the past year, it is clear that a dedicated focus on our university's strategic priorities continues to drive momentum that is delivering strong results for our students, for this institution, and for the state of South Carolina.

Once again, we are welcoming a great freshman class for the fall semester, with over 7,800 new freshmen, similar to last year's record high. We set a record this year in applications for admission, with more than 69,000 applicants. The majority of these were from out-of-state students, indicating the strength of USC's growing reputation as a national university. In addition, we have set new records for the number of undergraduates on the Columbia campus (over 33,000), total student population on campus (over 41,000), and systemwide enrollment (over 60,000).

Our state legislature has provided the essential support needed for us to hold tuition at the same level for an eighth consecutive year, supporting our commitment to access and affordability for South Carolina students. Philanthropic giving across campus reached an historic high, surpassing $357 million, enabling scholarships and program support to better serve our students. We marked another landmark moment with the naming of our fourth college in four years – the Kay and C. Edward Floyd, M.D. School of Medicine, recognizing the dedicated support of a former Board of Trustees member and his wife, both lifelong advocates for USC.

Building for our future, we are taking strong steps forward with infrastructure, advancing projects to reinvigorate the historic core of our Columbia campus; to expand and modernize student housing; to redesign spaces for 21st-century teaching, learning, research and collaboration; and to envision and deliver campus improvements that anticipate institutional needs. This includes the development of our Health Sciences Campus, where we will soon open a new School of Medicine building and break ground for a neurological hospital and rehabilitation center – the first of its kind in the Southeast. Already under way are projects to add more than 1,000 student beds in new residence halls near the center of campus and to renovate many historic structures to meet the needs of a modern student body. In all of these projects, as conscientious stewards of public resources, we adhere to careful budgeting and decision-making that is designed to ensure the longevity of our robust financial health.

Continued momentum is achieved through strong working relationships between our Board of Trustees and administrative leadership, along with committed support from our state's elected leaders. We enjoy collaborative relationships with civic and community leaders, as well as business and industry partners, in our work to advance USC's educational mission in service to our state. It is my honor to lead the University of South Carolina as president alongside the many talented and hardworking individuals whose efforts stand behind these successes.

Sincerely,

Michael Amiridis

Michael D. Amiridis



Established in 1801, the University of South Carolina has celebrated centuries of success, strengthening our university and sustaining our prominence as one of the nation's oldest and most comprehensive public universities.

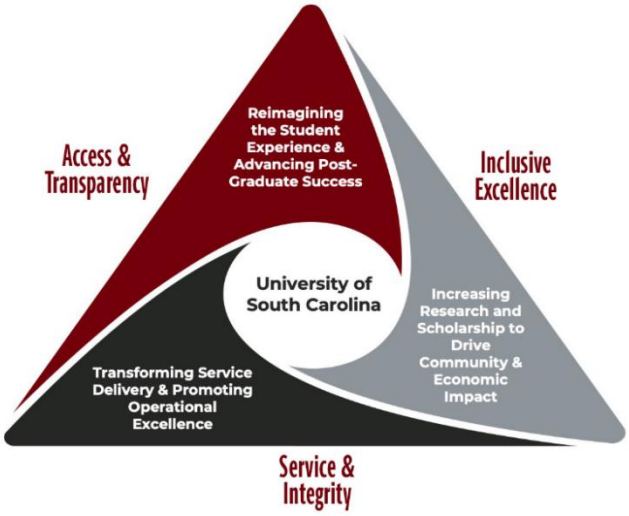
USC draws on this centuries-long experience and the creative thinking, dedication, and impact of our faculty and staff to offer an impressive and accessible portfolio of courses, programs, activities, and research endeavors to best serve our community, our state, and our nation.

As one of the leading flagship universities in the nation, USC serves a diverse population of undergraduate and graduate students, offers a wide range of nationally and internationally ranked academic programs, and engages world-class research and faculty members. Our community encompasses engaged learners, leading educators, and dedicated staff and administrators who are committed to pursuing knowledge and solving important societal and economic challenges. At the heart of USC's mission lies our commitment to the state of South Carolina and to promoting the value of knowledge, fostering cultural enrichment, and strengthening quality of life in our state. Grounded in this commitment, we will continue our growth and serve our community for centuries to come.

USC unveiled its most recent strategic plan, *For South Carolina: A Path to Excellence*, in 2020. This broad and ambitious plan was thoughtfully crafted by USC faculty, staff, and students during a critical juncture in higher education. The nation was in the midst of the COVID-19 pandemic and higher education institutions across the country were dealing with a myriad of challenges related to funding and maintaining operations as usual, all while prioritizing the health and well-being of their community members. During this time, the USC community aligned a strategic plan that articulated our mission and vision and a set of eight strategic priorities. USC's priority areas included cultivating the best students and world-class faculty and staff, fostering outstanding research and community partnerships, and other ambitious goals. This comprehensive strategic plan detailed a path forward and expressed

our aims for the future, including 25 goals, 71 objectives, 185 programs, and 260 metrics. Since this plan was broad and applicable to so many facets of important work, it resonated with many of our dedicated community members.

In the last three years, our institution has welcomed new leadership, presenting an opportunity to sharpen our near-term strategic focus. Our leadership stands by and values the priorities included in the 2020 strategic plan and will continue to further our important work in those areas. Each priority reflects our foundational values of **Access and Transparency**, **Inclusive Excellence**, and **Service and Integrity**, which are also at the core of our Carolinian Creed. However, through this document, we seek to establish increased clarity and alignment regarding USC's near-term goals and reinforce our commitment to inclusive excellence. Our near-term priorities include:



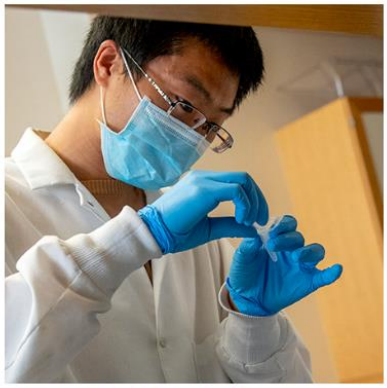
Strategic Priorities and Signature Initiatives

We identified three priorities to enable USC to achieve its ambitions, each designed to have a positive and lasting impact on our community.



Student Experience »

As undergraduate and graduate students are at the center of USC's mission, the Reimagining the Student Experience and Advancing Post-Graduate Success priority underscores our commitment to continuing to empower our students and to offering them high-quality educational and co-curricular experiences.



Research and Scholarship »

Recognizing the significance of our status as an R1 University, the Increasing Research and Scholarship to Drive Community and Economic Impact priority highlights our objectives of broadening our impact on our state and beyond.



Service Delivery »

The Transforming Service Delivery and Promoting Operational Excellence priority highlights our recognition of and response to the complexity of our institution by strengthening accessibility, engagement, and efficiency.

UNIVERSITY OF
SOUTH CAROLINA

Letter of Transmittal

September 30, 2026

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

We are pleased to present our Annual Comprehensive Financial Report of the University of South Carolina for the year ended June 30, 2026. This Annual Comprehensive Financial Report includes the financial statements for the year ended June 30, 2026, 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.

The University maintains a comprehensive system of internal controls designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets, the reliability of financial reporting, and compliance with applicable laws, regulations, and policies. Management communicates significant control matters to the independent auditors and the Audit, Compliance, and Risk Committee of the Board of Trustees.

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, 2026, the University contracted with the independent certified public accounting firm of CliftonLarsonAllen, LLP to perform the University's annual audit. The auditors issued an unmodified opinion on the financial statements for the year ended June 30, 2026. The University's internal auditors also performed fiscal, compliance, and performance audits during the year. The reports resulting from these audits are shared with University administration. Internal and external audit reports are provided to the Audit, Compliance, and Risk Committee of the Board of Trustees.

As a lump sum agency of the State of South Carolina, the University is required to provide a complete set of audited financial statements by October of each year for incorporation into the statewide Annual Comprehensive Financial Report. This report fulfills that requirement for the fiscal year ending June 30, 2026. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative overview and analysis of the basic financial statements. The Annual Comprehensive Financial Report includes MD&A 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, 2026. The letter of transmittal complements the MD&A and should be read in conjunction with it.

University of South Carolina •Columbia, South Carolina 29208 • 803-777-7427 • FAX: 803-777-5619

Profile of the University

The University of South Carolina is a state-supported, coeducational institution of higher education founded in 1801 and opened in 1805. It is the 25th oldest institution of higher education in the nation and the first to be fully supported by any state. 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 University is classified as an R1 institution under the Carnegie Classification of Institutions of Higher Education. 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 University is governed by a Board of Trustees comprising three ex officio members – the Governor of the State (or his designee), the State Superintendent of Education, and the President of the University of South Carolina Alumni Association – and 17 other members, including one member from each of the 16 judicial circuits elected by the general vote of the General Assembly, and one at-large member appointed by the Governor. The administrative structure includes president; provost; vice presidents; chancellors; and deans of each of the schools, colleges, and regional campuses.

The 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. There are four separately chartered legal entities, which include the University of South Carolina Development Foundation; the University of South Carolina Educational Foundation; the University of South Carolina Business Partnership Foundation; and the Gamecock Club. 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 expenses, 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 expenses 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 as evidenced by consistent operating revenue growth, strong demand for enrollment, and stable, manageable changes in operating expenses. 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 2026 fiscal year on a positive note with full funding of the State's Rainy-Day Fund at 5.5 percent of the prior year's General Fund Revenues and fully funded the Capital Reserve Account at 3.0 percent of the prior year's General Fund Revenues.

South Carolina's unemployment rate was 4.4 percent at the end of June 2026, which was 0.4 percent higher than June 2025. The national average was 4.3 percent and South Carolina ranked 23rd, compared to other states, per the U.S. Bureau of Labor Statistics. According to the Economic Outlook, published by the South Carolina Department of Commerce, trends in non-farm jobs continue to be positive for the state with the most recent increase in June totaling 4,800 and a year over year increase of 10,800, with the largest gains in leisure and hospitality services and trade, transportation, and utilities.

Fiscal year 2026 reflected continued financial strength for the University. Operating revenues increased $100.1 million, or 6.9 percent, while operating expenses increased $99.6 million, or 5.5 percent, reflecting continued investment in academic programs, student services, research, healthcare, and campus operations. The University's financial position remained stable, supported by enrollment growth, state appropriations, tuition and fee revenues, research activity, and private support.

University Highlights

The 2025-2026 academic and fiscal year was another productive year for the University. The University once again raised the bar in admissions, enrollment, research, graduation, and retention rates.

For fiscal year 2026, the University has received additional state funding to support academic initiatives that promote access and affordability through tuition mitigation for residents of South Carolina and continued funding to support the maintenance and capital needs of our campuses. The University relies on tuition and fees to support the general operating budget and with added state support for fiscal year 2027, the University has been able to mitigate tuition increases for Fall 2026.

Student interest in the University remains strong and demand for enrollment continues to grow, with a record 69,150 applications received for the Fall 2026 freshman class, an increase of 16.0 percent over last year's record. Freshman applications have increased nearly 63.9 percent over the last four years. Preliminary data indicates 9,926 new undergraduate students on the Columbia campus, of which 7,809 are new freshmen, the second largest class in history. Student success is also at an all-time high, with a freshman to sophomore retention rate of over 91.0 percent for four years in a row. As a result of these gains, overall enrollment for the Columbia campus stands at 41,712, an increase

of 3.7 percent and the highest ever in university history, and a new record for the University of South Carolina System at 60,492, the first-time system enrollment has surpassed 60,000 students and an increase of over 17.0 percent since Fall 2025.

The University achieved its most successful fundraising year in history, securing nearly $357.6 million in private support during the fiscal year 2026. The highlight of this historic year came from two gifts: $30.0 million gift supporting the renaming of the Kay and C. Edward Floyd, M.D. School of Medicine in Columbia and an anonymous gift of $22.0 million for the medical school to strengthen research and scholarships.

The University is classified as an R1 University by the Carnegie Classification for Institutions of Higher Education. Research grant awards were $274.4 million in the 2026 fiscal year. Awards in fiscal year 2027 are up 3.0 percent to date and are estimated to surpass 2026.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the University for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. This was the fifteenth consecutive year that the University has been honored with this prestigious award. To receive a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this Annual Comprehensive Financial Report in a timely manner would not have been possible without the efforts of the University Controller's Office and the coordinated efforts of the University community and all campuses, with special assistance from the Office of Research, Assessment and Analytics, Student Affairs, Enrollment Management, University Athletics, Sponsored Awards Management, Bursar's Office, Office of Financial Aid and University Communications. In addition, the Office of the State Auditor, the State Comptroller General's Office, and the Office of the State Treasurer provided invaluable assistance.

Sincerely,



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



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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

University of South Carolina

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025



Executive Director/CEO

UNIVERSITY OF
South Carolina

Board of Trustees



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



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



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



W. Michael Bond
USC Alumni Association
Attorney
Term: 2024-2026



Richard M. Bonnoitt
4th Judicial Circuit
Retired
Term: 2024-2028



Coleman Floyd Buckhouse, M.D.
12th Judicial Circuit
Physician
Term: 2024-2026



Alex English
5th Judical Circuit
Retired
Term: 2023-2026



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



F. Schipman Johnston
15th Judicial Circuit
Business Owner
Term: 2024-2028



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



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



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



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



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



Reid T. Sherard
13th Judicial Circuit
Attorney
Term: 2022-2026



C. Dorn Smith, III M.D.
Chair Emeritus
3rd Judicial Circuit
Physician
Term: 2022-2026



J. Strom Thurmond, Jr.
2nd Judicial Circuit
Attorney
Term: 2024-2028



John C. von Lehe, Jr.
9th Judicial Circuit
Attorney
Term: 2022-2026



Charles H. Williams, II
1st Judicial Circuit
Attorney
Term: 2022-2026



Ellen Weaver
State Superintendent of Education



Henry McMaster
Governor
State of South Carolina

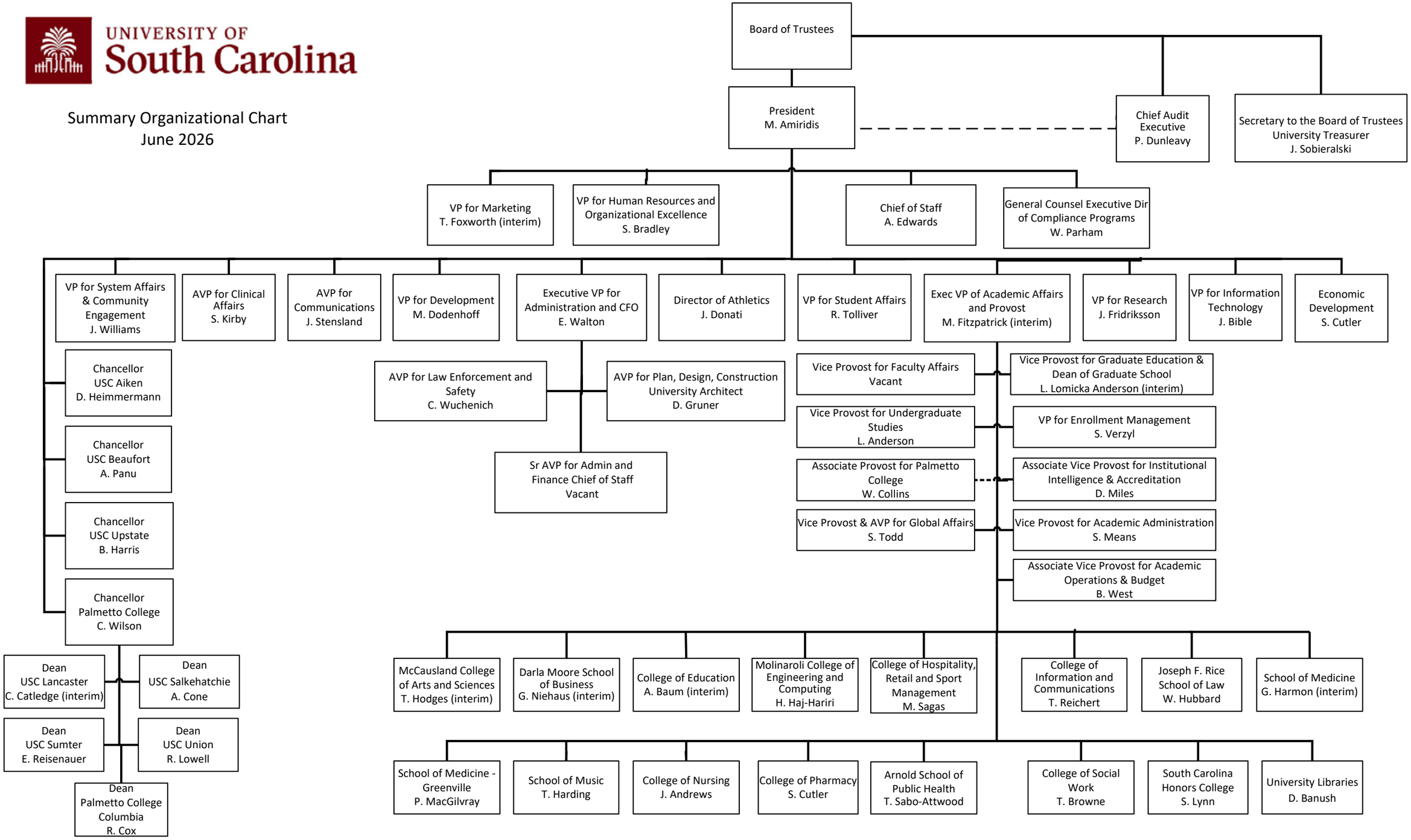


Joseph P. Sobieralski
Secretary of the Board

*Section 59-117-20 of the Code of Laws of South Carolina (1976) as amended states: The regular term of office of each trustee elected by the General Assembly is four years; however, the trustee shall continue to function as a trustee after his term has expired until his successor is elected and qualifies.

UNIVERSITY OF South Carolina

Summary Organizational Chart
June 2026





Financial Section

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
University of South Carolina
Columbia, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University of South Carolina (USC) (the University System), a component unit of the State of South Carolina, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the University System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying 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 System, as of June 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the USC Development Foundation; the USC Educational Foundation; the USC Business Partnership Foundation; and the Gamecock Club of USC, which represent 100 percent of the assets, net position/assets and revenues of the University System'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 System are based solely on the reports of the other auditors.

Basis for Opinions

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

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

Other Matter

During 2026 the University System determined the Gamecock Club of USC component unit to be significant for inclusion in the reporting entity. Our auditors' opinions are not affected by this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

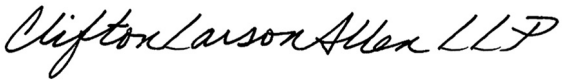
Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover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

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

Board of Trustees
University of South Carolina

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2026 on our consideration of the University System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering University System's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Charlotte, North Carolina
September 25, 2026

Management's Discussion and Analysis (MD&A) provides an overview and analysis of the financial position, results of operations, and cash flows of the University of South Carolina System (the University) for the fiscal year ended June 30, 2026, with comparative information for the fiscal year ended June 30, 2025. This discussion should be read in conjunction with the accompanying financial statements and notes.

The financial reporting entity consists of the University, primary government, which includes eight campuses and two medical schools, and its discretely presented component units. Unless otherwise noted, this discussion focuses on the financial activities of the University and does not include the discretely presented component units.

Consistent with GASB Statement No. 103, *Financial Reporting Model Improvements*, this MD&A is organized into the following sections:

- Overview of the Financial Statements
- Financial Summary
- Detailed Analyses
- Significant Capital Asset and Long-Term Financing Activity
- Currently Known Facts, Decisions, or Conditions

The discussion emphasizes the significant factors that affected the University's financial position and results of operations during fiscal year 2026 and explains significant changes from fiscal year 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The University reports as a single business-type activity using the economic-resources measurement focus and the accrual basis of accounting, emphasizing the financial position and operating results of the institution as a whole.

The University's financial report includes the following basic financial statements and related notes.

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

The report also includes the following financial statements for its discretely presented component units:

- Statement of Financial Position
- Statement of Activities

The University's basic financial statements provide a comprehensive view of the financial position, operating results, and cash flows of the University.

The Statement of Net Position presents the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30. Net position represents the residual interest in the University's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. The statement provides information about the University's overall financial condition, including liquidity, capital assets, debt, and pension and Other Post Employment Benefits (OPEB) related balances.

The Statement of Revenues, Expenses, and Changes in Net Position presents the University's operating results for the fiscal year and explains the change in net position. The statement distinguishes operating revenues and expenses from nonoperating revenues and expenses. Consistent with GASB Statement No. 103, it separately presents noncapital subsidies and the subtotal for operating loss and noncapital subsidies before other nonoperating revenues and expenses. This presentation is particularly relevant to public higher education institutions because State appropriations, and noncapital gifts, represent significant sources of support for instructional, research, healthcare, and public-service activities. Investment income is reported separately among other nonoperating revenues and expenses.

The Statement of Cash Flows provides information about the University's cash receipts and payments from operating, noncapital financing, capital and related financing, and investing activities. The statement complements the Statement of Revenues, Expenses, and Changes in Net Position by showing how operating results and other transactions affected cash and cash equivalents during the year.

The notes to the financial statements provide additional information necessary to understand the amounts reported in the basic financial statements, including information about investments, capital assets, debt, leases, subscription-based information technology arrangements, pension and OPEB obligations, and other significant accounting matters.

The University's financial reporting entity also includes discretely presented component units. The Statement of Financial Position and Statement of Activities present the financial position and operating results of those entities separately from the University's primary government. Readers should refer to the component-unit financial statements and related notes for additional information.

FINANCIAL SUMMARY

The condensed financial statements that follow compare the current year to the prior year. The accompanying discussion in the Detailed Analyses section explains the significant changes in operating results and financial position, including the underlying factors affecting those changes.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

The condensed Statement of Revenues, Expenses, and Changes in Net Position summarizes the University's operating revenues and expenses, noncapital subsidies, other nonoperating revenues and expenses, and the resulting change in net position for fiscal years 2026 and 2025.

Dollars in thousands

			Increase (Decrease)	
	2026	2025	Amount	Percent
Operating revenues:				
Student tuition and fees, net	$ 656,337	$ 610,709	$ 45,628	7.5%
Grants and contracts	542,938	518,843	24,095	4.6%
Sales and services, net	319,530	290,370	29,160	10.0%
Other operating revenues	21,497	20,291	1,206	5.9%
Total operating revenues	**1,540,302**	**1,440,213**	**100,089**	**6.9%**
Operating expenses	**1,918,997**	**1,819,355**	**99,642**	**5.5%**
Operating loss	**(378,695)**	**(379,142)**	**447**	**(0.1%)**
Noncapital subsidies:				
State and local appropriations	473,472	428,539	44,932	10.5%
Gifts	83,094	49,052	34,041	69.4%
Total nonoperating subsidies	**556,566**	**477,591**	**78,974**	**16.5%**
Operating loss and noncapital subsidies	**177,871**	**98,449**	**79,423**	**80.7%**
Other nonoperating revenues (expenses):				
State capital appropriations	64,115	487,675	(423,560)	(86.9%)
Capital grants and gifts	11,034	4,691	6,342	135.2%
Investment and endowment income	29,682	43,769	(14,087)	(32.2%)
Additions to permanent endowments	790	60	730	1213.9%
Nonoperating expenses	(26,302)	(32,886)	6,584	(20.0%)
Net other nonoperating revenues (expenses)	**79,319**	**503,309**	**(423,991)**	**(84.2%)**
Increase in net position	**257,190**	**601,759**	**(344,569)**	**(57.3%)**
Net position - July 1	**1,210,210**	**608,451**	**601,759**	**98.9%**
Net position - June 30	**$ 1,467,400**	**$ 1,210,210**	**$ 257,190**	**21.3%**

Certain prior year amounts have been reclassified to conform to the current year presentation for comparative purposes.

Condensed Statement of Net Position

The condensed Statement of Net Position summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2026 and 2025.

Dollars in thousands

	2026	2025	Increase (Decrease) Amount	Increase (Decrease) Percent
Assets:				
Current assets	$ 2,066,352	$ 2,036,561	$ 29,791	1.5%
Noncurrent assets				
Endowment and investments	94,925	93,974	951	1.0%
Accounts receivable	89,750	239,045	(149,295)	(62.5%)
Capital assets, net	2,015,035	1,740,561	274,474	15.8%
Other noncurrent assets	6,429	7,034	(605)	(8.6%)
Total assets	**4,272,491**	**4,117,175**	**155,316**	**3.8%**
Deferred outflows of resources	**463,555**	**507,564**	**(44,009)**	**(8.7%)**
Liabilities:				
Current liabilities	251,075	239,983	11,092	4.6%
Noncurrent liabilities	2,499,261	2,681,248	(181,987)	(6.8%)
Total liabilities	**2,750,336**	**2,921,231**	**(170,895)**	**(5.9%)**
Deferred inflows of resources	**518,310**	**493,298**	**25,012**	**5.1%**
Net position:				
Net investment in capital assets	1,319,571	1,004,668	314,903	31.3%
Restricted	782,554	1,175,792	(393,238)	(33.4%)
Unrestricted	(634,725)	(970,250)	335,525	34.6%
Total net position	**$ 1,467,400**	**$ 1,210,210**	**$ 257,190**	**21.3%**

DETAILED ANALYSES

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the University's financial results for the fiscal year and reports how net position changed as a result of operating activities, noncapital subsidies, other nonoperating activities, and capital-related transactions. The statement provides insight into the University's ability to generate revenues, manage operating costs, and sustain its financial position over time.

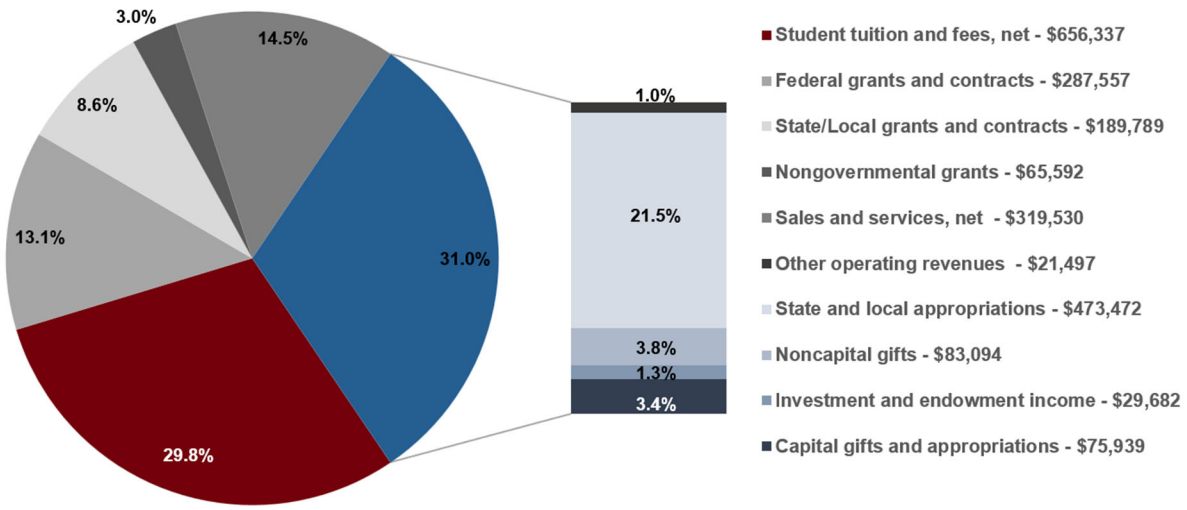
Operating revenues and operating expenses both increased during fiscal year 2026. Operating revenue growth modestly exceeded expense growth, resulting in an operating loss that was essentially unchanged from the prior year. The following analysis of the Statement of Revenues, Expenses, and Changes in Net Position summarizes the University's results for fiscal years 2026 and 2025.

Fiscal year 2026 operating results reflected continued inflationary pressures, labor-market competition, and the University's ongoing investment in academic programs, student services, research, healthcare, and campus operations. Operating revenues increased $100.1 million, or 6.9 percent, while operating expenses increased $99.6 million, or 5.5 percent. As a result, the operating loss improved slightly by $0.4 million, or 0.1 percent.

The operating loss is consistent with the financial reporting model applicable to public higher education institutions. Operating revenues primarily reflect tuition and fees, grants and contracts, sales and services, and other activities for which goods or services are provided. Noncapital subsidies (state and local appropriations, noncapital gifts) and other nonoperating revenues provide substantial support for the University's broader academic and public-service mission.

Revenues

The University benefits from a diversified mix of operating revenues, noncapital subsidies, and other nonoperating revenues. Tuition and fees, sponsored grants and contracts, State appropriations, and auxiliary sales and services remain significant sources of funding for the University's educational, research, healthcare, and public-service missions.



Net student tuition and fees increased $45.6 million, or 7.5 percent. The increase primarily reflects enrollment growth, enrollment mix, and student-fee activity. Resident undergraduate enrollment increased 5.0 percent while tuition rates remained unchanged for the eighth straight year.

The University maintained a strong and stable level of grant and contract activity during fiscal year 2026. Federal grant and contract revenues were essentially flat, while there was modest growth in state ($16.7 million) and nongovernmental grants and contracts ($10.5 million). State grant and contract revenues primarily increased due to State lottery scholarships related to student enrollment growth. Nongovernmental grant and contract revenue increased primarily due to agreements with Prisma Health related to the Greenville School of Medicine.

Net revenues from sales and services of auxiliary enterprises saw an increase of $26.2 million primarily due to additional support for Columbia Athletics from the Gamecock Club and higher room and board revenue related to student enrollment growth.

Noncapital state and local appropriations increased $44.9 million, or 10.5 percent, providing additional support for the University's instructional, research, public-service, and student-support activities and helping maintain affordability for South Carolina students.

Nonoperating revenues and expenses decreased $424.0 million, or 84.2 percent, principally because State capital appropriations declined $423.6 million from the unusually significant level received in fiscal year 2025 which was the one-time funding from the State for the building of the Neurological Critical Care and Rehabilitation Hospital.

Expenses

Operating expenses totaled $1.9 billion during fiscal year 2026, an increase of $99.6 million, or 5.5 percent, from the prior year. The increase reflects continued investment in the University's employees, academic mission, student success initiatives, research activities, and campus operations.

Operating Expenses by Natural Classification

The following analysis presents operating expenses by natural classification and complements the functional presentation by identifying the types of costs incurred, including salaries and benefits, services and supplies, utilities, scholarships and fellowships, and depreciation and amortization.

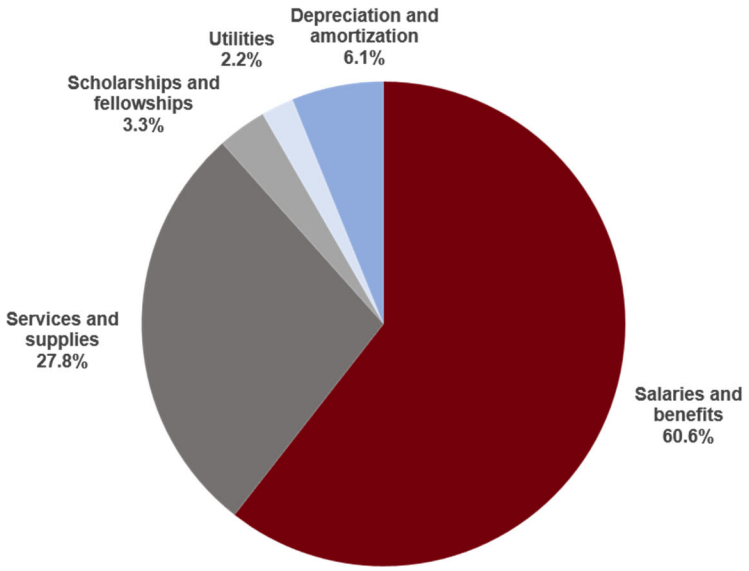
Dollars in thousands

			Increase (Decrease)	
	2026	2025	Amount	Percent
Salaries and benefits	$ 1,162,158	$ 1,140,059	$ 22,099	1.9%
Services and supplies	534,034	470,588	63,446	13.5%
Utilities	42,070	40,197	1,873	4.7%
Scholarships and fellowships	63,005	59,993	3,012	5.0%
Depreciation and amortization	117,730	108,518	9,212	8.5%
Total operating expenses	**$ 1,918,997**	**$ 1,819,355**	**$ 99,642**	**5.5%**

Salaries and benefits remained the largest component of operating expenses, totaling $1.2 billion, or 60.6 percent of total operating expenses. Salaries and benefits increased $22.1 million, or 1.9 percent, reflecting investments in faculty, staff, and employee benefits. State-supported cost-of-living adjustment, priority investments in faculty to support enrollment growth and academic programs, and changes in employee benefit costs were the primary drivers for the increases. The reported fringe expense was also affected by the actuarially determined pension and OPEB expense recognized under GASB Statements No. 68 and No. 75. Pension and OPEB expense adjustments reduced fringe benefits expenses $55.9 million in fiscal year 2026, compared to a $10.5 million reduction in fiscal year 2025. This noncash GAAP adjustment to operating expense does not represent a corresponding reduction in the University's required employer contributions or benefit payments.

Services and supplies increased $63.4 million, or 13.5 percent, and represented the largest source of the increase in operating expenses. The increase principally reflects contractual price escalation, technology and maintenance costs, research-related expenses, and the costs of operating and supporting expanded academic, auxiliary, healthcare, and student-service activities. These costs were influenced by broader inflationary conditions affecting purchased goods, contracted services, utilities, maintenance, and specialized professional services.

Scholarships and fellowships increased $3.0 million, or 5.0 percent, to $63.0 million, reflecting continued financial-aid support for student access, affordability, and retention. Utilities increased $1.9 million, or 4.7 percent, to $42.1 million primarily reflecting higher energy costs. Depreciation and amortization expense increased $9.2 million, or 8.5 percent, to $117.7 million, reflecting the continued expansion of the University's capital asset base.

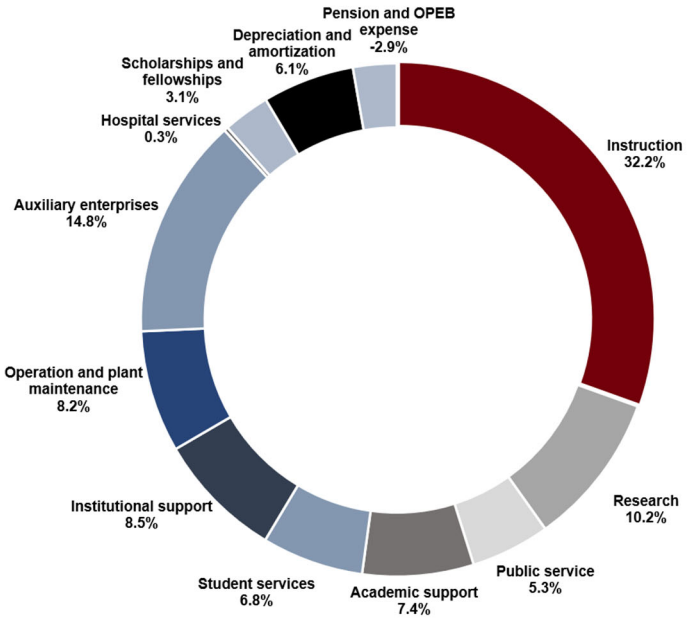


The composition of operating expenses reflects the labor-intensive nature of higher education. Personnel costs represented 60.6 percent of total operating expenses and remain the University's largest investment as faculty, researchers, healthcare professionals, and staff deliver instruction, conduct research, provide patient care, support student success, and maintain campus operations.

Services and supplies represented 27.8 percent of total operating expenses and includes contracted services, technology, maintenance, instructional support, research-related costs, and other operating expenses necessary to support the University's mission.

Operating Expenses by Function

The University's operating expenses are presented by function to show how resources were used to support its instructional, research, public-service, healthcare, and student-support missions.



Dollars in thousands

			Increase (Decrease)	
	2026	2025	Amount	Percent
Instruction	$ 618,733	$ 587,269	$ 31,464	5.4%
Research	196,476	197,959	(1,483)	(0.7%)
Public service	101,515	98,680	2,835	2.9%
Academic support	142,755	140,549	2,206	1.6%
Student services	130,498	119,341	11,157	9.3%
Institutional support	162,745	135,324	27,421	20.3%
Operation and plant maintenance	156,110	139,844	16,266	11.6%
Auxiliary enterprises	283,243	246,692	36,551	14.8%
Hospital services	5,156	-	5,156	100.0%
Scholarships and fellowships	59,921	55,672	4,249	7.6%
Depreciation and amortization	117,730	108,518	9,212	8.5%
Pension and OPEB expense	(55,885)	(10,493)	(45,392)	432.6%
Total operating expenses	**$ 1,918,997**	**$ 1,819,355**	**$ 99,642**	**5.5%**

Instruction remained the University's largest functional expense, representing 32.2 percent of total operating expenses and increasing $31.5 million, or 5.4 percent, to $618.7 million. Research expenses were flat in fiscal year 2026, but still represent a significant portion of the University's overall expense total and are integral to its mission. Together, instruction and research represented 42.4 percent of total operating expenses. Including public service and academic support, core academic functions represented 55.1 percent of total operating expenses.

Auxiliary enterprises increased $36.6 million, or 14.8 percent, to $283.2 million. Institutional support increased $27.4 million, or 20.3 percent, to $162.7 million; operation and maintenance of plant increased $16.3 million, or 11.6 percent, to $156.1 million; and student services increased $11.2 million, or 9.3 percent, to $130.5 million. These functions support student life, administrative operations, campus infrastructure, and self-supporting activities, including housing, dining, athletics, and other auxiliary services.

As previously detailed Pension and OPEB expense adjustments were actuarially determined in accordance with GAAP by PEBA, and additional information on these adjustments can be found in Notes 5 and 6 to the financial statements.

Statement of Net Position

The Statement of Net Position presents the University's financial position at the end of the fiscal year by reporting assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Deferred outflows and deferred inflows primarily reflect the delayed recognition of certain pension, other postemployment benefit (OPEB), and debt-refunding activities that will affect expense recognition in future periods.

Net position represents the residual interest in the University's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Changes in net position from year to year provide insight into whether the University's overall financial position has improved or declined as a result of current-year operations and other events.

Assets and liabilities are measured in accordance with applicable GASB standards and their relevant measurement attributes. Capital assets generally are reported at historical cost, less accumulated depreciation and amortization, which systematically allocate the cost of those assets over their estimated useful lives.

The following analysis of the Statement of Net Position summarizes the University's financial position at June 30, 2026, compared with June 30, 2025.

Overall Financial Position

The University's financial position strengthened during fiscal year 2026. Growth in assets, particularly capital assets, and lower total liabilities contributed to a $257.2 million, or 21.3 percent, increase in net position. A significant portion of the increase reflects the State's investment in strategic capital infrastructure and is restricted for construction projects and other designated purposes; accordingly, it is not all available to support general operations.

Assets

Total assets increased $155.3 million, or 3.8 percent, with capital assets increasing $274.5 million, or 15.8 percent. This reflects the continued investment in facilities and infrastructure that support the University's academic, research, healthcare, and public-service missions. This growth was partially offset by a $145.2 million decrease in cash and cash equivalents. The decrease in noncurrent accounts receivable reflects the reclassification from noncurrent to current during fiscal year 2026. The decline in cash, cash equivalents, and investments principally reflects planned capital investment and other strategic uses of available resources. These balances include restricted amounts and, therefore, do not represent resources available solely for general operations.

Liabilities

Total liabilities decreased $170.9 million, or 5.9 percent. Noncurrent liabilities decreased $182.0 million, or 6.8 percent, to $2.5 billion, while current liabilities increased $11.1 million, or 4.6 percent. Outstanding bonds payable decreased $32.4 million, or 5.8 percent. The reduction in debt associated with bonds, together with growth in capital assets and net position, supports the University's long-term financial capacity.

Net Position

NET POSITION SUMMARY

Dollars in thousands

	2026	2025	Increase (Decrease) Amount	Increase (Decrease) Percent Change
Net investment in capital assets	$ 1,319,571	$ 1,004,668	$ 314,903	31.3%
Restricted for:				
Nonexpendable	92,131	90,917	1,214	1.3%
Expendable	690,423	1,084,875	(394,452)	(36.4%)
Unrestricted	(634,725)	(970,250)	335,525	34.6%
Total net position	**$ 1,467,400**	**$ 1,210,210**	**$ 257,190**	**21.3%**

Investment in Capital Assets

Net investment in capital assets totaled $1.3 billion at June 30, 2026, an increase of $314.9 million, or 31.3 percent, from the prior year. This component represents the University's capital assets, net of accumulated depreciation and amortization, reduced by outstanding debt and related deferred balances attributable to the acquisition, construction, or improvement of those assets.

The increase primarily reflects continued investment in major facilities and infrastructure projects, the deployment of capital resources into those projects, and the $32.4 million reduction in outstanding debt. Additional information regarding significant capital asset and long-term financing activity is presented in the related MD&A section and the notes to the financial statements.

Restricted Net Position

Restricted net position totaled $782.6 million at June 30, 2026, a decrease of $393.2 million, or 33.4 percent, from the prior year. Restricted net position is subject to constraints imposed by creditors, grantors, contributors, laws or regulations of other governments, or enabling legislation.

Restricted nonexpendable net position includes the historical corpus of the University's permanent endowments, which must be maintained in perpetuity in accordance with donor restrictions. Restricted expendable net position includes resources available for specified purposes, such as capital projects, debt service, research, scholarships, and other designated programs.

The decrease primarily reflects the use of restricted resources for their designated purposes, including capital construction and other program activities. To the extent restricted capital resources were invested in facilities and infrastructure, those resources contributed to the increase in net investment in capital assets. Restricted net position remains unavailable for general operating purposes.

Unrestricted Net Position

Unrestricted net position improved $335.5 million, or 34.6 percent, from a deficit of $970.3 million at June 30, 2025, to a deficit of $634.7 million at June 30, 2026. Unrestricted net position is the residual net-position category that is not classified as either net investment in capital assets or restricted net position. Accordingly, it should not be interpreted as representing cash or other resources available for discretionary spending.

The reported unrestricted net position balance continues to be significantly affected by pension and OPEB obligations and related deferred balances recognized under GASB Statements No. 68 and No. 75. These actuarially determined amounts affect reported net position but generally do not represent obligations that are due and payable in the current period.

Changes in pension and OPEB related liabilities, deferred outflows, and deferred inflows reflect actuarial measurements and other factors that may vary from year to year. These changes do not necessarily represent current year cash requirements. Additional information regarding the University's pension and OPEB obligations is presented in Notes 5 and 6 to the financial statements.

Management's Supplemental Analysis of Net Position

The following discussion presents management's supplemental analysis of the University's financial position by illustrating the effect of the accounting requirements of GASB Statements No. 68, *Accounting and Financial Reporting for Pensions*, and No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

This supplemental analysis is provided solely to assist readers in understanding the effect of these long-term actuarially determined obligations on the University's reported unrestricted net position. It is not a financial measure defined by GAAP or by the GASB and should not be considered a substitute for the net position reported in the accompanying financial statements. This supplemental presentation is not intended to replace, supplement, or reinterpret the financial statements prepared in accordance with generally accepted accounting principles.

The audited financial statements and related notes remain the authoritative presentation of the University's financial position in accordance with U.S. generally accepted accounting principles. Readers should consider this supplemental analysis in conjunction with the audited financial statements and accompanying notes.

Excluding the effects of GASB Statements No. 68 and No. 75, adjusted net position totaled $3.3 billion at June 30, 2026, compared with $3.1 billion at June 30, 2025, an increase of $196.6 million (6.3 percent). This supplemental analysis illustrates the effect of pension and OPEB accounting on the University's reported net position and provides additional perspective on the financial resources supporting the University's educational, research, public service, and healthcare missions. It is intended solely to provide additional context regarding the impact of these long-term accounting requirements and should not be interpreted as an alternative measure of financial position.

NET POSITION EXCLUDING GASB 68 and GASB 75

Dollars in thousands

			Increase (Decrease)	
	2026	2025	Amount	Percent Change
Net investment in capital assets	$ 1,319,571	$ 1,004,668	$ 314,903	31.3%
Restricted for:				
Nonexpendable	92,131	90,917	1,214	1.3%
Expendable	690,423	1,084,875	(394,452)	(36.4%)
Unrestricted	1,216,203	941,267	274,936	29.2%
Total net position excluding GASB 68 and GASB 75	**$ 3,318,328**	**$ 3,121,727**	**$ 196,601**	**6.3%**

Liquidity

Liquid resources totaled $1.7 billion at June 30, 2026, a decrease of $145.2 million, or 8.0 percent, from fiscal year 2025. The decrease principally reflects planned capital investment and other strategic uses of available resources.

This liquidity measure includes both unrestricted and restricted resources. Restricted amounts are available only for their designated purposes, including capital construction, debt service, research activities, and other externally restricted programs. Accordingly, total liquid resources should not be interpreted solely as amounts available for general operating purposes.

Despite the planned reduction, the University continued to maintain liquid resources to support operations, strategic initiatives, debt service, and capital commitments, subject to applicable restrictions. State capital funding continues to support major construction initiatives and will be deployed as those projects progress.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

The University continued to invest significantly in physical infrastructure during fiscal year 2026 to support instruction, research, healthcare, student success, and campus operations. These investments advance the University's long-term strategic priorities and reflect continued State support for higher education and healthcare facilities across the University.

Capital Assets

Capital assets include instructional and research facilities, residence halls, healthcare facilities, athletic facilities, land improvements, infrastructure, equipment, technology assets, and lease and subscription assets that support the University's academic and operational mission.

Below is a summary of the University's capital assets, comparing each category to the prior fiscal year.

Dollars in thousands

	2026	2025	Increase (Decrease) Amount	Increase (Decrease) Percent
Land and other nondepreciable assets	$ 179,573	$ 172,868	$ 6,705	3.9%
Construction in progress	330,524	121,940	208,584	171.1%
Land improvements, *net*	33,573	37,203	(3,630)	(9.8%)
Buildings and improvements, *net*	1,288,171	1,228,107	60,064	4.9%
Machinery, equipment and vehicles, *net*	108,313	97,432	10,881	11.2%
Intangibles, *net*	4,301	9,013	(4,712)	(52.3%)
Lease and subscription assets, *net*	70,580	73,998	(3,418)	(4.6%)
Total	**$ 2,015,035**	**$ 1,740,561**	**$ 274,474**	**15.8%**

The increase in total capital assets was driven primarily by construction in progress, which increased $208.6 million, or 171.1 percent, to $330.5 million. This increase reflects continued activity on major strategic projects that remained under construction at year-end to include Health Sciences Campus, Sumter Street and Honors College Residence Hall, and Williams-Brice complex multi-use facilities and stadium. Buildings and improvements, net, increased $60.1 million, or 4.9 percent, while machinery, equipment, and vehicles, net, increased $10.9 million, or 11.2 percent.

These increases were partially offset by decreases in land improvements, intangible assets, and lease and subscription assets. Capital additions exceeded depreciation and amortization expense during the year, resulting in continued growth in the University's capital asset base. There were no material capital asset disposals during the year.

Capital Construction Activity

Capital activity remained significant during fiscal year 2026, with construction in progress increasing $208.6 million. The increase reflects the advancement of major approved projects rather than a single change in construction costs or commitments as the University continued to invest in facilities supporting enrollment growth, research expansion, healthcare partnerships, and student success. The University has capital commitments exceeding $919.5 million to support capital renewal, infrastructure improvements, and continued implementation of its Master Plan. Construction-market conditions—including labor availability, material pricing, and contractor capacity—continue to be monitored because they may affect the timing and ultimate cost of projects as they advance.

Major projects underway during the year included:

- Continued development of the Health Sciences Campus
- Sumter Street and Honors College Residence Hall
- Medical Park Brain Health Institute
- Thornwell College Residence Hall
- Williams-Brice Stadium and complex multi-use facilities
- Energy plant enhancements and campus infrastructure improvements
- Renovation and expansion of the Health Education Complex at USC Upstate
- Athletic facilities and related infrastructure improvements across multiple campuses

In addition to these major initiatives, the University invested in deferred maintenance, renovation, replacement, and modernization projects across the University System to preserve existing facilities and extend the useful life of campus infrastructure.

State Capital Investment

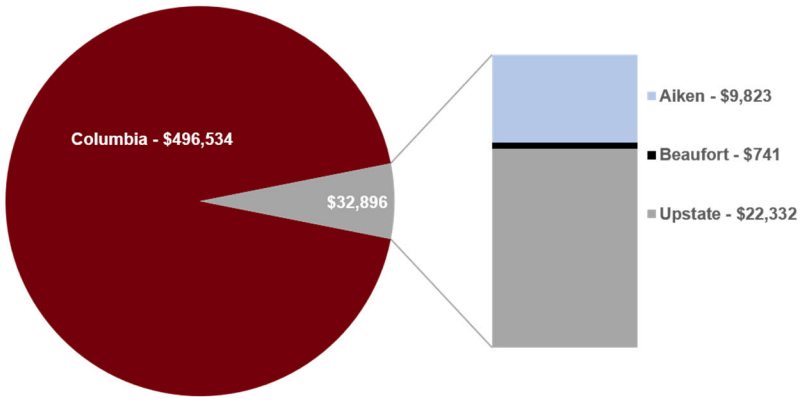
During fiscal year 2026, the State provided $64.0 million for maintenance and renovation, the Battery Center facility on the Columbia campus, the Recreation and Tourism Center on the Upstate Campus, the Science Building enhancement on the Aiken campus, the Beaufort Convocation Center, and Facilities and Lab buildings on Sumter Campus. These resources support the University's multi-year capital program and will be deployed as the related projects advance.

Long-Term Financing and Debt Management

Lease and subscription obligations decreased $5.3 million, or 7.6 percent, from $70.0 million at June 30, 2025, to $64.7 million at June 30, 2026, primarily as a result of scheduled payments.

No new bond financings were issued during fiscal year 2026. Bonds payable decreased $32.4 million, or 5.8 percent, from $561.9 million at June 30, 2025, to $529.4 million at June 30, 2026, as a result of scheduled debt service payments.

Approximately 93.0 percent of the University's outstanding bonded indebtedness supports facilities located on the Columbia campus.



During fiscal year 2026, Moody's Investors Service and Fitch Ratings affirmed the University's Aa2 and AA ratings, respectively, for Higher Education Revenue Bonds and Special Higher Education Revenue Bonds. Moody's also affirmed its Aa3 rating for Athletic Facilities Revenue Bonds.

The University actively monitors debt service requirements, market conditions, refunding opportunities, covenant compliance, and future financing needs to maintain affordability and financial flexibility.

Management believes the University remained in compliance with all debt covenants associated with its outstanding bond issuances throughout fiscal year 2026. Additional information regarding outstanding debt, leases, subscription-based information technology arrangements, and other long-term obligations is presented in Notes 8, 9, and 10 and the Statistical Section of this report.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The following matters were known to management as of the date these financial statements were issued and are expected to have a significant effect on the University's future financial position or results of operations.

State Support, Affordability, and Auxiliary Operations

The University expects to continue benefiting from recurring State support for higher education affordability, including tuition-mitigation funding. This support has enabled the University to maintain resident undergraduate tuition rates for eight consecutive years while continuing to invest in academic quality, student services, and campus infrastructure.

For fiscal year 2027, approved housing and dining rate increases averaging 5.3 percent are expected to increase auxiliary revenues and support residential-facility improvements, dining services, and enhancements to the student experience. Related operating expenses also are expected to increase as the University continues to address the costs of housing, dining, maintenance, utilities, labor, and contracted services.

Capital Investment and Healthcare Initiatives

For fiscal year 2027, the State appropriated $61.0 million for the University's capital program, including maintenance, renovation, replacement, and campus-infrastructure projects. The funding includes support for the Pharmacy Building on the Columbia campus; the Regional and Tourism Building and Academic Health Sciences and Nursing Building at USC Upstate; the Nursing Education Building at USC Beaufort; and a Health, Wellness, and Athletic Center at USC Sumter.

In addition, the State appropriated $350 million for construction of the Neurological Critical Care and Rehabilitation Hospital during fiscal year 2025. The related funding is expected to be received in fiscal year 2027. These appropriations are expected to provide capital resources for construction as project expenses are incurred. The projects also will require continuing project management, construction oversight, and capital planning. Once facilities are completed and placed into service, the University expects related depreciation, staffing, utilities, maintenance, technology, and other operating costs to increase.

The timing and ultimate cost of these projects will depend on final design, procurement activity, construction-market conditions, contractor availability, and other implementation factors. Management will continue to monitor these factors and align project activity with available resources and long-term operating capacity.

Enrollment, Research, and Philanthropy

The University continues to experience strong student demand. Applications for the Fall 2026 entering class reached a record 69,150, and preliminary enrollment data reflected record enrollment on the Columbia campus and across the University System. The Columbia campus also achieved a record first-year retention rate of 91.0 percent. Continued enrollment growth and retention are expected to increase demand for instructional capacity, academic advising, student-support services, housing, dining, and campus infrastructure during fiscal year 2027.

Fiscal year 2027 sponsored research awards through the date of issuance are trending above the prior-year level. As accepted awards move into sponsored activity, the University expects corresponding grant and contract revenues and research expenses to increase.

Private philanthropy secured by the University's affiliated foundations is expected to continue supporting scholarships, faculty positions, research, academic programs, healthcare initiatives, and other strategic priorities. Because the foundations are reported as discretely presented component units, fundraising commitments and foundation-held assets are reflected in the component-unit financial statements rather than as revenues or assets of the University.

To the extent foundation resources are distributed to, or expended on behalf of, the University, they will provide support for the donor-designated purposes. The timing and amount of that support will depend on donor restrictions, gift-payment schedules, foundation spending policies, investment performance, and the timing of approved expenses.

Athletics

Changes in the collegiate athletics operating environment that were known as of the date of issuance, including changes affecting student-athlete compensation and benefits, are expected to increase financial pressures on the University's athletics program. Increasing costs associated with student-athlete support, compensation and benefit arrangements, recruiting, staffing, travel, facilities, compliance, and competitive operations may require additional resources in future periods. The magnitude and timing of these costs will depend on changes in NCAA, conference, legal, and market conditions, as well as the University's strategic decisions regarding athletics operations and facilities.

Management will continue to monitor these developments and evaluate their effect on athletics revenues, operating expenses, capital needs, and the University's broader financial resources. Athletics-related revenues, including ticket sales, media and conference distributions, fundraising, sponsorships, and other operating revenues, may help offset a portion of these costs; however, future financial results will depend on the level and timing of both revenues and expenses.

UNIVERSITY OF SOUTH CAROLINA
Statement of Net Position
As of June 30, 2026

ASSETS	
Current assets:	
Cash and cash equivalents	$ 1,241,353,450
Restricted - cash and cash equivalents	334,679,790
Accounts receivable, net	484,404,534
Inventories	2,189,906
Prepaid items	2,236,792
Funds due from others	1,487,046
Total current assets	2,066,351,518
Noncurrent assets:	
Restricted - cash and cash equivalents	89,417,996
Investments	5,507,158
Accounts receivable	89,750,431
Prepaid items	1,000,000
Restricted - federal student loans receivable	3,732,766
Capital assets, net	2,015,034,515
Other assets	1,696,864
Total noncurrent assets	2,206,139,730
Total assets	4,272,491,248
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on debt refunding	11,048,656
Deferred outflows related to net OPEB liability	259,111,709
Deferred outflows related to net pension liability	193,394,198
Total deferred outflows of resources	463,554,563
LIABILITIES	
Current liabilities:	
Accounts payable	43,526,911
Accrued interest payable	5,451,658
Accrued payroll and related liabilities	46,161,329
Accrued compensated absences - current portion	38,290,369
Lease and subscription obligations - current portion	28,032,884
Bonds and notes payable - current portion	36,284,887
Unearned revenues	47,710,834
Deposits	1,126,298
Other liabilities	504,853
Funds held for others	3,984,947
Total current liabilities	251,074,970
Noncurrent liabilities:	
Federal loan liability	4,425,463
Accrued compensated absences	10,845,993
Lease and subscription obligations	36,662,071
Bonds and notes payable	588,711,808
Net OPEB liability	907,106,091
Net pension liability	951,509,878
Total noncurrent liabilities	2,499,261,304
Total liabilities	2,750,336,274

See Notes to the Financial Statements

(Continued)

UNIVERSITY OF SOUTH CAROLINA
Statement of Net Position
As of June 30, 2026

DEFERRED INFLOWS OF RESOURCES	
Deferred gain on debt refunding	9,313,171
Deferred inflows related to leases	46,611,262
Deferred inflows related to public private partnerships	17,567,609
Deferred inflows related to net OPEB liability	382,933,429
Deferred inflows related to net pension liability	61,883,989
Total deferred inflows of resources	518,309,460
NET POSITION	
Net investment in capital assets	1,319,571,029
Restricted for:	
Nonexpendable	92,130,927
Expendable	
Scholarships, research, instruction, and other	51,774,288
Loans	811,383
Capital projects	634,324,378
Debt service	3,512,645
Unrestricted	(634,724,573)
Total net position	**$ 1,467,400,077**

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, 2026

OPERATING REVENUES	
Student tuition and fees ($41,474,962 pledged for bonds)	$ 1,079,934,782
Less: scholarship allowance	(423,597,325)
Federal grants and contracts	287,556,889
State grants and contracts	188,430,251
Local grants and contracts	1,358,511
Nongovernmental grants and contracts	65,592,430
Sales and services of educational and other activities	40,653,928
Sales and services of auxiliary enterprises ($34,763,479 pledged for bonds)	291,351,494
Less: scholarship allowance	(12,475,796)
Other fees ($6,823,895 pledged for bonds)	17,790,113
Other operating revenues	3,706,853
Total operating revenues	1,540,302,130
OPERATING EXPENSES	
Salaries and wages	879,370,370
Fringe benefits	282,788,243
Services and supplies	534,033,736
Utilities	42,069,756
Scholarships and fellowships	63,005,583
Depreciation and amortization expense	117,729,626
Total operating expenses	1,918,997,314
Operating loss	(378,695,184)
NONCAPITAL SUBSIDIES	
State appropriations	469,286,942
Local appropriations	4,185,675
Gifts	83,093,510
Total noncapital subsidies	556,566,127
Operating loss and noncapital subsidies	177,870,943
OTHER NONOPERATING REVENUES (EXPENSES)	
State capital appropriations	64,114,650
Capital grants and gifts	11,033,568
Investment income (loss)	24,130,065
Endowment income (loss)	5,553,242
Additions to permanent endowments	790,194
Loss on disposal of capital assets	(2,673,908)
Interest on capital asset related debt	(23,628,473)
Net other nonoperating revenues (expenses)	79,319,338
Change in net position	257,190,281
NET POSITION, BEGINNING OF YEAR	1,210,209,796
NET POSITION, END OF YEAR	**$ 1,467,400,077**

See Notes to the Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Statement of Cash Flows
For the year ended June 30, 2026

OPERATING ACTIVITIES	
Student tuition and fees	$ 658,101,349
Grants and contracts	419,222,890
Sales and services of educational and other activities	39,594,220
Sales and services of auxiliary enterprises	283,275,647
Student loans disbursed	(444,960)
Student loans collected	961,574
Inflows from federal direct student loans	306,248,195
Outflows from federal direct student loans	(306,248,195)
Payments to employees for services	(875,123,733)
Payments to employees for benefits	(342,609,300)
Payments to suppliers	(574,249,783)
Payments to students for scholarships and fellowships	(63,005,583)
Other receipts	20,209,454
Inflows from funds due to and held for others	71,540,038
Outflows from funds due to and held for others	(73,151,935)
Net cash used by operating activities	(435,680,122)
NONCAPITAL FINANCING ACTIVITIES	
State and local appropriations	474,607,246
Federal grants	81,589,362
Gifts	72,823,049
Additions to permanent endowments	790,194
Federal loan liability	(606,555)
Net cash provided by noncapital financing activities	629,203,296
CAPITAL AND RELATED FINANCING ACTIVITIES	
State capital appropriations	70,726,255
Capital grants and gifts	4,681,485
Purchase and construction of capital assets	(340,110,666)
Principal paid on capital asset related debt	(69,481,544)
Interest paid on capital asset related debt	(31,694,420)
Net cash used by capital and related financing activities	(365,878,890)
INVESTING ACTIVITIES	
Investment income	22,720,364
Endowment income	4,437,952
Net cash provided by investing activities	27,158,316
Net decrease in cash and cash equivalents	(145,197,400)
Cash and cash equivalents, beginning of year	1,810,648,636
Cash and cash equivalents, end of year	**$ 1,665,451,236**
Reconciliation of cash and cash equivalents	
Cash and cash equivalents	$ 1,241,353,450
Restricted - cash and cash equivalents, current	334,679,790
Restricted - cash and cash equivalents, noncurrent	89,417,996
	$ 1,665,451,236

See Notes to the Financial Statements

(Continued)

UNIVERSITY OF SOUTH CAROLINA
Statement of Cash Flows
For the year ended June 30, 2026

Reconciliation of net operating loss to net cash used by operating activities	
Operating loss	$ (378,695,184)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation and amortization expense	117,729,626
Accrued benefits related to net pension liability	(105,741)
Student loans cancelled	197,408
Federal pell grants	(81,546,130)
Change in current assets and liabilities:	
Accounts receivable, net	(34,054,016)
Student loans receivable	409,777
Inventories and prepaid items	80,062
Accounts payable	1,576,243
Accrued payroll	2,613,143
Accrued benefits	768,972
Accrued compensated absences	1,634,088
Unearned revenues	3,271,431
Other liabilities and deposits	(1,577,388)
Accrued benefits related to net pension liability	(59,743,597)
Accrued benefits related to OPEB	(740,807)
Change in deferred inflows due from lessor payments	(5,860,407)
Funds held for and due from others	(1,637,602)
Net cash used by operating activities	**$ (435,680,122)**
SIGNIFICANT NONCASH TRANSACTIONS	
Gifts of capital assets reducing proceeds of capital grants and Gifts	**$ 29,619,153**
Net change in capital grants and gifts receivable and unearned revenues	**$ (1,161,831)**
Loss on disposal of capital assets, net	**$ (2,673,908)**
Capital assets acquired through leases, subscriptions, and accounts payable	**$ 42,515,141**
Change in value of other assets and investments recognized in endowment and investment income	**$ 1,115,290**

See Notes to the Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Nongovernmental Discretely Presented Component Units
Statements of Financial Position
June 30, 2026

	USC Development Foundation	USC Educational Foundation	USC Business Partnership Foundation	Gamecock Club of USC	Total
ASSETS					
Cash and cash equivalents	$ 4,359,199	$ 7,078,516	$ 6,472,625	$ 33,614,857	$ 51,525,197
Investments	44,587,468	853,477,148	190,203,405	2,295,553	1,090,563,574
Real estate held for investment	78,620,955	-	-	-	78,620,955
Assets held by others	-	6,388,843	-	-	6,388,843
Accounts receivable, net	1,217,736	15,796,741	176,418	26,358	17,217,253
Contributions receivable, net	257,049	138,568,590	1,201,638	89,763,011	229,790,288
Prepaid expenses	-	90,565	133,838	-	224,403
Other assets	2,425,335	-	104,300	3,503,584	6,033,219
Property, equipment, and leases, net	311,027,024	-	-	-	311,027,024
Total assets	**$ 442,494,766**	**$ 1,021,400,403**	**$ 198,292,224**	**$ 129,203,363**	**$ 1,791,390,756**
LIABILITIES					
Accounts payable and accrued expenses	$ 2,597,342	$ 4,998,957	$ 467,110	$ 21,913,661	$ 29,977,070
Lines of credit	32,426,493	-	-	-	32,426,493
Advances from others	9,180,560	-	-	-	9,180,560
Bonds, notes, and other payables	310,168,778	15,321,390	-	-	325,490,168
Other liabilities	514,632	16,875,976	-	565,202	17,955,810
Total liabilities	**354,887,805**	**37,196,323**	**467,110**	**22,478,863**	**415,030,101**
NET ASSETS					
Without donor restrictions	77,631,156	144,193,597	95,521,055	19,547,361	336,893,169
With donor restrictions	9,975,805	840,010,483	102,304,059	87,177,139	1,039,467,486
Total net assets	87,606,961	984,204,080	197,825,114	106,724,500	1,376,360,655
Total liabilities and net assets	**$ 442,494,766**	**$ 1,021,400,403**	**$ 198,292,224**	**$ 129,203,363**	**$ 1,791,390,756**

See Notes to the Financial Statements

UNIVERSITY OF SOUTH CAROLINA
Nongovernmental Discretely Presented Component Units
Statements of Activities
For the year ended June 30, 2026

	USC Development Foundation	USC Educational Foundation	USC Business Partnership Foundation	Gamecock Club of USC	Total
WITHOUT DONOR RESTRICTIONS					
Revenues, gains and other support					
Contributions	$ 7,236,950	$ 41,728,536	$ 3,375,720	$ 43,455,836	$ 95,797,042
Investment returns	3,971,080	2,904,127	14,364,202	1,297,101	22,536,510
Net realized and unrealized gains	-	25,634,691	-	-	25,634,691
Earned income	34,263,074	-	4,023,427	18,371,296	56,657,797
Other	422,523	2,338,850	-	-	2,761,373
Net assets released from restrictions:					
Transfers	-	-	1,162,385	-	1,162,385
Satisfaction of program restrictions	1,430,178	131,905	3,600,504	12,588,154	17,750,741
Expiration of time restrictions	-	21,609,881	-	-	21,609,881
Total revenues, gains and other support	47,323,805	94,347,990	26,526,238	75,712,387	243,910,420
Expenses					
Scholarships and student assistance	-	22,376,828	4,329,425	31,340,217	58,046,470
Program services	37,527,266	47,797,098	9,956,610	25,176,146	120,457,120
Supporting services	1,455,695	6,356,737	1,399,862	3,531,826	12,744,120
Total expenses	38,982,961	76,530,663	15,685,897	60,048,189	191,247,710
Excess revenues over expenses	8,340,844	17,817,327	10,840,341	15,664,198	52,662,710
Interest rate swap fair value adjustment	3,017,294	-	-	-	3,017,294
Change in net assets without donor restrictions	$ 11,358,138	$ 17,817,327	$ 10,840,341	$ 15,664,198	$ 55,680,004
WITH DONOR RESTRICTIONS					
Contributions	$ 377,570	$ 70,639,028	$ 5,139,777	$ 81,119,810	$ 157,276,185
Investment returns	160,448	9,277,736	14,351,468	-	23,789,652
Net realized and unrealized gains	-	86,155,036	-	58,956	86,213,992
Other	-	243,528	-	1,066,727	1,310,255
Net assets released from restrictions:					
Transfers	-	-	(1,162,385)	-	(1,162,385)
Satisfaction of program restrictions	(1,430,178)	(131,905)	(3,600,504)	(12,588,154)	(17,750,741)
Expiration of time restrictions	-	(21,609,881)	-	-	(21,609,881)
Change in net assets with donor restrictions	(892,160)	144,573,542	14,728,356	69,657,339	228,067,077
Change in net assets	10,465,978	162,390,869	25,568,697	85,321,537	283,747,081
NET ASSETS, BEGINNING OF YEAR, AS RESTATED [1]	77,140,983	821,813,211	172,256,417	21,402,963	1,092,613,574
NET ASSETS, END OF YEAR	**$ 87,606,961**	**$ 984,204,080**	**$ 197,825,114**	**$ 106,724,500**	**$ 1,376,360,655**

[1] Restatement due to change in reporting entity. See Note 1 for further details.

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. The financial statements include the University as the primary government and other related entities as discretely presented component units based on the nature and significance of their relationship to the University. As a result of an annual reevaluation, one legally separate entity, the Gamecock Club is now included in the reporting entity. The University's discretely presented component units are discussed further in Note 11.

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

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

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

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

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

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

Inventories – Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market. Items accounted for as University inventories use the weighted average and FIFO (first in, first out) methods.

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Operating revenues: Operating revenues generally result from exchange transactions to provide goods or services related to the University's principal ongoing operations. Operating revenues are generally defined as revenues other than nonoperating.

These revenues include:

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

Nonoperating revenues: Nonoperating revenues include noncapital subsidies received (state and local appropriations, and gifts for noncapital purposes), as well as other nonoperating revenues which include contributions to endowments, revenues related to financing, resources from the disposal of capital assets and investment income.

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

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

Governmental units that issue no more than $5 million in total of all such debt in a calendar year are exempt from the rebate requirements. For this purpose, tax-exempt indebtedness includes bonds and certain capital leases and installment purchases. Rebates are payable every five years or at maturity of the debt, whichever is earlier. However, the potential liability is calculated annually for financial reporting purposes. The University had a rebatable arbitrage liability of $891,845 at June 30, 2026.

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 spending of 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

New Accounting Pronouncements

GASB Statement No.103, *Financial Reporting Model Improvements* (GASB 103). This statement establishes new accounting and financial reporting requirements - or modifies existing requirements - focusing on providing information that is essential for decision making and assessing a government's accountability. The University implemented this Statement in fiscal year 2026.

GASB Statement No.104, *Disclosure of Certain Capital Assets*. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. The University implemented this Statement in fiscal year 2026.

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)	$	1,241,353,450
Restricted cash and cash equivalents (current) for:		
Debt service		9,256,246
Scholarship, research, instruction, and other		73,748,919
University administered loans		160,655
Capital projects		251,513,970
		334,679,790
Restricted cash and cash equivalents (noncurrent) for:		
Endowments		86,556,359
Federal student loans		1,351,534
Debt service reserves		1,510,103
		89,417,996
Investments (noncurrent)		5,507,158
Total	**$**	**1,670,958,394**
Disclosure, Deposits and Investments		
Cash on hand	$	87,142
Deposits held by State Treasurer		1,665,364,094
Investments held by State Treasurer		4,007,049
Other investments		1,500,109
Total	**$**	**1,670,958,394**

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

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

With respect to the investments in the State's internal cash management pool, all of the State Treasurer's investments are insured or registered or are investments for which the securities are held by the State or its agents in the State's name. Information pertaining to the reported amounts, fair values, and the credit risk of the State Treasurer's investments is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina. For the fiscal year ending June 30, 2026, of the $1,665,364,094 identified in the preceding schedule as "Deposits held by State Treasurer", $8,115,803 is attributable to unrealized loss.

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

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

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

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

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

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

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

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

The University's other investments consist of $1,440,609 Level 1 assets and $59,500 Level 3 assets.

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

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

The majority of the other investments totaling $1,500,109 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 $1,012,683.

NOTE 3 - RECEIVABLES

Accounts Receivable – Accounts receivable consisted of the following:

Current	
Student	$ 12,364,614
Auxiliary enterprises	25,351,954
Federal grants and contracts	30,506,749
State grants and contracts	60,295,622
Local grants and contracts	67,523
Non-governmental grants and contracts	4,217,012
State capital appropriations	340,000,000
Leases	1,343,718
Public private partnership	1,309,393
Accrued interest	11,450,020
	486,906,605
Less allowance for doubtful accounts	(2,502,071)
Current accounts receivable, net	**$ 484,404,534**
Noncurrent	
State capital appropriations	$ 38,634,501
Leases	50,467,951
Public private partnership	647,979
Noncurrent accounts receivable	**$ 89,750,431**

State capital appropriations receivable represents outstanding Capital Reserve funds that have been appropriated but not yet drawn. The State has authorized these funds for improvements and expansion of state facilities. The University is not obligated to repay these funds to the State. State funding for a Neurological and Critical Care Hospital is included in current accounts receivable. Subsequent to June 30, 2026, the University received $150 million of the $340 million reported amount in the current State capital appropriations receivable.

Leases receivable represent the present value of expected payments over the term of the leases. See Note 8 for additional information. Public private partnerships (PPP) receivables include amounts related to PPPs for food services and bookstore operations identified and accounted for as prescribed under GASB Statement No. 94. See Note 8 for additional information.

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

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

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

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

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

NOTE 4 - CAPITAL ASSETS

	June 30, 2025	Additions	Reductions	Net Transfers	June 30, 2026
Capital assets not being depreciated					
Land	$ 116,104,838	$ -	$ -	$ 5,627,446	$ 121,732,284
Construction in progress	121,939,969	301,949,338	-	(93,365,632)	330,523,675
Works of art and historical treasures	56,762,936	1,084,638	6,425	-	57,841,149
Total capital assets not being depreciated	294,807,743	303,033,976	6,425	(87,738,186)	510,097,108
Other capital assets					
Land improvements	110,487,776	221,338	-	282,685	110,991,799
Buildings and improvements	2,341,709,644	27,021,676	-	87,455,501	2,456,186,821
Machinery, equipment and other	287,905,927	34,262,235	20,110,396	-	302,057,766
Vehicles	22,813,160	3,422,993	1,020,861	-	25,215,292
Intangibles	89,469,728	-	1,097,659	-	88,372,069
Lease land and improvements	553,561	279,896	-	-	833,457
Lease buildings and improvements	56,491,948	11,539,148	8,339,768	-	59,691,328
Lease machinery, equipment and other	1,023,632	193,858	-	-	1,217,490
Software Subscriptions	51,337,308	22,709,060	6,584,441	-	67,461,927
Total capital assets at historical cost	2,961,792,684	99,650,204	37,153,125	87,738,186	3,112,027,949
Less accumulated depreciation/amortization for:					
Land improvements	73,284,524	4,134,412	-	-	77,418,936
Buildings and improvements	1,113,603,018	54,413,436	-	-	1,168,016,454
Machinery, equipment and other	196,501,341	20,114,791	15,521,116	-	201,095,016
Vehicles	16,785,834	2,064,631	985,297	-	17,865,168
Intangibles	80,456,510	4,618,204	1,003,465	-	84,071,249
Lease land and improvements	76,509	193,403	-	-	269,912
Lease buildings and improvements	17,434,603	14,475,331	3,614,386	-	28,295,548
Lease machinery, equipment and other	300,144	153,191	-	-	453,335
Software Subscriptions	17,597,255	17,562,227	5,554,558	-	29,604,924
Total accumulated depreciation/amortization	1,516,039,738	117,729,626	26,678,822	-	1,607,090,542
Other capital assets, net	1,445,752,946	(18,079,422)	10,474,303	87,738,186	1,504,937,407
Capital assets, net	**$ 1,740,560,689**	**$ 284,954,554**	**$ 10,480,728**	**$ -**	**$ 2,015,034,515**

NOTE 5 - PENSION PLANS

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review.

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

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

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

The State Optional Retirement Program (ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Membership - Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS – Generally, all employees of covered employers, such as the University, are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012 is a Class II member. An employee member of the system with an effective date of membership on or after July 1, 2012 is a Class III member.

NOTE 5 - PENSION PLANS, Continued

ORP – As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (9.00 percent) and a portion of the employer contribution (5.00 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (13.41 percent) and an incidental death benefit contribution (0.15 percent), if applicable, which is retained by SCRS.

PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012 is a Class II member. An employee member of the system with an effective date of membership on or after July 1, 2012 is a Class III member.

Benefits – Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of services, and average final compensation. A brief summary of benefit terms for each system is presented below.

SCRS – A Class II member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years of credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class III member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class II and Class III members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively.

The benefit formula for full benefits effective since July 1, 1989 for the SCRS is 1.82 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave. For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. An incidental death benefit is also available to beneficiaries of active and retired members.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching the age of 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 - Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

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

NOTE 5 - PENSION PLANS, Continued

Required **employee** contribution rates for fiscal year 2025-2026 are as follows:

SCRS	
Employee Class II	9.00% of earnable compensation
Employee Class III	9.00% of earnable compensation
ORP	9.00% of earnable compensation
PORS	
Employee Class II	9.75% of earnable compensation
Employee Class III	9.75% of earnable compensation

Required **employer** contribution rates[1] for fiscal year 2025-2026 are as follows:

SCRS	
Employer Class II	18.56% of earnable compensation [3]
Employer Class III	18.56% of earnable compensation [3]
ORP	
Employer Contribution[2]	18.56% of earnable compensation [3]
PORS	
Employer Class II	21.24% of earnable compensation [4]
Employer Class III	21.24% of earnable compensation [4]

[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.

[3] Includes incidental death benefit contribution rate of 0.15%.

[4] Includes incidental death benefit and accidental death benefit contribution rate of 0.20% each.

For fiscal year 2026, total University contributions were $118,460,088 and $2,279,313 for SCRS and PORS, respectively. The total contributions to the ORP were $17,532,079 (excluding the surcharge) from the University as employer and $31,557,742 from its employees as plan members.

Net Pension Liability (NPL) - At June 30, 2026, the University reported liabilities of $937,501,489 and $14,008,389 for its proportionate share of the SCRS and PORS NPL, respectively. The NPLs were measured as of June 30, 2025, and the total pension liabilities (TPL) used to calculate the NPLs were determined by an actuarial valuation as of July 01, 2024. The University's proportionate shares of the NPLs were based on the University's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The University's proportionate share of the SCRS plan increased by 0.011369 percent from the prior year. The University's proportionate share of the PORS plan increased by 0.020987 percent over the prior year. At June 30, 2026, the University's proportionate shares of the SCRS and PORS plans were 4.338484 percent and 0.506577 percent, respectively.

Pension Expense - For the year ended June 30, 2026, the University recognized pension expense of $64,168,777 and $1,373,793 for SCRS and PORS, respectively, for a total pension expense of $65,542,570.

NOTE 5 - PENSION PLANS, Continued

Non-employer Contributions - Employer's proportionate shares were calculated on the basis of employer contributions remitted to the plan. In an effort to offset a portion of the increased contribution requirements for employers, the General Assembly again provided nonemployer contributions to PEBA. Based on the criteria provided by the General Assembly, PEBA issued credit invoices to certain SCRS and PORS employers for fiscal year 2025 who then applied the credit invoices towards contributions otherwise due to the Systems. For the year ended June 30, 2025 measurement period, PEBA provided non-employer contributions to the University in the amount of $4,562,757 which is shown as a reduction to net pension liability and other grant revenue in the year ended June 30, 2026.

Deferred Inflows of Resources and Deferred Outflows of Resources – At June 30, 2026, 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	$ 43,985,439	$ -
Changes of assumptions	11,079,954	-
Net difference between projected and actual earnings on pension plan investments	-	60,191,066
Changes in proportion and differences between University contributions and proportionate share of contributions	15,341,079	-
University contributions subsequent to the measurement date	118,460,088	-
Total	$ 188,866,560	$ 60,191,066

Police Officers Retirement System

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,644,596	$ -
Changes of assumptions	186,162	-
Net difference between projected and actual earnings on pension plan investments	-	1,319,263
Changes in proportion and differences between University contributions and proportionate share of contributions	417,567	373,660
University contributions subsequent to the measurement date	2,279,313	-
Total	$ 4,527,638	$ 1,692,923

The $118,460,088 and $2,279,313 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, 2026 will be recognized as a reduction of the NPLs in the year ending June 30, 2027.

NOTE 5 - PENSION PLANS, Continued

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:	
2027	$ 42,628,606
2028	812,739
2029	(19,349,348)
2030	(13,876,591)
	$ 10,215,406

	PORS
Year ended June 30:	
2027	$ 927,250
2028	167,643
2029	(239,054)
2030	(300,437)
	$ 555,402

Actuarial Assumptions and Methods - Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future.

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2023.

The June 30, 2025, 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, 2024. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2025, using generally accepted actuarial principles. There was no legislation enacted during the 2025 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2025 for SCRS and PORS:

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return [1]	7.00%	7.00%
Projected salary increases	3.0% to 11.25% (varies by service) [1]	3.5% to 11.0% (varies by service) [1]
Benefit adjustments	lesser of 1% or $500 annually	lesser of 1% or $500 annually

[1] *Includes inflation at 2.25%*

NOTE 5 - PENSION PLANS, Continued

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

Assumptions used in the June 30, 2025 TPL are as follows:

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

Net Pension Liability - The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. As of June 30, 2025, NPL totals for SCRS and PORS are as follows (amounts expressed in thousands):

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 63,956,318,760	$ 42,347,352,061	$ 21,608,966,699	66.2%
PORS	10,857,734,777	8,092,430,248	2,765,304,529	74.5%

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.

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2025 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

NOTE 5 - PENSION PLANS, Continued

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	5.87%	2.70%
Bonds	26.0%	3.20%	0.83%
Private Equity [1]	9.0%	8.50%	0.77%
Private Debt [1]	7.0%	7.40%	0.52%
Real Assets	**12.0%**		
Real Estate [1]	9.0%	5.00%	0.45%
Infrastructure [1]	3.0%	7.70%	0.23%
Total Expected Return [2]	100.0%		5.50%
Inflation for Actuarial Purposes			2.25%
Expected Rate of Return			7.75%

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

[2] Portable Alpha Strategies, which utilize Hedge Funds and are not included in the Policy Target, will be capped at 15% of total assets.

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

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

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

System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	$ 1,266,885,690	$ 937,501,489	$ 663,404,231
PORS	21,321,391	14,008,389	8,008,793

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, 2025 (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, 2025.

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

NOTE 6 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS

Plan Description - In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. The University contributes to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), cost-sharing multiple employer defined benefit postemployment healthcare, and long-term disability plans administered by the Insurance Benefits Division (IB), a part of the South Carolina Public Employee Benefit Authority (PEBA). Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100 percent employer funding and 15 through 24 years of service for 50 percent 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, 6.10 percent of annual covered payroll for 2026. The IB sets the employer contribution rate based on a pay-as-you-go basis. The University paid $39,208,738, including the implicit subsidy, applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal year ended June 30, 2026. 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, 2026. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The SCRHITF is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated IB reserves, and income generated from investments. The SCLTDITF is primarily funded through investment income and employer contributions. The SCLTDITF is considered immaterial and is not included in the University financial statements as well as the related notes and required supplementary information.

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, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

Net OPEB Liability - At June 30, 2026, the University reported a liability of $907,106,091 for its proportionate share of the SCRHITF net OPEB liability. The OPEB liability was measured as of June 30, 2025, 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. The University's proportionate share of the SCRHITF plan increased 0.016564 percent from the prior year. At June 30, 2025, the University's proportionate share of the SCRHITF plan was 6.000067 percent.

OPEB Expense - For the year ended June 30, 2026, the University recognized OPEB expense of $42,547,661 for SCRHITF.

NOTE 6 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS, Continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Post-Employment Benefits Other Than Pensions (OPEB) – At June 30, 2026, 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	$ 72,444,034	$ 107,356,190
Changes of assumptions	142,183,307	256,456,266
Net difference between projected and actual earnings on OPEB plan investments	-	987,640
Changes in proportion and differences between University contributions and proportionate share of contributions	5,275,630	18,133,333
University contributions subsequent to the measurement date	39,208,738	-
Total	$ 259,111,709	$ 382,933,429

The $39,208,738 reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date for the SCRHITF plan during the year ended June 30, 2026 will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2027.

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:

Year ended June 30:	
2027	$ (34,146,154)
2028	(53,405,857)
2029	(66,195,374)
2030	(8,456,936)
2031	7,697,393
Thereafter	(8,523,530)
	$ (163,030,458)

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.

NOTE 6 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS, Continued

The following table provides a summary of the actuarial assumptions and methods used in the June 30, 2024 actuarial valuation for SCRHITF:

Actuarial Methods and Assumptions:	
Actuarial cost method	Individual Entry-Age Normal
Inflation	2.25%
Investment rate of return	2.75%, net of OPEB plan investment expense, including inflation
Single discount rate	5.05% as of June 30, 2025
Demographic assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2023
Mortality	For healthy retirees, the gender-distinct Pub-2010 General Headcount-Weighted Healthy Retiree mortality tables are used for PORS members. The rates projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2021 to account for future mortality improvements.
Healthcare trend rate	Initial trend starting at 6.80% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 15 years
Participation rates	75% participation for retirees who are eligible for Funded Premiums 60% participation for retirees who are eligible for Partial Funded Premiums 20% participation for retirees who are eligible for Non-Funded Premiums
Notes	The single discount rate changed from 3.97% as of June 30, 2024 to 5.05% as of June 30, 2025. Additionally, the demographic and salary increase assumptions were updated to reflect the 2024 SCRS experience study, and both the health care trend rates and election assumption rates were updated to reflect the plan's anticipated experience.

Discount Rate - The Single Discount Rate of 5.05 percent 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 Allocation**	**Long-Term Expected Real Rate of Return**	**Allocation-Weighted Long-Term Expected Real Rate of Return**
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

For the SCRHITF, the annual money-weighted rate of return on the plan investments was 12.94 percent.

NOTE 6 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS, Continued

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 5.05 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 (4.05 percent) or 1 percentage point higher (6.05 percent) than the current rate:

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

1% Decrease 4.05%	Current Single Discount Rate Assumption 5.05%	1% Increase 6.05%
$1,062,787,853	$907,106,091	$784,430,444

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
$759,412,580	$907,106,091	$1,099,134,968

NOTE 7 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS

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

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

The University had outstanding commitments of $919,455,457 for capital and $138,033,413 for noncapital projects as of June 30, 2026. The University anticipates funding these projects out of current resources, current bond issues, private gifts, student fees, and state capital appropriations.

NOTE 8 – LEASES, SUBSCRIPTIONS, AND OTHER ARRANGEMENTS

Lessee Agreements - The University leases land, space, and equipment from external parties for various terms under long-term, non-cancellable lease agreements. The leases expire at various dates through 2044 and provide for renewal options ranging from one year to ten years. In accordance with GASB Statement No. 87, the University records lease assets and lease liabilities based on the present value of expected payments over the term of the leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using an estimated incremental borrowing rate. See Note 4 for information on lease assets and the related accumulated amortization. Future commitments for leases having remaining terms in excess of one year as of June 30, 2026, were as follows:

	Principal	Interest	Total
2027	$ 13,088,751	$ 2,646,876	$ 15,735,627
2028	4,876,096	1,739,205	6,615,301
2029	2,405,298	1,451,163	3,856,461
2030	2,032,570	1,281,761	3,314,331
2031	1,456,212	1,144,353	2,600,565
2032-2036	6,162,471	4,142,405	10,304,876
2037-2041	3,462,371	2,139,732	5,602,103
2042-2044	1,754,449	439,442	2,193,891
Total future minimum lease payments	$ 35,238,218	$ 14,984,937	$ 50,223,155

In the current fiscal year, the University incurred expenses of $897,781 for office copier contingent rentals on a cost per copy basis.

Lessor Agreements - The University leases land and space to both external and related parties. Lease receivables and deferred inflows of resources are recorded based on the present value of the expected receipts over the term of the leases. The expected receipts are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using an estimated incremental borrowing rate. During the year ended June 30, 2026, the University recognized revenues related to these lease agreements totaling $4,520,168. Total minimum lease payments to be received under lessor agreements are as follows:

	Principal	Interest	Total
2027	$ 1,343,718	$ 2,075,476	$ 3,419,194
2028	1,404,866	2,014,623	3,419,489
2029	1,468,623	1,950,866	3,419,489
2030	1,535,807	1,884,067	3,419,874
2031	1,654,503	1,813,353	3,467,856
2032-2036	7,002,254	7,983,795	14,986,049
2037-2041	7,439,442	6,226,544	13,665,986
2042-2046	3,617,804	4,479,253	8,097,057
2047-2051	1,215,581	4,191,396	5,406,977
2052-2056	2,161,914	3,920,940	6,082,854
2057-2061	3,366,493	3,476,714	6,843,207
2062-2066	4,886,267	2,812,338	7,698,605
2067-2071	6,789,650	1,871,289	8,660,939
2072-2076	7,924,747	602,234	8,526,981
Total future receipts	$ 51,811,669	$ 45,302,886	$ 97,114,555

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

Subscription-Based Information Technology Arrangements (SBITAs) – The University entered into arrangements with external parties for access to information technology for various terms under long-term, non-cancelable agreements. These subscription agreements expire at various dates through 2030 and provide for renewal options ranging from one to four years. In accordance with GASB Statement No. 96, the University records SBITA assets and liabilities based on the present value of expected payments over the term of the agreement. The expected payments are discounted using the interest rate charged, if available, or are otherwise discounted using the University's incremental borrowing rate. See Note 4 for information on subscription assets and the related accumulated amortization. Future commitments for subscription assets having remaining terms in excess of one year as of June 30, 2026, were as follows:

	Principal	Interest	Total
2027	$ 14,944,133	$ 747,257	$ 15,691,390
2028	8,748,665	368,401	9,117,066
2029	4,423,218	144,623	4,567,841
2030	1,340,721	32,062	1,372,783
Total future minimum lease payments	$ 29,456,737	$ 1,292,343	$ 30,749,080

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

	Principal	Interest	Total
2027	$ 1,309,393	$ 77,574	$ 1,386,967
2028	153,098	13,868	166,966
2029	131,098	10,868	141,966
2030	132,943	9,023	141,966
2031	134,885	7,082	141,967
2032	95,955	5,038	100,993
Total future receipts	$ 1,957,372	$ 123,453	$ 2,080,825

NOTE 9 - BONDS AND NOTES PAYABLE

Bonds Payable – Bonds payable consisted of the following:

	Original Debt	Interest Rates (Outstanding)	Maturity Dates	June 30, 2026 Balance	Debt Retired in Fiscal Year 2026
State Institution Bonds					
Series 2014A	$ 15,190,000	3% to 5%	04/01/34	$ 7,560,000	$ 805,000
Series 2015A	56,725,000	3% to 5%	04/01/35	31,355,000	2,835,000
Series 2015B Refunding	30,625,000	5%	04/01/26	-	3,870,000
Series 2017B	39,450,000	2.625% to 5%	04/01/37	25,760,000	1,805,000
Series 2019B Refunding	4,290,000	5%	04/01/29	1,505,000	455,000
Series 2021C Refunding	11,840,000	5%	04/01/31	6,635,000	1,145,000
Total State Institution Bonds				**72,815,000**	**10,915,000**
Revenue Bonds					
Athletic Facilities Revenue Bonds					
Series 2015	38,270,000	3% to 5%	05/01/45	29,520,000	1,000,000
Series 2016A Refunding	22,400,000	4% to 5%	05/01/38	15,785,000	970,000
Series 2017A	40,325,000	4% to 5%	05/01/47	33,135,000	960,000
Series 2017B Refunding	46,990,000	5%	05/01/40	34,830,000	2,280,000
Series 2022A Refunding	36,690,000	4% to 5%	05/01/52	33,970,000	785,000
Total Athletic Facilities Revenue Bonds				147,240,000	5,995,000
Special Higher Education Revenue Bonds					
Series 2022A Refunding	39,805,000	5%	05/01/35	30,120,000	2,600,000
Total Special Higher Education Revenue Bonds				30,120,000	2,600,000
Higher Education Revenue Bonds					
Series 2013	37,185,000	3.75%	05/01/43	5,930,000	-
Series 2015	47,605,000	3.5% to 5%	05/01/35	12,355,000	3,560,000
Series 2016A Refunding	67,820,000	4% to 5%	05/01/39	48,390,000	2,860,000
Series 2017A Refunding	20,840,000	5%	05/01/40	16,550,000	800,000
Series 2021A	169,780,000	4% to 5%	05/01/51	169,550,000	230,000
Series 2021B	10,265,000	0.592% to 1.135%	05/01/26	-	3,295,000
Series 2022A Refunding	14,140,000	5%	05/01/34	10,075,000	995,000
Series 2023A Refunding	20,015,000	5%	05/01/39	16,405,000	1,185,000
Total Higher Education Revenue Bonds				279,255,000	12,925,000
Total Revenue Bonds				**456,615,000**	**21,520,000**
Subtotal bonds payable				529,430,000	32,435,000
Plus unamortized bond premiums				95,424,233	6,782,156
Total Bonds Payable				**$ 624,854,233**	**$ 39,217,156**

NOTE 9 - BONDS AND NOTES PAYABLE, Continued

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

State Institution Bonds - General Obligation State Institution Bonds of the State of South Carolina (the "State Institution Bonds") are issued by the State on behalf of and at the request of the University for any University permanent improvement project and are secured by a pledge of the full faith, credit and taxing power of the State and by a pledge of Tuition Fees (as such term is defined in the State Institution Bond enabling act) designated by the Board of Trustees and collected at the University. State Institution Bonds are subject to a legal debt margin covenant whereby debt service cannot exceed ninety percent of Tuition Fees received in the immediate prior fiscal year. The incurrence of State Institution Bonds is subject to a legal debt margin test that required Tuition Fees for the immediately preceding fiscal year to exceed forecasted maximum annual debt service. The fiscal year 2025 Tuition Fees used to calculate the University's ability to issue additional State Institution Bonds totaled $37,453,769, which resulted in a legal annual debt service limit for State Institution Bonds issued in 2026 of $33,708,392. The annual debt service payments for the fiscal year 2026 were $14,146,644. Tuition Fees in fiscal year 2026 totaled $39,046,344.

Higher Education Revenue Bonds and Special Higher Education Revenue Bonds - The University issues certain revenue bonds under the Higher Education Revenue Bond Act (the "Revenue Bonds"), the proceeds of which finance (A) dormitories, apartment buildings, dwelling houses, bookstores and other University operated stores, laundries, dining halls, cafeterias, parking facilities, student recreational, entertainment and fitness related facilities, inns, conference and other non-degree educational facilities and similar auxiliary facilities of the University and any other facilities which are auxiliary to any of the foregoing excluding, however, athletic department projects which primarily serve varsity athletic teams of the University (issued as "Higher Education Revenue Bonds"), and (B) those academic facilities as may be authorized by joint resolution of the General Assembly (historically issued as "Special Higher Education Revenue Bonds").

The Higher Education Revenue Bonds are payable from and secured by a pledge of (A) certain revenues derived by the University from the operation of the student and faculty housing facilities, parking facilities, and certain other auxiliary facilities from time to time designated by the Board of Trustees (the "Net Revenues") and (B) all available funds and academic fees of the University, less all such revenues which are (i) otherwise designated or restricted, (ii) derived from appropriations received from the General Assembly, (iii) tuition funds pledged to the repayment of State Institution Bonds, or (iv) funds pledged to the payment of the University's Athletic Facilities Revenue Bonds. Net Revenues for fiscal year 2026 were $49,017,340. The net available funds described in (B) above totaled $1,131,866,134 in fiscal year 2026.

Subsequent to June 30, 2026, the University issued $229,625,000 in Higher Education Revenue Bonds, Series 2026A on August 11, 2026. Of the total bonds issued, $175,730,000 was issued to finance costs associated with the Sumter Street Housing project, $11,065,000 was issued to refund the Higher Education Revenue Bonds, Series 2015, and $42,830,000 was issued to refund the Higher Education Revenue Bonds, Series 2016A. These refunding transactions resulted in net present value savings of approximately $3,272,000.

The Special Higher Education Revenue Bonds are payable from and secured by a pledge of all available funds and academic fees of the University, less all such revenues which are (i) otherwise designated or restricted, (ii) derived from appropriations received from the General Assembly, (iii) tuition funds pledged to the repayment of State Institution Bonds, (iv) funds pledged to the payment of the University's Athletic Facilities Revenue Bonds, or (v) the Net Revenues. Such pledged revenues for fiscal year 2026 were $1,131,866,134.

NOTE 9 - BONDS AND NOTES PAYABLE, Continued

Athletic Facilities Revenue Bonds - Athletic Facilities Revenue Bonds, the proceeds of which are used by the University for the financing or refinancing of the costs of acquiring, constructing, reconstructing, renovating, or equipping Athletic Facilities. The Athletic Facilities Revenue Bonds are payable from and secured by a pledge of (A) the net revenues of the Athletic Department including transfers from the University, (B) the gross receipts from the imposition of the Admissions Fee (as defined in the bond resolution authorizing the Athletic Facilities Revenue Bonds), and (C) the gross receipts from the imposition of the Special Student Fee (as defined in the bond resolution authorizing the Athletic Facilities Revenue Bonds). Pledged revenues for athletic facilities revenue bonds in fiscal year 2026 were $2,428,618 of special student fees, $6,823,895 of special admission fees and $5,522,374 of athletic department revenues.

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

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

	Principal	Interest	Total
State Institution Bonds			
2027	$ 7,400,000	$ 2,693,944	$ 10,093,944
2028	7,760,000	2,332,344	10,092,344
2029	8,125,000	1,961,844	10,086,844
2030	7,895,000	1,639,294	9,534,294
2031	8,205,000	1,328,431	9,533,431
2032-2036	30,695,000	3,037,649	33,732,649
2037	2,735,000	82,050	2,817,050
Total	**$ 72,815,000**	**$ 13,075,556**	**$ 85,890,556**

	Principal	Interest	Total
Revenue Bonds			
2027	$ 22,615,000	$ 21,575,944	$ 44,190,944
2028	21,340,000	20,466,194	41,806,194
2029	22,400,000	19,419,444	41,819,444
2030	23,520,000	18,299,444	41,819,444
2031	24,705,000	17,123,444	41,828,444
2032-2036	119,725,000	67,525,463	187,250,463
2037-2041	94,615,000	40,422,325	135,037,325
2042-2046	67,910,000	21,507,600	89,417,600
2047-2051	58,670,000	7,441,400	66,111,400
2052	1,115,000	55,750	1,170,750
Total	**$ 456,615,000**	**$ 233,837,008**	**$ 690,452,008**

NOTE 9 - BONDS AND NOTES PAYABLE, Continued

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

Note payable to acquire energy savings equipment, dated April 2018, payable in annual installments of $49,399 subject to amount drawn at any given time, matures February 2029, fixed interest rate of 2.00%.	$ 142,462

The scheduled maturities of the notes payable are as follows:

	Principal	Interest	Total
2027	$ 46,550	$ 2,849	$ 49,399
2028	47,481	1,918	49,399
2029	48,431	968	49,399
Total	**$ 142,462**	**$ 5,735**	**$ 148,197**

NOTE 10 - LONG-TERM LIABILITIES

Long-term liability activity was as follows:

	June 30, 2025	Additions	Reductions	June 30, 2026	Due Within One Year	Long-Term Portion
Bonds Payable:						
State Institution Bonds	$ 83,730,000	$ -	$ 10,915,000	$ 72,815,000	$ 7,400,000	$ 65,415,000
Revenue Bonds	478,135,000	-	21,520,000	456,615,000	22,615,000	434,000,000
Subtotal Bonds Payable	561,865,000	-	32,435,000	529,430,000	30,015,000	499,415,000
Unamortized Bond Premiums	102,206,389	-	6,782,156	95,424,233	6,223,337	89,200,896
Total Bonds Payable	664,071,389	-	39,217,156	624,854,233	36,238,337	588,615,896
Notes Payable	188,099	-	45,637	142,462	46,550	95,912
Total Bonds and Notes Payable	**$ 664,259,488**	**$ -**	**$ 39,262,793**	**$ 624,996,695**	**$ 36,284,887**	**$ 588,711,808**
Lease Obligations	$ 43,723,761	$ 12,012,906	$ 20,498,449	$ 35,238,218	$ 13,088,751	$ 22,149,467
Subscription Obligations	$ 26,294,350	$ 21,360,226	$ 18,197,839	$ 29,456,737	$ 14,944,133	$ 14,512,604
Accrued Compensated Absences [1]	$ 47,531,432	$ 1,604,930	$ -	$ 49,136,362	$ 38,290,369	$ 10,845,993

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

NOTE 11 - COMPONENT UNITS

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

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

Nongovernmental Discretely Presented Component Units

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

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

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

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

NOTE 11 - COMPONENT UNITS, Continued

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

Funds and Assets Received from Component Units

Development Foundation	$	886,416
Educational Foundation		46,727,095
Business Partnership Foundation		7,824,013
Gamecock Club		31,008,940
Total	**$**	**86,446,464**

Funds Paid to Component Units

Development Foundation	$	13,725,193
Educational Foundation		134,169
Gamecock Club		17,909,264
Total	**$**	**31,768,626**

NOTE 12 - RISK MANAGEMENT

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

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

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

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

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.

NOTE 12 - RISK MANAGEMENT, Continued

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 13 - 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 and Amortization	Total
Instruction	$ 390,814,656	$ 152,925,481	$ 73,428,749	$ 31,022	$ 1,532,928	$ -	$ 618,732,836
Research	93,582,222	34,495,726	66,477,836	281,236	1,638,905	-	196,475,925
Public service	44,186,920	17,350,505	39,105,607	58,477	813,570	-	101,515,079
Academic support	70,930,326	27,717,295	43,992,173	44,597	71,006	-	142,755,397
Student services	62,125,534	24,079,765	41,281,383	1,914,911	1,096,465	-	130,498,058
Institutional support	82,535,147	32,824,487	47,336,861	1,419	47,574	-	162,745,488
Operation and plant maintenance	40,376,854	17,989,079	69,607,544	28,136,602	-	-	156,110,079
Auxiliary enterprises	90,615,135	27,627,508	150,447,342	11,601,492	2,951,584	-	283,243,061
Hospital services	2,080,322	809,368	2,266,100	-	-	-	5,155,790
Scholarships and fellowships	2,123,254	2,853,778	90,141	-	54,853,551	-	59,920,724
Depreciation and amortization	-	-	-	-	-	117,729,626	117,729,626
Pension and OPEB expense	-	(55,884,749)	-	-	-	-	(55,884,749)
Total operating expenses	**$ 879,370,370**	**$ 282,788,243**	**$ 534,033,736**	**$ 42,069,756**	**$ 63,005,583**	**$ 117,729,626**	**$1,918,997,314**

NOTE 14 - ENDOWMENTS

The University's endowment funds consist of the following:

Net Position Classification	True Endowment	Quasi Endowment	Total
Restricted - nonexpendable	$ 92,130,927	$ -	$ 92,130,927
Unrestricted	-	27,546,997	27,546,997
Total	**$ 92,130,927**	**$ 27,546,997**	**$ 119,677,924**
Endowments held by Component Units			
Development Foundation	$ 4,313,413	$ 28,939,729	$ 33,253,142
Education Foundation	685,493,205	14,819,862	700,313,067
Business Partnership Foundation	97,102,718	83,720,768	180,823,486
Total Endowments held by Component Units	**$ 786,909,336**	**$ 127,480,359**	**$ 914,389,695**

At June 30, 2026, $16,929,816 of the amount reported as *net position, restricted expendable - scholarships, research, instruction and other,* represented cumulative net appreciation of donor-restricted endowments.

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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)						
Fiscal year ended	Measurement period	University's Proportion of the Net Pension Liability	University's Proportionate Share of the Net Pension Liability	University's Covered Payroll During the Measurement Period	University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2026	2025	4.338484%	$ 937,501,489	$ 382,162,681	245.31%	66.20%
2025	2024	4.327115%	1,014,722,029	350,990,743	289.10%	61.80%
2024	2023	4.210491%	1,017,988,841	315,435,878	322.72%	58.60%
2023	2022	4.177838%	1,012,797,979	300,548,411	336.98%	57.10%
2022	2021	4.195422%	907,942,876	289,811,289	313.29%	60.70%
2021	2020	4.271173%	1,091,360,231	290,807,945	375.29%	50.70%
2020	2019	4.310566%	984,280,973	282,920,119	347.90%	54.40%
2019	2018	4.290247%	961,307,644	282,488,211	340.30%	54.10%
2018	2017	4.167883%	938,282,339	279,360,816	335.87%	53.30%
2017	2016	4.057192%	866,637,424	266,242,277	325.51%	52.91%

Police Officers Retirement System (PORS)						
Fiscal year ended	Measurement period	University's Proportion of the Net Pension Liability	University's Proportionate Share of the Net Pension Liability	University's Covered Payroll During the Measurement Period	University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2026	2025	0.506577%	$ 14,008,389	$ 10,431,223	134.29%	74.50%
2025	2024	0.485590%	14,566,646	9,522,092	152.98%	70.50%
2024	2023	0.507275%	15,441,938	8,751,668	176.45%	67.80%
2023	2022	0.520683%	15,615,187	8,119,977	192.31%	66.40%
2022	2021	0.498057%	12,814,574	7,495,728	170.96%	70.40%
2021	2020	0.560656%	18,592,551	8,427,441	220.62%	58.80%
2020	2019	0.586371%	16,805,038	8,569,379	196.11%	62.70%
2019	2018	0.565259%	16,016,847	7,928,895	202.01%	61.70%
2018	2017	0.542530%	14,862,802	7,291,336	203.84%	60.90%
2017	2016	0.516784%	13,108,096	6,589,396	198.93%	60.44%

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
2026	$ 118,460,088	$ 118,460,088	-	$ 406,511,095	29.14%
2025	111,924,554	111,924,554	-	382,162,681	29.29%
2024	101,437,735	101,437,735	-	350,990,743	28.90%
2023	85,786,862	85,786,862	-	315,435,878	27.20%
2022	77,400,097	77,400,097	-	300,548,411	25.75%
2021	69,466,008	69,466,008	-	289,811,289	23.97%
2020	69,325,682	69,325,682	-	290,807,945	23.84%
2019	61,758,365	61,758,365	-	282,920,119	21.83%
2018	55,930,269	55,930,269	-	282,488,211	19.80%
2017	48,557,480	48,557,480	-	279,360,816	17.38%

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
2026	$ 2,279,313	$ 2,279,313	-	$ 11,063,542	20.60%
2025	2,140,806	2,140,806	-	10,431,223	20.52%
2024	1,947,812	1,947,812	-	9,522,092	20.46%
2023	1,673,352	1,673,352	-	8,751,668	19.12%
2022	1,488,776	1,488,776	-	8,119,977	18.33%
2021	1,295,723	1,295,723	-	7,495,728	17.29%
2020	1,435,502	1,435,502	-	8,427,441	17.03%
2019	1,397,134	1,397,134	-	8,569,379	16.30%
2018	1,275,284	1,275,284	-	7,928,895	16.08%
2017	1,038,286	1,038,286	-	7,291,336	14.24%

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

South Carolina Retiree Health Insurance Trust Fund (SCRHITF)						
Fiscal year ended	Measurement period	University's Proportion of the Net OPEB Liability	University's Proportionate Share of the Net OPEB Liability	University's Covered Payroll During the Measurement Period	University's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2026	2025	6.000067%	$ 907,106,091	$ 728,744,393	124.48%	11.33%
2025	2024	5.983503%	964,648,510	673,958,954	143.13%	9.91%
2024	2023	5.960461%	780,312,925	614,797,607	126.92%	11.24%
2023	2022	5.973072%	908,614,227	589,814,785	154.05%	9.64%
2022	2021	6.085095%	1,267,110,762	572,159,591	221.46%	7.48%
2021	2020	6.190479%	1,117,472,077	573,447,183	194.87%	8.39%
2020	2019	6.338839%	958,529,395	555,380,041	172.59%	8.44%
2019	2018	6.456708%	914,953,998	548,356,852	166.85%	7.91%
2018	2017	6.339136%	858,625,715	535,242,866	160.42%	7.60%
2017	2016	6.339136%	917,186,333	506,294,863	181.16%	7.60%

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
2026	$ 39,208,738	$ 39,208,738	$ -	$ 768,216,218	5.10%
2025	39,802,224	39,802,224	-	728,744,393	5.46%
2024	42,989,574	42,989,574	-	673,958,954	6.38%
2023	38,650,584	38,650,584	-	614,797,607	6.29%
2022	37,060,640	37,060,640	-	589,814,785	6.28%
2021	35,137,694	35,137,694	-	572,159,591	6.14%
2020	33,341,800	33,341,800	-	573,447,183	5.81%
2019	33,499,169	33,499,169	-	555,380,041	6.03%
2018	29,477,021	29,477,021	-	548,356,852	5.38%
2017	28,528,445	28,528,445	-	535,242,866	5.33%

The SCLTDITF is considered immaterial and is not included in the University financial statements.



Supplementary Information

to the Financial Statements

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UNIVERSITY OF SOUTH CAROLINA
Combining Schedule of Net Position
As of June 30, 2026

	Aiken	Beaufort	Upstate	Columbia and Regionals [1]	University Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 39,999,725	$ 23,243,430	$ 56,651,720	$ 1,121,458,575	$ 1,241,353,450
Restricted - cash and cash equivalents	20,596,280	32,728,355	36,770,548	244,584,607	334,679,790
Accounts receivable, net	1,758,595	395,379	1,583,927	480,666,633	484,404,534
Inventories	-	-	416,321	1,773,585	2,189,906
Prepaid items	-	126,134	-	2,110,658	2,236,792
Funds due from others	-	-	-	1,487,046	1,487,046
Total current assets	62,354,600	56,493,298	95,422,516	1,852,081,104	2,066,351,518
Noncurrent assets:					
Restricted - cash and cash equivalents	278,331	79,000	281,832	88,778,833	89,417,996
Investments	-	-	-	5,507,158	5,507,158
Accounts receivable	-	27,750,000	4,325,000	57,675,431	89,750,431
Prepaid items	-	-	-	1,000,000	1,000,000
Restricted - federal student loans receivable	45,722	-	269,074	3,417,970	3,732,766
Capital assets, net	68,092,333	51,367,868	99,683,333	1,795,890,981	2,015,034,515
Other assets	-	-	-	1,696,864	1,696,864
Total noncurrent assets	68,416,386	79,196,868	104,559,239	1,953,967,237	2,206,139,730
Total assets	130,770,986	135,690,166	199,981,755	3,806,048,341	4,272,491,248
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on debt refunding	744,714	-	1,222,991	9,080,951	11,048,656
Deferred outflows related to net OPEB liability	10,812,491	7,220,966	17,341,057	223,737,195	259,111,709
Deferred outflows related to net pension liability	7,678,093	4,739,803	14,455,028	166,521,274	193,394,198
Total deferred outflows of resources	19,235,298	11,960,769	33,019,076	399,339,420	463,554,563
LIABILITIES					
Current liabilities:					
Accounts payable	1,092,717	111,238	2,222,002	40,100,954	43,526,911
Accrued interest payable	115,927	23,957	215,213	5,096,561	5,451,658
Accrued payroll and related liabilities	1,300,107	820,392	1,523,033	42,517,797	46,161,329
Accrued compensated absences - current portion	1,163,494	985,651	1,771,999	34,369,225	38,290,369
Lease and subscription obligations - current portion	319,498	151,911	1,217,224	26,344,251	28,032,884
Bonds and notes payable - current portion	1,875,144	214,573	2,133,010	32,062,160	36,284,887
Unearned revenues	867,741	815,368	906,559	45,121,166	47,710,834
Deposits	308,493	123,022	5,065	689,718	1,126,298
Other liabilities	1,407	160	2,675	500,611	504,853
Funds held for others	462,886	801,391	25,157	2,695,513	3,984,947
Total current liabilities	7,507,414	4,047,663	10,021,937	229,497,956	251,074,970
Noncurrent liabilities:					
Federal loan liability	74,652	-	373,850	3,976,961	4,425,463
Accrued compensated absences	269,073	225,641	408,292	9,942,987	10,845,993
Lease and subscription obligations	539,059	144,694	1,859,185	34,119,133	36,662,071
Bonds and notes payable	9,790,400	839,002	24,015,998	554,066,408	588,711,808
Net OPEB liability	36,304,312	24,574,425	60,470,691	785,756,663	907,106,091
Net pension liability	43,558,556	23,265,994	78,750,389	805,934,939	951,509,878
Total noncurrent liabilities	90,536,052	49,049,756	165,878,405	2,193,797,091	2,499,261,304
Total liabilities	98,043,466	53,097,419	175,900,342	2,423,295,047	2,750,336,274
DEFERRED INFLOWS OF RESOURCES					
Deferred gain on debt refunding	-	-	598,446	8,714,725	9,313,171
Deferred inflows related to leases	-	-	-	46,611,262	46,611,262
Deferred inflows related to public private partnerships	-	-	-	17,567,609	17,567,609
Deferred inflows related to net OPEB liability	15,579,158	11,123,748	24,382,611	331,847,912	382,933,429
Deferred inflows related to net pension liability	2,653,219	1,453,189	5,249,262	52,528,319	61,883,989
Total deferred inflows of resources	18,232,377	12,576,937	30,230,319	457,269,827	518,309,460
NET POSITION					
Net investment in capital assets	56,208,570	50,002,993	70,457,547	1,142,901,919	1,319,571,029
Restricted for:					
Nonexpendable	267,871	79,000	166,254	91,617,802	92,130,927
Expendable	20,564,812	60,398,366	41,010,508	568,449,008	690,422,694
Unrestricted	(43,310,812)	(28,503,780)	(84,764,139)	(478,145,842)	(634,724,573)
Total net position	**$ 33,730,441**	**$ 81,976,579**	**$ 26,870,170**	**$ 1,324,822,887**	**$ 1,467,400,077**

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

UNIVERSITY OF SOUTH CAROLINA
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the year ended June 30, 2026

	Aiken	Beaufort	Upstate	Columbia and Regionals [1]	University Total
OPERATING REVENUES					
Student tuition and fees	$ 41,347,423	$ 27,026,813	$ 56,206,092	$ 955,354,454	$ 1,079,934,782
Less: scholarship allowance	(20,920,235)	(14,341,680)	(32,359,466)	(355,975,944)	(423,597,325)
Federal grants and contracts	12,473,853	7,610,927	18,496,596	248,975,513	287,556,889
State grants and contracts	11,376,601	6,026,007	15,858,672	155,168,971	188,430,251
Local grants and contracts	-	637,591	21,790	699,130	1,358,511
Nongovernmental grants and contracts	3,000	173,683	428,094	64,987,653	65,592,430
Sales and services of educational and other activities	2,075,899	878,476	3,263,347	34,436,206	40,653,928
Sales and services of auxiliary enterprises	5,398,834	414,963	8,471,743	277,065,954	291,351,494
Less: scholarship allowance	(1,464,164)	-	(1,774,170)	(9,237,462)	(12,475,796)
Other fees	249,901	116,200	349,594	17,074,418	17,790,113
Other operating revenues	318,739	7,498	605,314	2,775,302	3,706,853
Total operating revenues	50,859,851	28,550,478	69,567,606	1,391,324,195	1,540,302,130
OPERATING EXPENSES					
Salaries and wages	35,630,041	24,236,034	49,934,118	769,570,177	879,370,370
Fringe benefits	12,604,897	8,140,418	17,262,188	244,780,740	282,788,243
Services and supplies	19,231,524	8,941,437	24,940,569	480,920,206	534,033,736
Utilities	2,049,065	1,316,119	2,486,992	36,217,580	42,069,756
Scholarships and fellowships	3,734,826	3,675,711	5,833,617	49,761,429	63,005,583
Depreciation and amortization expense	4,126,174	2,386,503	5,245,450	105,971,499	117,729,626
Total operating expenses	77,376,527	48,696,222	105,702,934	1,687,221,631	1,918,997,314
Operating loss	(26,516,676)	(20,145,744)	(36,135,328)	(295,897,436)	(378,695,184)
NONCAPITAL SUBSIDIES					
State appropriations	29,396,694	17,779,828	35,305,796	386,804,624	469,286,942
Local appropriations	115,143	2,870,532	-	1,200,000	4,185,675
Gifts	2,233,057	1,021,836	960,430	78,878,187	83,093,510
Total noncapital subsidies	31,744,894	21,672,196	36,266,226	466,882,811	556,566,127
Operating loss and noncapital subsidies	5,228,218	1,526,452	130,898	170,985,375	177,870,943
OTHER NONOPERATING REVENUES (EXPENSES)					
State capital appropriations	8,350,000	9,250,000	16,000,000	30,514,650	64,114,650
Capital grants and gifts	82,980	26,457	80,007	10,844,124	11,033,568
Investment income (loss)	218,042	102,069	314,798	23,495,156	24,130,065
Endowment income (loss)	18,666	2,551	5,094	5,526,931	5,553,242
Additions to permanent endowments	-	-	-	790,194	790,194
Transfers (to) from other campuses, net	479,306	440,757	436,274	(1,356,337)	-
Loss on disposal of capital assets	(13,978)	(14,529)	(25,791)	(2,619,610)	(2,673,908)
Interest on capital asset related debt	(343,151)	(25,784)	(923,972)	(22,335,566)	(23,628,473)
Net other nonoperating revenues (expenses)	8,791,865	9,781,521	15,886,410	44,859,542	79,319,338
Change in net position	14,020,083	11,307,973	16,017,308	215,844,917	257,190,281
NET POSITION, BEGINNING OF YEAR	19,710,358	70,668,606	10,852,862	1,108,977,970	1,210,209,796
NET POSITION, END OF YEAR	**$ 33,730,441**	**$ 81,976,579**	**$ 26,870,170**	**$ 1,324,822,887**	**$ 1,467,400,077**

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



Statistical Section

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UNIVERSITY OF SOUTH CAROLINA
Statistical Section

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

Financial Trends 92-96

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 97-99

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 100-106

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 107-108

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,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Revenues										
Operating Revenues:										
Student tuition and fees (net of scholarship allowances)	$ 656,337	$ 610,709	$ 580,826	$ 555,057	$ 556,638	$ 571,615	$ 584,675	$ 572,919	$ 552,222	$ 520,904
Federal grants and contracts	287,557	291,210	251,045	229,327	304,371	316,445	211,899	198,343	184,048	157,776
State grants and contracts	188,430	171,699	163,200	160,675	154,184	134,160	127,858	123,753	119,391	123,775
Local grants and contracts	1,359	884	1,286	2,524	1,027	1,221	1,117	1,525	1,163	1,278
Nongovernmental grants and contracts	65,592	55,050	62,344	54,223	68,952	54,234	39,626	47,496	42,396	39,518
Sales and services of educational and other activities	40,654	38,394	36,983	34,599	33,045	22,452	32,717	33,955	30,077	33,535
Sales and services of auxiliary enterprises (net of scholarship allowances)	278,876	251,976	224,677	205,530	189,453	174,981	170,329	186,678	186,207	168,127
Other fees	17,790	16,648	19,129	15,275	13,768	8,419	14,264	13,441	11,569	10,946
Other operating revenues	3,707	3,643	3,467	8,248	6,916	5,371	6,034	7,823	3,395	2,737
Total Operating Revenues	1,540,302	1,440,213	1,342,957	1,265,458	1,328,354	1,288,898	1,188,519	1,185,933	1,130,468	1,058,596
Noncapital Subsidies:										
State and local appropriations	473,472	428,539	431,466	293,184	229,088	206,150	201,725	175,649	163,371	158,735
Gifts	83,094	49,052	59,812	56,075	50,382	31,762	45,065	47,750	55,519	53,891
Total Noncapital Subsidies	556,566	477,591	491,278	349,259	279,470	237,912	246,790	223,399	218,890	212,626
Other Nonoperating Revenues:										
State capital appropriations	64,115	487,675	88,463	114,350	146,998	6,567	20,397	11,069	272	3,153
Capital grants and gifts	11,034	4,692	50,597	9,112	6,786	6,241	8,710	20,184	27,070	14,717
Investment income (loss)	24,130	36,095	19,981	10,693	(15,730)	5,809	11,944	11,260	4,184	2,533
Endowment income (loss)	5,552	7,674	4,406	142	(17,498)	(939)	14,611	13,550	(180)	2,897
Additions to permanent endowments	790	60	4,437	254	424	1,643	53	477	3,567	2,000
Gain on disposal of capital assets	-	-	-	-	-	1,568	-	587	-	-
Total Other Nonoperating Revenues	105,621	536,196	167,884	134,551	120,980	20,889	55,715	57,127	34,913	25,300
Total Revenues	**$ 2,202,489**	**$ 2,454,000**	**$ 2,002,119**	**$ 1,749,268**	**$ 1,728,804**	**$ 1,547,699**	**$ 1,491,024**	**$ 1,466,459**	**$ 1,384,271**	**$ 1,296,522**

Source: University of South Carolina Financial Statements

Certain prior-year amounts have been reclassified to conform with the presentation adopted under GASB Statement No. 103. These reclassifications had no effect on previously reported changes in net position or net position.

UNIVERSITY OF SOUTH CAROLINA
Schedule of Revenues By Source

(percent of total revenues)

For the Year Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Revenues										
Operating Revenues:										
Student tuition and fees (net of scholarship allowances)	30%	25%	29%	32%	32%	37%	40%	39%	41%	40%
Federal grants and contracts	13%	12%	13%	13%	18%	20%	14%	14%	13%	12%
State grants and contracts	9%	7%	8%	9%	9%	9%	9%	8%	9%	10%
Local grants and contracts	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Nongovernmental grants and contracts	3%	2%	3%	3%	4%	4%	3%	3%	3%	3%
Sales and services of educational and other activities	2%	2%	2%	2%	2%	1%	2%	2%	2%	3%
Sales and services of auxiliary enterprises (net of scholarship allowances)	13%	10%	11%	12%	11%	11%	11%	13%	13%	13%
Other fees	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Other operating revenues	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%
Total Operating Revenues	71%	59%	67%	72%	77%	83%	80%	81%	82%	82%
Noncapital Subsidies:										
State appropriations	20%	17%	22%	17%	13%	13%	14%	12%	12%	12%
Gifts	4%	2%	3%	3%	3%	2%	3%	3%	4%	4%
Total Noncapital Subsidies	24%	19%	25%	20%	16%	15%	17%	15%	16%	16%
Other Nonoperating Revenues:										
State capital appropriations	3%	20%	4%	7%	9%	0%	1%	1%	0%	0%
Capital grants and gifts	1%	0%	3%	1%	0%	0%	1%	1%	2%	1%
Investment income (loss)	1%	1%	1%	1%	-1%	0%	1%	1%	0%	0%
Endowment income (loss)	0%	0%	0%	0%	-1%	0%	1%	1%	0%	0%
Additions to permanent endowments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Gain on disposal of capital assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Other Nonoperating Revenues	5%	22%	8%	8%	7%	1%	4%	4%	3%	2%
Total Revenues	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: University of South Carolina Financial Statements

Certain prior-year amounts have been reclassified to conform with the presentation adopted under GASB Statement No. 103. These reclassifications had no effect on previously reported changes in net position or net position.

UNIVERSITY OF SOUTH CAROLINA
Schedule of Expenses By Use

(amounts expressed in thousands)

For the Year Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Expenses										
Salaries and fringe benefits	$ 1,162,158	$ 1,140,059	$ 1,031,392	$ 968,875	$ 952,574	$ 983,888	$ 949,028	$ 896,681	$ 857,594	$ 820,418
Services and supplies	534,034	470,588	443,503	406,767	391,910	305,116	339,933	344,703	311,223	292,965
Utilities	42,070	40,197	40,227	37,118	35,410	29,561	29,955	31,069	37,641	34,715
Scholarships and fellowships	63,005	59,993	48,806	43,802	91,560	58,983	51,310	34,130	29,604	28,177
Depreciation and amortization	117,730	108,518	118,545	93,689	85,718	79,124	77,438	71,611	68,990	65,473
Total Operating Expenses	1,918,997	1,819,355	1,682,473	1,550,251	1,557,172	1,456,672	1,447,664	1,378,194	1,305,052	1,241,748
Loss on disposal of capital assets	2,674	6,722	5,276	1,266	421	-	928	-	2,258	12,489
Interest on capital asset related debt	23,628	26,164	27,364	26,701	26,243	12,871	14,859	14,517	15,662	18,691
Total Nonoperating Expenses	26,302	32,886	32,640	27,967	26,664	12,871	15,787	14,517	17,920	31,180
Total Expenses	**$ 1,945,299**	**$ 1,852,241**	**$ 1,715,113**	**$ 1,578,218**	**$ 1,583,836**	**$ 1,469,543**	**$ 1,463,451**	**$ 1,392,711**	**$ 1,322,972**	**$ 1,272,928**

(percent of total expenses)

For the Year Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Expenses										
Salaries and fringe benefits	60%	62%	60%	61%	60%	67%	65%	65%	65%	64%
Services and supplies	27%	25%	26%	26%	25%	21%	23%	25%	24%	23%
Utilities	2%	2%	2%	2%	2%	2%	2%	2%	3%	3%
Scholarships and fellowships	4%	4%	3%	3%	6%	4%	4%	2%	2%	2%
Depreciation and amortization	6%	6%	7%	6%	5%	5%	5%	5%	5%	5%
Total Operating Expenses	99%	99%	98%	98%	98%	99%	99%	99%	99%	97%
Loss on disposal of capital assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Interest on capital asset related debt	1%	1%	2%	2%	2%	1%	1%	1%	1%	2%
Total Nonoperating Expenses	1%	1%	2%	2%	2%	1%	1%	1%	1%	3%
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,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Expenses										
Instruction	$ 618,733	$ 587,269	$ 563,004	$ 518,896	$ 490,524	$ 454,054	$ 466,159	$ 458,854	$ 450,545	$ 433,832
Research	196,476	197,959	186,458	164,334	150,321	137,096	137,550	145,706	131,526	134,846
Public service	101,515	98,680	94,382	78,335	78,648	80,820	72,951	59,528	65,851	63,819
Academic support	142,755	140,549	128,346	124,155	114,380	108,678	114,668	100,798	92,241	89,217
Student services	130,498	119,341	105,169	95,751	84,782	73,130	81,230	81,363	76,840	75,956
Institutional support	162,745	135,324	130,591	120,470	111,374	89,269	93,853	87,384	99,244	94,108
Operation and plant maintenance	156,110	139,844	128,608	118,715	121,604	106,374	110,938	108,980	126,394	119,293
Auxiliary enterprises	283,243	246,692	223,681	194,376	183,570	163,930	163,825	167,468	166,188	139,660
Hospital services	5,156	-	-	-	-	-	-	-	-	-
Scholarships and fellowships	59,921	55,672	43,540	38,377	81,837	55,531	48,087	30,578	27,233	25,544
Depreciation and amortization	117,730	108,518	118,545	93,689	85,718	79,124	77,438	71,611	68,990	65,473
Loss on disposal of capital assets	2,674	6,722	5,276	1,266	421	-	928	-	2,258	12,489
Interest on capital debt	23,628	26,164	27,364	26,701	26,243	12,871	14,859	14,517	15,662	18,691
Pension and OPEB expense	(55,885)	(10,493)	(39,851)	3,153	54,414	108,666	80,965	65,924	-	-
Total Expenses	**$ 1,945,299**	**$ 1,852,241**	**$ 1,715,113**	**$ 1,578,218**	**$ 1,583,836**	**$ 1,469,543**	**$ 1,463,451**	**$ 1,392,711**	**$ 1,322,972**	**$ 1,272,928**

(percent of total expenses)

For the Year Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Expenses										
Instruction	32%	32%	33%	33%	31%	31%	32%	34%	34%	34%
Research	10%	11%	11%	10%	10%	10%	9%	10%	10%	11%
Public service	5%	5%	5%	5%	5%	5%	5%	4%	5%	5%
Academic support	7%	8%	7%	8%	7%	8%	8%	7%	7%	7%
Student services	7%	6%	6%	6%	5%	5%	6%	6%	6%	6%
Institutional support	8%	7%	8%	8%	7%	6%	6%	6%	7%	7%
Operation and plant maintenance	8%	8%	7%	8%	8%	7%	8%	8%	10%	9%
Auxiliary enterprises	15%	13%	13%	12%	12%	11%	11%	12%	13%	11%
Hospital services	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Scholarships and fellowships	3%	4%	3%	2%	5%	4%	3%	2%	2%	3%
Depreciation and amortization	6%	6%	7%	6%	5%	5%	5%	5%	5%	5%
Loss on disposal of capital assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Interest on capital debt	1%	1%	2%	2%	2%	1%	1%	1%	1%	1%
Pension and OPEB expense	-3%	-1%	-2%	0%	3%	7%	6%	5%	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,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total revenues (from schedule of revenues by source)	$ 2,202,489	$ 2,454,000	$ 2,002,119	$ 1,749,268	$ 1,728,804	$ 1,547,699	$ 1,491,024	$ 1,466,459	$ 1,384,271	$ 1,296,522
Total expenses (from schedule of expenses by use and function)	(1,945,299)	(1,852,241)	(1,715,113)	(1,578,218)	(1,583,836)	(1,469,543)	(1,463,451)	(1,392,711)	(1,322,972)	(1,272,928)
Total changes in net position	257,190	601,759	287,006	171,050	144,968	78,156	27,573	73,748	61,299	23,594
Net position, beginning, as originally stated	1,210,210	608,451	321,445	150,395	5,427	(72,729)	(100,302)	(174,050)	695,371	671,777
Restatement	-	-	-	-	-	-	-	-	(930,720)	-
Net position, beginning, as restated	1,210,210	608,451	321,445	150,395	5,427	(72,729)	(100,302)	(174,050)	(235,349)	671,777
Net Position, Ending	**1,467,400**	**1,210,210**	**608,451**	**321,445**	**150,395**	**5,427**	**(72,729)**	**(100,302)**	**(174,050)**	**695,371**
Net investment in capital assets	1,319,571	1,004,668	898,035	844,709	854,603	879,382	869,496	855,079	817,715	776,825
Restricted - nonexpendable	92,131	90,917	91,292	87,653	87,255	87,801	85,738	86,795	85,425	84,984
Restricted - expendable	690,423	1,084,875	563,920	446,306	309,704	240,046	160,681	168,324	135,216	132,300
Unrestricted	(634,725)	(970,250)	(944,796)	(1,057,223)	(1,101,167)	(1,201,802)	(1,188,644)	(1,210,500)	(1,212,406)	(298,738)
Total	**$ 1,467,400**	**$ 1,210,210**	**$ 608,451**	**$ 321,445**	**$ 150,395**	**$ 5,427**	**$ (72,729)**	**$ (100,302)**	**$ (174,050)**	**$ 695,371**

Source: University of South Carolina Financial Statements

Certain prior-year amounts have been reclassified to conform with the presentation adopted under GASB Statement No. 103. These reclassifications had no effect on previously reported changes in net position or net position.

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,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
State institution bonds	$ 72,815	$ 83,730	$ 94,085	$ 104,385	$ 115,320	$ 128,040	$ 143,020	$ 154,920	$ 166,955	$ 138,660
Revenue bonds	309,375	324,900	340,650	358,200	369,800	390,310	221,260	232,150	242,540	254,820
Athletic facilities revenue bonds	147,240	153,235	158,880	164,250	169,360	162,830	167,545	173,600	178,200	186,280
Subtotal Bonds Payable	529,430	561,865	593,615	626,835	654,480	681,180	531,825	560,670	587,695	579,760
Unamortized bond premiums	95,424	102,206	107,266	111,654	116,903	116,798	71,820	76,579	80,114	67,828
Unamortized bond discounts	-	-	-	-	-	(142)	(155)	(168)	(180)	(542)
Total Bonds Payable	624,854	664,071	700,881	738,489	771,383	797,836	603,490	637,081	667,629	647,046
Notes payable	142	188	233	277	320	362	403	493	98	144
Lease obligations	35,238	43,724	27,333	32,250	39,312	1,828	1,395	976	743	396
Subscription obligations	29,457	26,294	10,999	9,639	-	-	-	-	-	-
Total Outstanding Debt	**$ 689,691**	**$ 734,277**	**$ 739,445**	**$ 780,655**	**$ 811,015**	**$ 800,025**	**$ 605,288**	**$ 638,551**	**$ 668,470**	**$ 647,586**
Full Time Equivalent Students	52,726	49,853	47,242	45,552	45,633	46,568	46,727	46,067	45,641	44,646
Outstanding Debt per Student	$ 13,081	$ 14,729	$ 15,652	$ 17,138	$ 17,773	$ 17,180	$ 12,954	$ 13,861	$ 14,646	$ 14,505

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

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

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

State Institution Bonds

Fiscal Year Ended June 30,	Tuition Fees [1]	Debt Service Requirements			Tuition Fees Coverage Ratio
		Principal	Interest	Total	
2026	$ 39,046	$ 10,915	$ 3,232	14,147	2.76
2025	37,454	10,355	3,749	14,104	2.66
2024	34,760	10,300	4,252	14,552	2.39
2023	34,694	10,935	4,766	15,701	2.21
2022	34,713	12,720	5,402	18,122	1.92
2021	35,404	12,335	5,878	18,213	1.94
2020	35,492	11,900	6,588	18,488	1.92
2019	35,092	11,390	7,178	18,568	1.89
2018	34,643	11,155	7,296	18,451	1.88
2017	32,251	9,330	6,351	15,681	2.06

Higher Education Revenue Bonds

Fiscal Year Ended June 30,	Revenues [2]	Operating Expenses	Net Revenues [2]	Additional Funds [2]	Debt Service Requirements			Net Revenues Coverage Ratio	Total Net Revenues and Additional Funds Coverage Ratio
					Principal	Interest	Total		
2026	$ 121,886	$ 72,719	$ 49,167	$ 1,131,866	$ 12,925	$ 13,721	$ 26,646	1.85	44.32
2025	110,376	68,904	41,472	1,060,637	13,270	14,243	27,513	1.51	40.06
2024	100,714	62,621	38,093	1,003,886	13,005	14,542	27,547	1.38	37.83
2023	84,050	55,768	28,282	965,506	9,355	15,225	24,580	1.15	40.43
2022	81,349	50,316	31,033	968,477	9,040	14,178	23,218	1.34	43.05
2021	81,129	50,489	30,640	922,987	8,610	8,150	16,760	1.83	56.90
2020	65,137	47,964	17,173	978,757	8,615	8,574	17,189	1.00	57.94
2019	77,112	48,166	28,946	956,441	8,225	8,964	17,189	1.68	57.33
2018	76,569	47,171	29,398	919,152	8,455	8,947	17,402	1.69	54.51
2017	66,662	41,752	24,910	861,199	7,560	8,957	16,517	1.51	53.65

Special Higher Education Revenue Bonds

Fiscal Year Ended June 30,	Revenues [3]	Additional Funds	Pledged Revenues [3]	Debt Service Requirements			Pledged Revenues Coverage Ratio
				Principal [4]	Interest	Total	
2026	$ 85,410	$ 1,046,456	$ 1,131,866	$ 2,600	$ 1,636	$ 4,236	267.20
2025	73,596	987,041	1,060,637	2,480	1,760	4,240	250.15
2024	93,255	910,631	1,003,886	2,360	1,878	4,238	236.88
2023	78,256	887,250	965,506	2,245	1,990	4,235	227.98
2022	87,005	881,472	968,477	-	1,509	1,509	641.80
2021	54,441	868,546	922,987	2,385	2,574	4,959	186.12
2020	69,205	909,552	978,757	2,275	2,688	4,963	197.21
2019	72,521	883,920	956,441	2,165	2,796	4,961	192.79
2018	76,196	842,956	919,152	2,080	2,879	4,959	185.35
2017	68,844	792,355	861,199	2,000	2,959	4,959	173.66

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

[1] "Tuition Fees" as defined at Section 59-107-30 of the Code of Laws of South Carolina 1976, as amended.

[2] Such terms have the meaning given thereto in that bond resolution adopted by the Board of Trustees of the University on June 21, 1996, as amended.

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

[4] Interest payments only in fiscal year 2022 due to bond refunding.

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	Total	
2026	$ 218,029	$ 212,507	$ 5,522	$ 2,429	$ 6,824	$ 56	$ 14,831	$ 5,995	$ 7,139	$ 13,134	1.13
2025	195,231	190,010	5,221	2,364	6,730	58	14,373	5,645	7,421	13,066	1.10
2024	176,505	170,968	5,537	2,233	6,543	86	14,399	5,370	7,690	13,060	1.10
2023	157,720	149,053	8,667	2,171	6,132	38	17,008	5,110	7,946	13,056	1.30
2022	138,861	132,654	6,207	2,128	5,621	86	14,042	4,660	7,171	11,831	1.19
2021	147,774	117,880	29,894	2,127	769	141	32,931	4,715	7,666	12,381	2.66
2020	127,854	119,804	8,050	2,173	6,557	197	16,977	4,810	7,953	12,763	1.33
2019	137,088	123,745	13,343	1,920	5,804	141	21,208	4,600	8,157	12,757	1.66
2018	137,383	122,376	15,007	1,862	3,929	219	21,016	4,475	7,665	12,140	1.73
2017	132,343	118,671	13,672	1,778	3,832	1,496	20,778	3,675	6,694	10,369	2.00

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,	2026	2025	2024	2023	2022	2021 [5]	2020	2019	2018	2017
Assignable Area By Room Use/Function Use Codes [1]										
Classrooms	455,153	433,574	432,392	430,576	423,739	418,397	422,597	422,677	437,814	438,912
Laboratories	1,273,119	1,228,425	1,246,757	1,240,319	1,235,789	1,215,833	1,208,067	1,157,861	1,117,807	1,107,059
Office, Support and Other	4,492,313	4,333,611	4,286,216	4,281,452	4,367,168	4,477,828	4,484,830	4,438,727	4,393,442	4,437,706
Auxiliary Services	4,703,305	4,641,985	4,621,154	3,857,697	3,846,362	3,786,353	3,829,258	3,823,662	3,784,269	4,158,803
Total Assignable Square Feet	10,923,890	10,637,595	10,586,519	9,810,044	9,873,058	9,898,411	9,944,752	9,842,927	9,733,332	10,142,480
Student Housing [2]										
Traditional Residence Hall Beds	1,665	1,583	1,523	1,200	1,172	1,172	1,171	1,338	1,170	1,172
Suite-Style Hall Beds	4,374	4,457	4,318	3,208	3,113	3,113	3,110	3,015	3,122	3,111
Apartments and Apartment-Style Hall Beds	3,802	3,531	3,482	3,987	3,392	3,406	2,961	2,977	3,100	2,351
Units available	9,841	9,571	9,323	8,395	7,677	7,691	7,242	7,330	7,392	6,634
Units in use	9,732	8,728	8,811	8,332	7,344	6,093	7,206	7,283	7,302	6,573
Percent occupancy	98.9%	91.2%	94.5%	99.2%	95.7%	79.2%	99.5%	99.4%	98.8%	99.1%
Dining Facilities [3]										
Locations	41	34	35	32	38	36	36	33	31	27
Average daily customers	18,206	16,921	15,452	13,703	11,277	9,117	19,481	19,476	18,719	18,664
Parking Facilities [4]										
Parking spaces available	17,590	17,812	16,411	15,015	13,589	12,084	12,330	11,595	11,595	11,595
Parking permits issued to students	15,929	13,727	11,714	12,587	13,729	9,884	15,428	13,140	12,608	14,211
Parking permits issued to faculty/staff	5,479	5,221	4,801	4,965	4,054	5,473	7,602	5,897	5,925	6,192

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

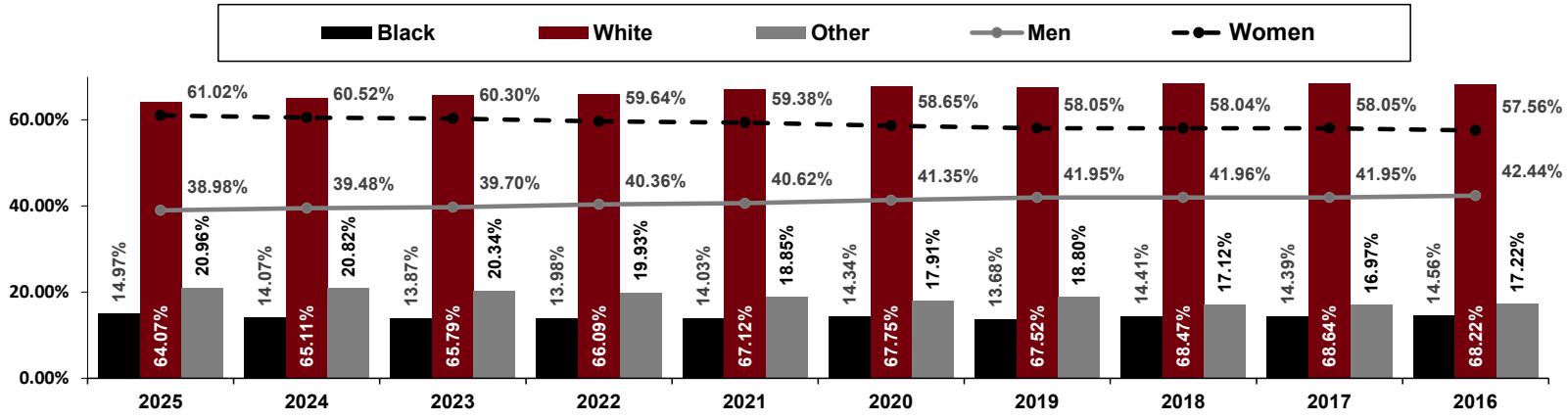
Sources: University Housing, University Facilities, and University Parking and Transportation Services

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

USC System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Undergraduate and Graduate FTE	52,726	49,853	47,242	45,552	45,633	46,568	46,727	46,067	45,641	44,646
Undergraduate and Graduate Head Count	58,906	56,167	53,455	51,409	51,853	52,604	52,633	51,439	51,130	50,099
Percentage of Men	38.98%	39.48%	39.70%	40.36%	40.62%	41.35%	41.95%	41.96%	41.95%	42.44%
Percentage of Women	61.02%	60.52%	60.30%	59.64%	59.38%	58.65%	58.05%	58.04%	58.05%	57.56%
Percentage of White	64.07%	65.11%	65.79%	66.09%	67.12%	67.75%	67.52%	68.47%	68.64%	68.22%
Percentage of African American or Black	14.97%	14.07%	13.87%	13.98%	14.03%	14.34%	13.68%	14.41%	14.39%	14.56%
Percentage of Other Race and Not Reported	20.96%	20.82%	20.34%	19.93%	18.85%	17.91%	18.80%	17.12%	16.97%	17.22%

Enrollment - Undergraduate and Graduate Headcount



USC Columbia (including the SOMs)

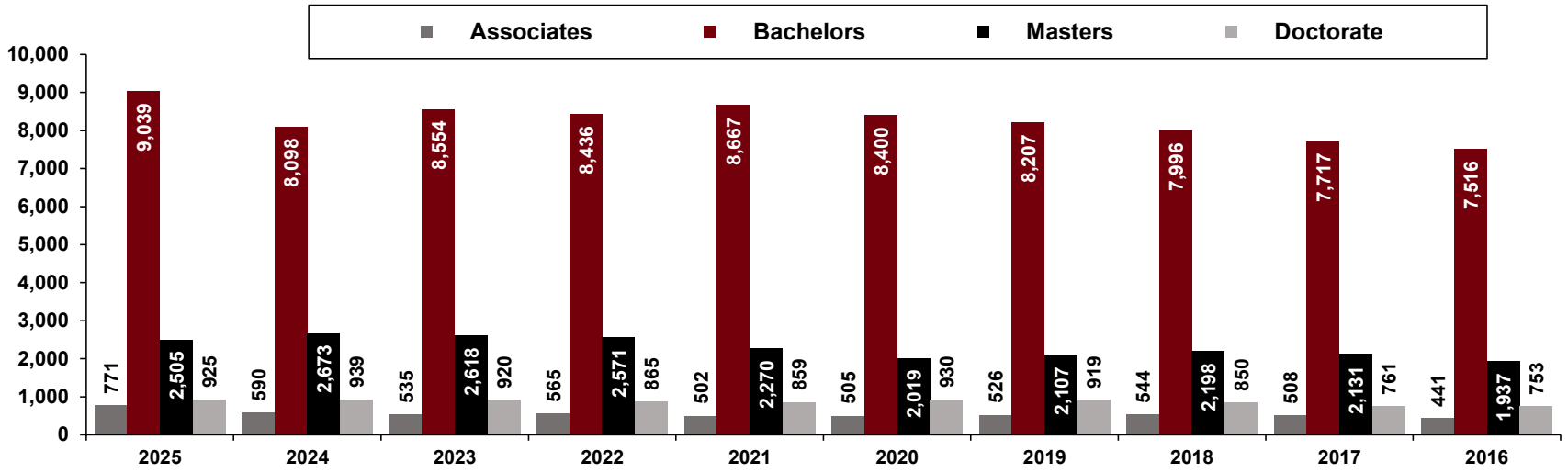
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Undergraduate and Graduate FTE	38,581	36,605	34,692	33,468	33,065	33,394	33,288	32,636	32,426	31,774
Undergraduate and Graduate Head Count	40,328	38,503	36,538	35,590	35,388	35,468	35,364	34,795	34,731	34,099
Percentage of Men	39.57%	40.13%	40.99%	42.25%	43.07%	44.45%	44.88%	45.08%	44.58%	45.02%
Percentage of Women	60.43%	59.87%	59.01%	57.75%	56.93%	55.55%	55.12%	54.92%	55.42%	54.98%
Percentage of White	67.78%	68.86%	69.68%	69.67%	70.94%	72.04%	72.79%	73.39%	73.39%	73.84%
Percentage of African American or Black	11.37%	10.43%	10.08%	10.01%	9.56%	9.56%	8.81%	9.10%	9.40%	10.05%
Percentage of Other Race and Not Reported	20.85%	20.71%	20.24%	20.32%	19.50%	18.40%	18.40%	17.51%	17.21%	16.11%

Source: Office of Institutional Research, Assessment and Analytics

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

USC System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Associates	771	590	535	565	502	505	526	544	508	441
Bachelors	9,039	8,098	8,554	8,436	8,667	8,400	8,207	7,996	7,717	7,516
Masters	2,505	2,673	2,618	2,571	2,270	2,019	2,107	2,198	2,131	1,937
Doctorate	925	939	920	865	859	930	919	850	761	753
Total Degrees Awarded	**13,240**	**12,300**	**12,627**	**12,437**	**12,298**	**11,854**	**11,759**	**11,588**	**11,117**	**10,647**



USC Columbia (including the SOMs)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Associates	-	-	-	1	-	4	-	2	6	3
Bachelors	7,012	6,091	6,545	6,350	6,522	6,154	6,039	5,868	5,675	5,529
Masters	2,139	2,200	2,254	2,062	2,047	1,927	2,048	2,158	2,094	1,910
Doctorate	925	939	920	865	859	930	919	850	761	753
Total Degrees Awarded	**10,076**	**9,230**	**9,719**	**9,278**	**9,428**	**9,015**	**9,006**	**8,878**	**8,536**	**8,195**

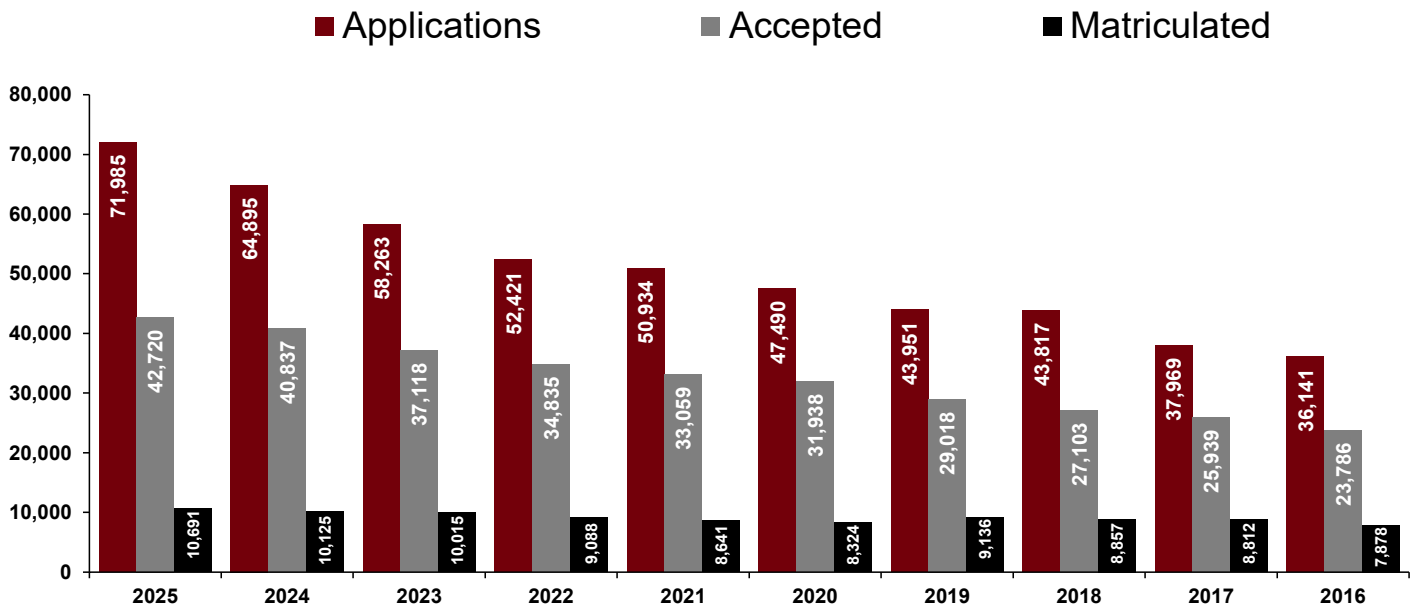
Source: Office of Institutional Research, Assessment and Analytics

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

USC System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Number of Applications Received	71,985	64,895	58,263	52,421	50,934	47,490	43,951	43,817	37,969	36,141
Number of Acceptances	42,720	40,837	37,118	34,835	33,059	31,938	29,018	27,103	25,939	23,786
Number of Students Matriculated	10,691	10,125	10,015	9,088	8,641	8,324	9,136	8,857	8,812	7,878
Accepted as a Percentage of Applicants	59.35%	62.93%	63.71%	66.45%	64.91%	67.25%	66.02%	61.85%	68.32%	65.81%
Enrolled as a Percentage of Accepted	25.03%	24.79%	26.98%	26.09%	26.14%	26.06%	31.48%	32.68%	33.97%	33.12%

Admissions - USC System Applied, Accepted and Matriculated



USC Columbia

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Number of Applications Received	59,640	52,231	46,693	42,193	42,055	34,995	31,268	30,889	26,019	25,057
Number of Acceptances	33,702	31,548	28,714	27,026	25,893	23,893	21,464	19,480	18,811	17,073
Number of Students Matriculated	7,818	7,273	7,319	6,574	6,179	5,742	6,286	5,854	5,880	5,110
Accepted as a Percentage of Applicants	56.51%	60.40%	61.50%	64.05%	61.57%	68.28%	68.65%	63.06%	72.30%	68.14%
Enrolled as a Percentage of Accepted	23.20%	23.05%	25.49%	24.32%	23.86%	24.03%	29.29%	30.05%	31.26%	29.93%
Median Combined SAT Score	1,280	1,270	1,280	1,280	1,250	1,241	1,270	1,275	1,254	1,215
South Carolina Average SAT Score	1,009	1,008	1,020	1,023	1,028	1,019	1,070	1,064	1,085	987

Source: Admissions Office

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

USC System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Faculty [1]										
Number of FTE Faculty	2,852	2,781	2,737	2,708	2,655	2,683	2,731	2,674	2,698	2,778
Number of Full-time Faculty	2,473	2,405	2,345	2,338	2,276	2,304	2,309	2,267	2,305	2,310
Number of Part-time Faculty	1,137	1,129	1,172	1,113	1,140	1,132	1,270	1,222	1,179	1,404
Number of Tenured Faculty	1,576	1,557	1,536	1,561	1,533	1,564	1,507	1,517	1,565	1,525
Tenure Ratio (%) Full-time	64%	65%	66%	67%	67%	68%	65%	67%	68%	66%
Total Employees [2]										
Full-time FTE Position	6,752	6,575	6,390	6,179	6,096	6,286	6,411	6,285	6,263	6,267
Part-time FTE Position	64	62	50	54	58	65	68	71	73	71
Temporary	3,037	3,008	3,034	3,006	2,990	3,014	3,539	3,502	3,641	3,576
Research Grant	812	875	797	749	744	743	731	792	836	822
Students	7,823	7,848	7,573	7,047	6,327	5,699	7,702	7,902	7,462	7,256
Total Employees	**18,488**	**18,368**	**17,844**	**17,035**	**16,215**	**15,807**	**18,451**	**18,552**	**18,275**	**17,992**
Students per FTE										
Faculty	18.49	17.93	17.26	16.82	17.19	17.36	17.11	17.23	16.92	16.07
Full-time Employees	7.81	7.58	7.39	7.37	7.49	7.41	7.29	7.33	7.29	7.12

USC Columbia (including the SOMs)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Faculty [1]										
Number of FTE Faculty	2,071	2,012	1,979	1,943	1,894	1,903	1,911	1,886	1,914	1,999
Number of Full-time Faculty	1,873	1,806	1,753	1,737	1,675	1,693	1,689	1,667	1,701	1,707
Number of Part-time Faculty	594	619	679	618	657	631	665	658	640	877
Number of Tenured Faculty	1,156	1,133	1,114	1,126	1,102	1,126	1,111	1,092	1,113	1,105
Tenure Ratio (%) Full-time	62%	63%	64%	65%	66%	67%	66%	66%	65%	65%
Average Faculty Salary	$113,482	$111,918	$109,171	$103,780	$102,889	$98,857	$96,362	$97,074	$96,576	$95,825
Total Employees [2]										
Full-time FTE Position	5,309	5,164	5,003	4,835	4,731	4,907	5,027	4,959	4,932	4,941
Part-time FTE Position	58	56	43	46	53	55	57	58	67	66
Temporary	2,066	2,064	2,132	2,088	2,074	2,089	2,451	2,450	2,619	2,573
Research Grant	785	834	761	724	719	720	706	763	802	787
Students	6,604	6,641	6,421	6,046	5,474	4,946	6,583	6,732	6,296	6,126
Total Employees	**14,822**	**14,759**	**14,360**	**13,739**	**13,051**	**12,717**	**14,824**	**14,962**	**14,716**	**14,493**
Students per FTE										
Faculty	18.63	18.19	17.53	17.22	17.46	17.55	17.42	17.30	16.94	15.89
Full-time Employees	7.27	7.09	6.93	6.92	6.99	6.81	6.62	6.58	6.57	6.43

Notes:

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

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

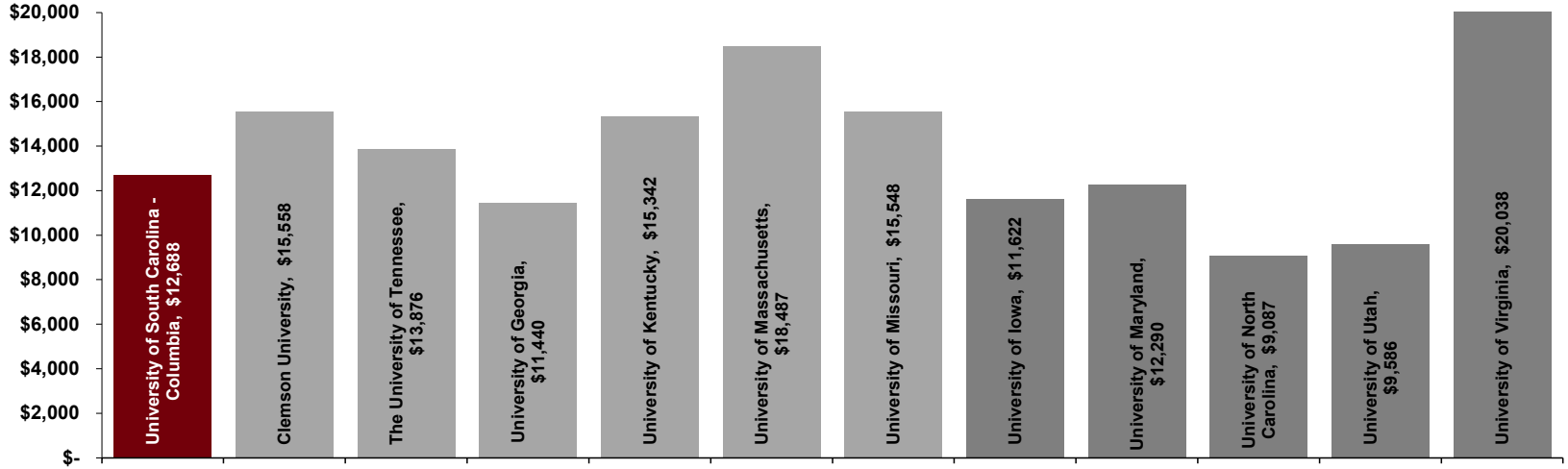
(3) Average Faculty Salary is based on Full-Time, Non-Medical School Instructional Faculty

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,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Undergraduate Resident										
University of South Carolina - Columbia	$ 12,688	$ 12,688	$ 12,688	$ 12,688	$ 12,688	$ 12,688	$ 12,688	$ 12,616	$ 12,262	$ 11,854
Peer Institutions										
Clemson University	15,558	15,558	15,558	15,558	15,558	15,558	15,558	14,970	14,712	14,318
The University of Tennessee	13,876	13,812	13,484	13,244	13,244	13,264	13,264	13,006	12,970	12,724
University of Georgia	11,440	11,440	11,180	12,080	12,080	12,080	12,080	11,830	11,818	11,634
University of Kentucky	15,342	13,502	13,212	12,859	12,610	12,484	12,360	12,245	11,942	11,484
University of Massachusetts	18,487	17,772	17,357	16,952	16,439	16,439	16,389	15,887	15,411	14,971
University of Missouri	15,548	14,830	14,122	11,603	11,475	10,723	10,477	9,972	11,008	10,716
Peer-Aspirant Institutions										
University of Iowa	11,622	11,283	10,964	10,353	9,942	9,606	9,606	9,267	8,965	8,575
University of Maryland	12,290	11,809	11,505	11,233	10,955	10,779	10,779	10,595	10,399	10,181
University of North Carolina	9,087	8,994	8,751	8,751	8,790	8,790	8,750	8,987	8,989	8,834
University of Utah	9,586	9,586	9,400	9,002	8,893	8,615	8,615	9,222	8,884	8,518
University of Virginia	20,038	19,414	18,808	18,228	17,410	17,296	17,266	16,734	16,068	15,714

Undergraduate Tuition and Fees - Resident

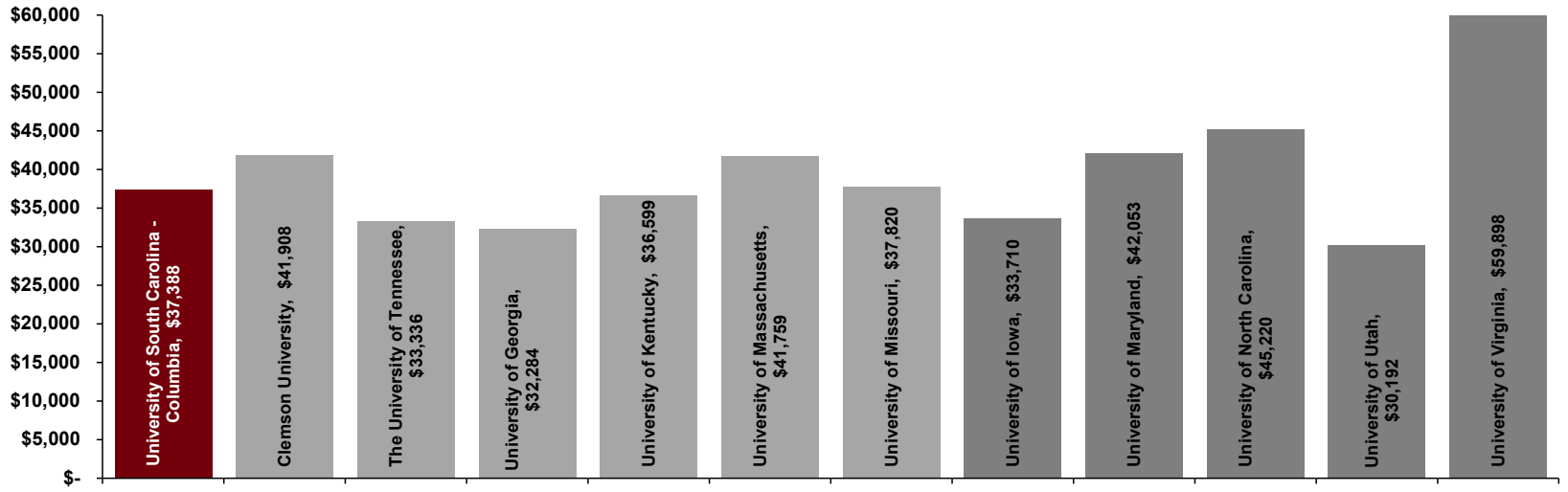


Source: Institutional websites and direct contact

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

For the Year Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Undergraduate Nonresident										
University of South Carolina - Columbia	$ 37,388	$ 36,298	$ 34,934	$ 33,928	$ 33,928	$ 33,928	$ 33,928	$ 33,298	$ 32,362	$ 31,282
Peer Institutions										
Clemson University	41,908	40,687	39,502	39,502	39,502	38,550	38,550	36,724	35,654	32,800
The University of Tennessee	33,336	33,256	31,974	31,664	31,664	31,684	31,684	31,426	31,390	31,144
University of Georgia	32,284	31,678	30,220	31,120	31,120	31,120	31,120	30,404	30,392	29,844
University of Kentucky	36,599	34,140	33,406	32,276	31,608	31,294	30,680	29,099	28,046	26,334
University of Massachusetts	41,759	39,293	39,293	38,171	36,964	36,427	35,710	34,570	33,477	32,204
University of Missouri	37,820	36,040	34,322	31,940	31,734	29,005	28,348	27,042	26,596	25,998
Peer-Aspirant Institutions										
University of Iowa	33,710	33,371	32,927	32,316	31,905	31,569	31,569	31,233	30,609	28,813
University of Maryland	42,053	41,186	40,306	39,469	38,638	36,891	36,891	35,216	33,606	32,045
University of North Carolina	45,220	41,203	39,092	37,312	36,653	36,653	35,929	35,170	34,588	33,916
University of Utah	30,192	30,192	31,104	30,488	28,345	27,220	27,220	29,215	28,127	27,039
University of Virginia	59,898	58,134	56,420	54,380	51,940	51,826	50,184	48,458	46,546	45,058

Undergraduate Tuition and Fees - Nonresident



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)
2025	$ 351,926,000	5,570,274	$ 63,179	4.5%
2024	328,701,700	5,478,831	59,995	4.1%
2023	301,581,100	5,373,555	56,123	3.0%
2022	281,668,100	5,282,634	53,320	3.2%
2021	270,299,200	5,190,705	52,074	4.0%
2020	247,868,500	5,218,040	47,502	6.2%
2019	233,308,300	5,148,714	45,314	2.8%
2018	217,275,600	5,084,127	42,736	3.4%
2017	203,088,000	5,024,369	40,421	4.3%
2016	198,762,651	4,987,575	39,852	4.8%

(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

2025	2016
BMW Manufacturing Corp.	Bi-Lo, LLC
Food Lion, LLC	Greenville Hospital System
Medical University of South Carolina	Michelin North America, Inc.
Michelin North America, Inc.	Palmetto Health Alliance, Inc.
PRISMA Health Upstate	Publix Super Markets, Inc.
Publix Super Markets, Inc.	School District of Greenville County
School District of Greenville County	U.S. Department of Defense
Spartanburg Regional Medical Center	U.S. Postal Service
U.S. Department of Defense	University of South Carolina
Wal-Mart Associates, Inc.	Wal-Mart Associates, Inc.

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 Annual Comprehensive Report is also available on the University of South Carolina's Financial Reporting website located at:
https://sc.edu/about/offices_and_divisions/controller/financial_reporting/financial_statements/index.php

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.

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