LANDER UNIVERSITY

A Component Unit of the State of South Carolina

Financial Report

(In Accordance with the Requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*)

June 30, 2024

BROWN EDWARDS
certified public accountants

Lander University

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Independent Auditor's Report on Financial Statements and on the Supplemental Schedule of Expenditures of Federal Awards Issued in a Single Audit

The Board of Trustees
Lander University
Greenwood, South Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Lander University (the "University"), a component unit of the State of South Carolina, which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lander University as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lander University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Lander University's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Lander University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lander University's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the University's Proportionate Share of the Net Pension Liability, the Schedule of the University's Contributions – Pension Plan, the Schedule of Changes in the University's Net OPEB Liability and Related Ratios, and the Schedule of University Contributions – OPEB Plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule Reconciling State Appropriations per the Financial Statements to State Appropriations Recorded in State Accounting Records and the Schedule of Tuition and Fees are presented for purposes of additional analysis as required by the State of South Carolina Office of the Comptroller General but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2025, on our consideration of Lander University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lander University's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
February 17, 2025

Lander University

Management's Discussion and Analysis

Management's Discussion and Analysis provides an overview and analysis of Lander University's financial activities for the fiscal year ended June 30, 2024, with comparative information for the fiscal year ended June 30, 2023. Management has prepared the discussion and analysis to be read in conjunction with the financial statements and accompanying notes to the financial statements. The financial reporting entity for the financial statements is comprised of the University and its component units. The emphasis of discussions about these statements will be on current year data and will not include the discretely presented component units. The University's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes standards for external financial reporting for public colleges and universities. These statements are presented on a consolidated basis to focus on the University as a whole. The full scope of the University's activities is a single business-type activity and accordingly, reports within a single column in the basic financial statements. The University's financial report includes five financial statements and related notes:

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

After the component unit financial statements are the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the statements, including the details, the risks, and the underlying assumptions associated with the amounts in the financial statements. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the University's proportionate share and contributions to South Carolina's multi-employer pension and other postemployment benefit plans.

Introduction

Lander University was founded in 1872 and on July 1, 1973, became a state-supported higher education institution incorporated by an act of the South Carolina General Assembly and signed into law by then Governor John C. West.

Lander College building, 1904-05

Lander Bell Tower 2023

Lander University is a state-assisted, co-educational, comprehensive regional institution located in Greenwood, South Carolina. The University offers a diverse range of high-demand and market-driven programs within a rich liberal arts environment, designed to produce graduates who are both highly qualified and marketable. Lander's mission is to cultivate well-rounded individuals who are prepared to pursue further education or successfully launch their careers.

The University offers baccalaureate, master's, and professional degrees across more than 80 areas of study. With a student body of approximately 4,300, Lander University provides exceptional educational opportunities through its traditional liberal arts and sciences programs, as well as its professional programs in art, business, design, education, nursing, mass communications, and K-12 teaching. Below is a comparison of student numbers.

	Student (Headcount)	Student (FTE)
Fiscal Year 2024	4365	3767
Fiscal Year 2023	4170	3686
Fiscal Year 2022	3839	3531

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net position of the University as of the end of the fiscal year. The purpose of the Statement of Net Position is to present a fiscal snapshot of Lander University. It provides data that identifies the assets available to continue the operations of the University, as well as how much the University owes vendors and lending institutions. The Statement of Net Position presents end-of-year data concerning assets (property owned by the University and debts owed by others to the University), liabilities (debts owed to others and funds collected from others prior to the University providing service/goods), and net position (assets minus liabilities) and their availability for expenditure by the institution. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to the University, regardless of when cash is exchanged.

Net position is divided into three major categories. The first category, invested in capital assets, net of debt, provides the institution's equity in property, plant, and equipment owned by the institution. The next asset category is expendable restricted Net Position. Expendable restricted net position is available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted assets are available to the institution for any lawful purpose of the institution. Although unrestricted Net Position is not subject to externally imposed stipulations, substantially all the University's unrestricted Net Position has been designated for various academic programs and initiatives. Unrestricted net position is negative because of the adoption of GASB 68 and GASB 75. For additional information, see Notes 6 and 7 in the accompanying notes to the financial statements.

Statement of Net Position, Condensed

Assets:	2024	2023	Increase/ Decrease
Current assets	53,439,559	37,873,620	15,565,939
Capital assets, net	52,802,661	54,765,071	-1,962,410
Right to use leased assets, net	12,255,174	15,380,254	-3,125,080
Other assets	7,264	17,647	-10,383
Total Assets	118,504,658	108,036,592	10,468,066
Deferred Outflow of Resources	22,095,056	29,429,246	-7,334,190
Liabilities:			
Current Liabilities	12,358,485	8,365,936	3,992,549
Noncurrent Liabilities	109,175,554	122,396,950	-13,221,396
Total Liabilities	121,534,039	130,762,886	-9,228,847
Deferred Inflows of Resources	22,948,084	19,050,599	3,897,485
Net Position:			
Invested in capital assets, net of debt	43,923,451	44,218,911	-295,460
Restricted-expendable	35,986,718	27,897,856	8,088,862
Unrestricted	$(83,792,578)	$ (84,464,414)	$ 671,836
Total Net Position, As Restated	$ (3,882,409)	$ (12,347,647)	$ 8,465,238

Total Assets:
As of June 30, 2024, the University's total assets, excluding deferred outflows, amounted to $118,504,658, reflecting an approximate 10% increase from the previous year. This growth was primarily driven by a more than 40% increase in current assets, resulting from unspent state appropriations and a capital investment agreement with Aramark Food Services. Over the past three fiscal years, the University has received over $23 million from State Supplemental Appropriations and State Capital Reserve funds. In fiscal year 2024, the State Capital Reserve Fund contributed an additional $4,000,000 to the $5,000,000 received through State Appropriation Provision 118.19 in fiscal year 2023. This combined total of $9,000,000 was allocated to complete the construction of the new state-of-the-art Nursing Clinical Simulation Center. Furthermore, in fiscal year 2024, the University was appropriated $3,500,000 by the state for updating its Information Technology infrastructure.

Lander University has also entered a seven-year contract with Aramark Food Services, which includes a $4,000,000 capital investment earmarked for future expansion. However, other assets saw a nearly 59% decrease, primarily due to the return of excess funds to the federal government following the conclusion of the Perkins Loan Program. Additionally, Capital Assets, Net of Accumulated Depreciation, decreased by 24%, influenced by factors such as right-to-use assets under GASB 87 and Subscription-Based Information Technology Arrangements (SBITA) under GASB 96, alongside higher depreciation and amortization expenses compared to the previous year.

Total Deferred Outflows:
Deferred Outflows of Resources had decreased due to the actuarial determinations for GASB 68 and GASB 75. The liability expense and contributions after the measurement date for the University’s Net Pension Liability and OPEB Liability are reported in Deferred Outflows of Resources. The University’s deferred outflows were $22,059,039 as of June 30, 2024. These Outflows of Resources will be amortized in subsequent periods. Please see Note 6 and 7 for more information.

Total Liabilities:
As of June 30, 2024, the University reported total liabilities of $121,534,039, reflecting a 7% decrease compared to the previous fiscal year. This reduction in overall liabilities is attributed to the University's concentrated efforts to control spending, particularly by the Administration.

However, due to the $4,000,000 Aramark contract—of which $3,500,000 was recognized as deferred revenue in fiscal year 2024—current liabilities increased by 47% compared to the prior year. In contrast, noncurrent liabilities decreased by 10%, driven by reductions in net pension and OPEB liabilities, as well as decreases in bonds payable and the Perkins liability.

Total Deferred Inflows:
In addition, the University’s proportionate share of the pension liability amount related to its defined benefit plans is provided by the South Carolina Public Employee Benefit Authority’s (PEBA’s) consulting actuary and reported in accordance with the requirements of GASB 68. Deferred Inflows of Resources had an increase of $3.8 million, due to actuarially determined changes in GASB 68 and GASB 75. This amount is the amount reported by PEBA’s consulting actuary as the investment and liability experience not included in the current liability portions of GASB 68 and GASB 75 and is reported as Deferred Inflows of Resources. These Inflows will be amortized in subsequent periods.

Impacts of GASB 68, GASB 75

The GASB 68 and GASB 75 standards create an accounting liability rather than a legal liability. Pursuant to the accounting standards, the University must report its proportionate share of the state's pension and OPEB liabilities of the defined benefit plans. The University has no legal requirement to fund or pay out that share of the liability. Internally, the University's management must continue to ensure that the University's financial position is sound. In fiscal year 2024, without the GASB 68 and 75 impact, the University's unrestricted net position had an increase of $3.1 million. Following is the University's net position with the GASB 68 and 75 impact reported discretely.

Net Position	2024	2023	Increase/ Decrease
Invested in capital assets, net of debt	43,923,451	44,218,911	-295,460
Restricted-expendable	35,986,718	27,897,856	8,088,862
Unrestricted (exclusive GASB 68/75)	7,979,330	4,123,867	3,855,463
Unrestricted (GASB 75 portion)	(45,782,268)	(45,783,893)	1,625
Unrestricted (GASB 68 portion)	(45,989,640)	(42,804,388)	-3,185,252
Total Net Position, As Restated	$ (3,882,409)	$ (12,347,647)	$ 8,465,238

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and non-operating, and the expenses paid by the University, operating and non-operating, and any other revenues, expenses, gains, and losses received or spent by the University. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Non-operating revenues are revenues received for which goods and services are not provided. State appropriations are non-operating because they are provided by the General Assembly to the University without the General Assembly directly receiving any goods and services for those revenues.

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

	2024	2023	Increase/ (Decrease)
Operating Revenues:			
Student tuition and fees*	$ 13,016,557	$ 14,505,911	$ (1,489,354)
Sales and services	20,883,098	19,512,959	1,370,139
Grants and contracts	14,586,731	13,292,432	1,294,299
Other operating revenues	802,863	486,652	316,211
Total operating revenues	49,289,249	47,797,954	1,491,295
Operating Expenses:			
Compensation and Benefits	50,908,781	50,989,558	(80,777)
Supplies and Services	19,113,441	21,498,193	(2,384,752)
Scholarships and Fellowships	2,475,562	2,140,632	334,930
Depreciation	6,742,604	6,250,747	491,857
Total operating expenses	79,240,388	80,879,130	(1,638,742)
Operating loss	(29,951,139)	(33,081,176)	3,130,037
Nonoperating Revenues (Expenses):			
State Appropriations	21,283,050	16,048,293	5,234,757
Federal Grants and Contracts	8,897,631	7,937,966	959,665
Gifts	1,177,981	1,258,411	(80,430)
Investment income	(16,401)	97,970	(114,371)
Gain/Loss on disposal of assets	14,550	14,483	67
Interest expense	(440,434)	(728,391)	287,957
Total nonoperating revenues (expenses)	30,916,377	24,628,732	6,287,645
Income before other revenues and expenses	965,238	(8,452,444)	9,417,682
Other Revenues:			
Capital Improvement Bonds	7,500,000	14,208,096	(6,708,096)
Change in Net Position	8,465,238	5,755,652	2,709,586
Net Position, Beginning of Year, as restated	(12,347,647)	(18,103,299)	5,755,652
Net Position, End of Year	$ (3,882,409)	$ (12,347,647)	$ 8,465,238

**Net of scholarship discounts and allowances*

Operating Revenues:

Total operating revenue increased by 3% to $49.2 million. In fiscal year 2024, student tuition and fees (net of scholarship allowances) experienced a decrease of 10% compared to the previous year. Despite an increase in total enrollment of 6% over the previous year, the decline in net tuition and fees was attributed to a rise in scholarship discounts and allowances. These discounts and allowances amounted to $31.2 million for fiscal year 2024, up from $29.6 million in the prior year. It is noteworthy that tuition rates for fiscal year 2024 remained unchanged for the eighth straight year.

Grants and contract revenues increased more than 9% in fiscal year 2024, due to the increase in total student enrollment of 6%, causing the University's state supported grants (Need Based Grants, Palmetto Fellows, Life, Hope) to increase as well. Sales and services revenues increased by 7% in fiscal year 2024, it includes the revenues of campus auxiliary and educational operations (housing, food service, athletics, and other general revenue). Housing rates increased just over 3% and Food Service rates increased 15%. Other operating revenues had a significant increase over prior year of 64% due to the implementation of an administrative fee.

Non-operating revenues:

GASB requires state appropriations, gifts, and federal grants and contracts be treated as nonoperating revenues. This income is considered as nonoperating because they are not generated by the University's ongoing operations.

State appropriations from the State of South Carolina play a crucial role in funding education and general expenditures. For fiscal year 2024, state appropriation revenues totaled $28 million, which includes $7.5 million from supplemental appropriations and capital reserve funds (CRF). These supplemental funds are specifically allocated for upgrading the information technology infrastructure and an additional $4 million to complete the construction of the new state-of-the-art Nursing Clinical Simulation Center.

Federal grants and contracts include Pell, SEOG, and Federal Work Study. Federal grants increased 12% over prior year due to the increase in enrollment and federal aid. Gifts and other non-operating revenues experienced a decrease of nearly 6% over the prior year.

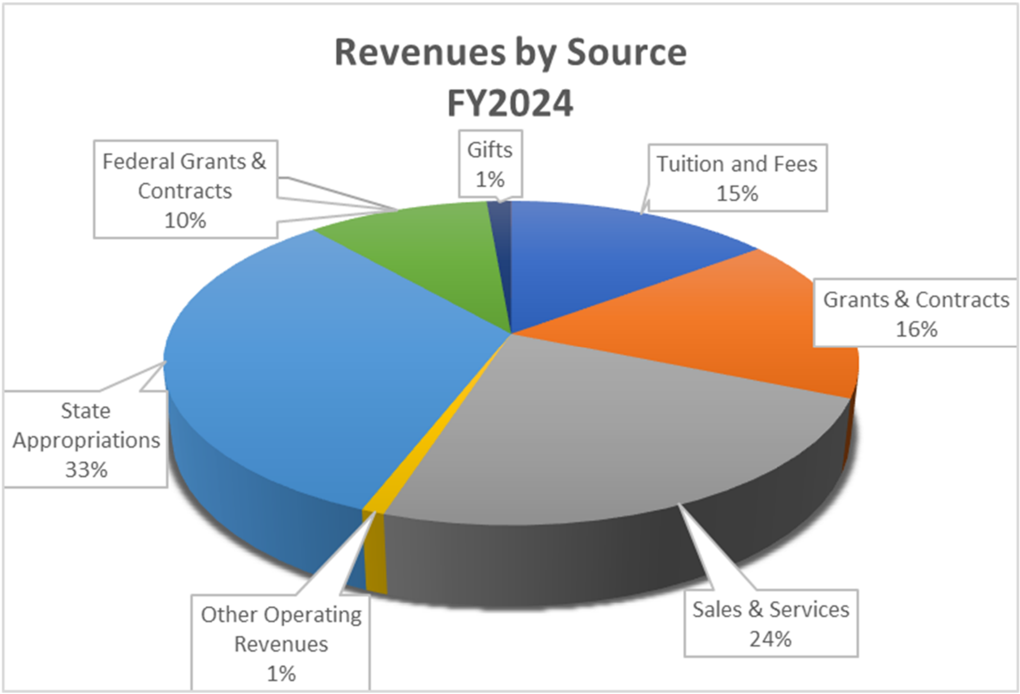
Operating Expenditures:

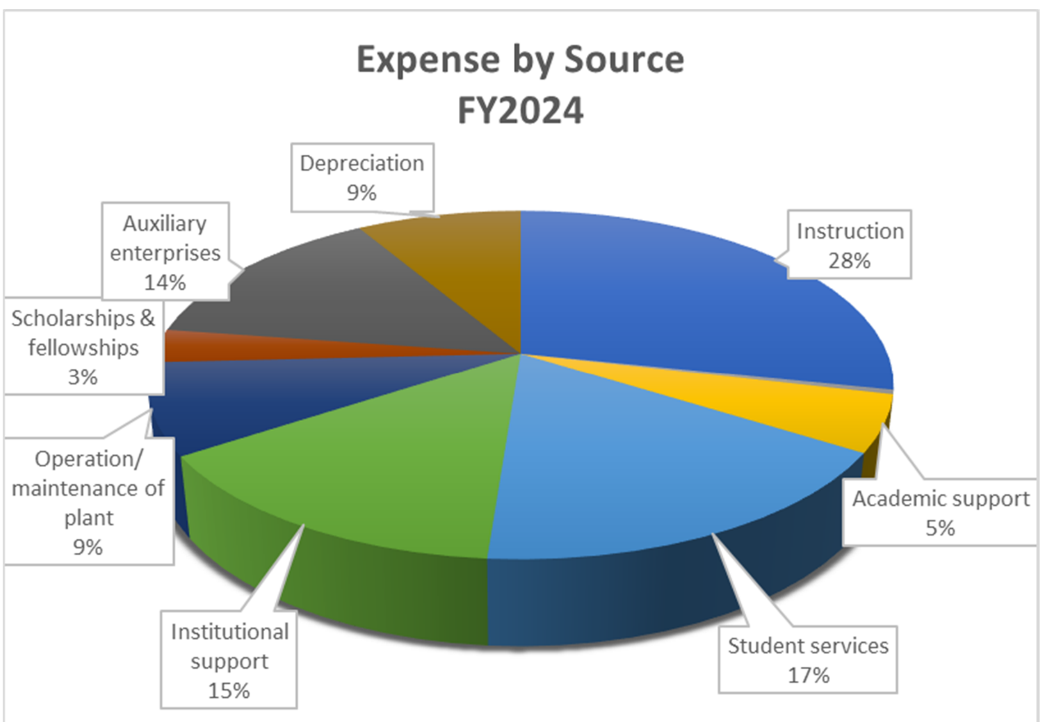
Total operating expenditure decreased by $1.6 million, or 2% over prior year. Compensation and benefits went unchanged over the previous year, while supplies and services had a decrease of 11% due to the intense focus by the administration to monitor and control spending in the uncertain economy. Scholarships and fellowships increased over prior year by more than 15% due to the increase in the number of students receiving outside scholarship aid.

Non-operating Expenditures:

Total non-operating interest expenditure decreased nearly 40% due to the interest on right-to-use leased assets from GASB 87 and SBITAs from GASB 96.

The following charts illustrate the revenues by source and expense by function.





Statement of Cash Flows

The final statement presented by the University is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the University during the year. Cash flow information can be used to evaluate the financial viability of the University's ability to meet financial obligations as they mature. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the University. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Cash Flows for the Years Ended June 30, 2024, and 2023, Condensed

Cash Provided (Used) by:	2024	2023
Operating Activities	$ (23,059,256)	$ (32,825,043)
Non-Capital Financing Activities	31,373,212	25,259,153
Capital and Related Financing Activities	625,418	4,694,928
Investing Activities	(16,401)	97,970
Net Change in Cash	8,922,973	(2,772,992)
Cash and Cash Equivalents, Beginning of Year	16,413,687	19,372,945
Cash and Cash Equivalents, End of Year	$ 25,336,660	$ 16,599,953

Capital Assets

For the third consecutive year, the South Carolina General Assembly has allocated $7.5 million in new funding for Lander University in the state budget. In its FY 2023-2024 budget, the legislature appropriated a total of $28.7 million to Lander University. This includes $3.5 million designated for a significant upgrade to the University's information technology (IT) security and infrastructure, as well as an additional $4 million to complete the construction of the Nursing Academic Building.

New Funds:

- The Nursing Academic Building will house the Nursing Clinical Simulation Center for the Lander University School of Nursing. The 12,850-square-foot facility is designed to include five simulation laboratories equipped with programmable nursing mannequins that will simulate patient scenarios under the observation of peers and faculty. The building will also feature two classrooms with a capacity of 50 students each, laboratory monitoring rooms, debrief rooms, and other essential amenities. Lander University is aiming to achieve 2 Green Globes certifications for energy efficiency and sustainable building design.

  The Phase I design of the building was completed in 2022. However, upon review by third-party budget estimators, it was determined that the project cost would exceed the initially appropriated budget of $5 million. In response, Lander University successfully secured an additional $4 million in legislative funding to supplement the original appropriation. The Phase II kickoff meeting took place on February 14, 2024, and the design process is ongoing. The project documents are expected to be completed and submitted to the State Engineer's office for review by early August 2024. The project is anticipated to be advertised by mid-September, with competitive bids to be received by mid-October. The design team is currently finalizing interior finishes and refining the placement of HVAC equipment and site work.

- The IT security and infrastructure project's intent is to address the campus aging IT Infrastructure and address vulnerabilities in the network. The goal is to use these funds to create a new data center, allowing the current data center to operate a redundant system. Each fiber run between buildings is currently multi-mode and needs to be upgraded to single-mode fiber. The funds will also be used to replace routers, servers, WI-FI access points, camera systems, and other necessary equipment. Purchases may include additional firewalls and equipment to better layer our current network to manage more data faster and more securely. Various software, security, and infrastructure purchases are intended to add layers of security to help protect against the ever-growing threat of cyber-attacks. Network and Wi-Fi improvements in several areas are currently underway.

Ongoing major projects:

Fiscal year 2024 major projects include:

- Library Information Commons- The Library Information Commons will be the home of the virtual library; a technology infused service center where information accessing is the priority. The design will include floor space dedicated to technologically enhanced research areas, collaborative presentation preparation areas, student group break-out areas to improve studying and project development, and small break-out classrooms for small group lecturing. The functionality of the building requires an intense Information Technology presence. Advanced installations of servers and related information systems will expand the University's network and provide superior security of protected data. The design will also allow for library staff offices, restrooms, and mechanical spaces related to the building infrastructure. The project is in the design phase, construction is planned to begin May 2025.
- Jackson Library Repurposing- The project scope is to accomplish the renovation/ repurposing of the existing Jackson Library, after the majority of the current library function has been relocated to

the new Library Information Commons facility. The first floor may remain the home of the University Information Technology Center. The 65,255 square foot, 3 story, Jackson Library, constructed in 1976, is ideally located centrally on campus. The architectural programming will determine how to best re-purpose the portions of the building still available. The current library was designed as an open floorplan. The re-purposing will possibly involve dividing the open spaces into classrooms, dry laboratory spaces, student collaboration spaces, and faculty offices. This will require extensive HVAC improvements, lighting improvements, constructing dividing interior walls and corridors, constructing additional restrooms due to the increased occupancy, analysis to ensure proper emergency egress, fire alarm upgrades, and interior finishes. This project is still in the planning stage.

- Elevator Repair, Replacement, and Upgrades- To ensure efficiency and safety, funds have been earmarked to replace or repair several E & G building and housing elevators on campus. Some of the elevators are original to the building and have out of date controls. This ongoing project will modernize or replace deficient units across campus and ensure our compliance with ADA requirements.
- Science Building Laboratory Ventilation Repair and Upgrades- The existing system is designed as a critical safety component in the biology and chemistry laboratories when dealing with chemical fumes. The system controls have failed and is no longer supported by the manufactures. The system is currently always running as “fully open” for the safety of the faculty, staff, and students in that building. This ongoing project will repair and upgrade ventilation systems and improve energy consumption.
- Campus Asphalt Paving- Many parking lots across campus have begun to deteriorate over time and this project systematically addresses those most in need of replacement or repair.
- Graduate and Online Academic Building Renovation- Lander is excited to move the College of Graduate and Online Studies to the former Bank of America building in Uptown Greenwood. The new home of the College of Graduate and Online Studies will also add more than 18,100 square feet of versatile, multipurpose space for our university community. Renovation of the 2nd and 3rd floors will be completed first, with the ground floor following in the second phase. Along with increasing Lander’s visibility and presence in the Uptown area, the new building will also provide additional space on our main campus to allow greater space optimization as the campus evaluates its space needs for growing programs and works to better align departments, and their proximity, across the university. State appropriations have been approved for this project.
- Outdoor Recreational Pool– An outdoor pool, complete with a pool house with restrooms, lifeguard office, and first aid station are within this first phase. A later phase expands the pool deck and provides for an outdoor serving facility, so students have access to some dining offerings while at the pool. Auxiliary funds are earmarked to complete this project by the end of 2024.
- Dining Hall Renovation- The renovation will consist of the re-design of the layout for the individual food preparation and serving venues. The food preparation and serving venues will be replaced with upgraded, versatile venues where the equipment and appliances allow the preparation of a wide variety of menu items. The project will include upgrades to the dining hall aesthetics such as ceiling, lighting, flooring, and furnishings. Utility infrastructure will be upgraded to support the re-design. Lander University will be using Aramark, contractual profit-sharing Capital Improvement Investment monies as the project's funding source. The current internal project budget is projected to be $3.1 Million. The project is to be performed during the summer of 2024

Additional detail and information regarding capital assets can be found in the notes to the financial statements.

Economic Outlook

The economic position of the University is closely tied to that of the State of South Carolina, Greenwood, and surrounding areas. The unanimous vote by the Board of Trustees marks eighth consecutive years that Lander's tuition has remained a steady $5,350 per semester ($10,700 annually) for full-time, in-state undergraduate students, after it was reduced and frozen in 2016. General fees, set in 2017 at $500 per semester ($1,000 annually), also remain unchanged.

Lander University kicked off the 2024-25 academic year with another impressive enrollment, including the University's largest-ever cohort of new students. At the beginning of the Fall 2024 semester, Lander's total headcount was 4,423, this includes 1,471 new first-time freshmen, new first-time graduate, and new undergraduate and graduate transfers – a 7% increase over last year's new student cohort, and an all-time high for the 152-year-old institution. Lander's freshman class is 6% larger, while the sophomore class is up by 12%. Graduate and online enrollment has also increased by 4%.

In September 2024, Lander University was awarded federal funding to help improve health care in the state. A total of $2.4 million has been allocated to Lander's School of Nursing to enhance facilities and upgrade educational technology. This funding will furnish the Nursing Clinical Simulation Center with new interactive classroom technology and simulation equipment. It will also allow the University to upgrade existing infrastructure in Lander's Nursing Skills Simulation Center and Barratt Hall with high-fidelity simulators, AV recording and virtual reality technology, and enhanced study and collaborative space for nursing students. These investments in Lander University's School of Nursing are part of a larger state- and nation-wide effort to address a looming shortage of nurses and health care professionals. To further this effort, the South Carolina General Assembly has invested a total of $9 million to construct a new nursing academic building. Meanwhile, Self Regional Healthcare recently gave a monumental gift to the University by establishing the Self Regional Scholars Program. The prestigious scholarship is offered annually to the University's highest-performing upper-level nursing majors, with preference given to students from Greenwood, Laurens, Edgefield, Abbeville, McCormick, Newberry, and Saluda counties. This gift, along with the expansion of practice-partnerships offered by the health care provider and Lander, have helped create a steady pipeline of nurses for the Lakelands region of South Carolina. Officials say the upgrades made possible by the federal funding will allow Lander's School of Nursing to increase the number of students who progress to upper level coursework, and allow nursing students to practice their clinical skills in a safe, controlled environment that best reflects the scenarios they'll face in the health care field.

Lander University's College of Education has exciting news to share. A grant from the South Carolina Commission on Higher Education has established the College of Education's Center of Excellence for the Advancement of Reading and Literacy Instruction. This three-year grant, totaling $450,000, will be shared with Presbyterian College in Clinton, marking the first collaborative model in the state focused on the Science of Reading. Lander University will receive over $307,000 of the funding. This award will enable pre-service teachers at both Lander University and Presbyterian College to learn and apply best practices in reading and literacy instruction as they tutor students and gain experience in foundational reading courses. Education majors from both institutions will be paired with classroom teachers to participate in this important initiative.

While increased revenues remains a focus, the campus has directed its attentions to better resource optimization as a means to align expenses with available revenues. Mentioned above were cost-cutting efforts with the campus procurement card program, but this is only one of the last year's efforts created to manage expenses while trying to maximize the student experience. The university centralized much if its institutional costs to better track and manage the expenses at an administrative level. Such consolidation places expense management with departments with the deepest understanding of the service being provided. Those at each unit level are best equipped to control costs associated with their operations. The university has revised policies and adjusted procedures to manage position vacancies and allow for appropriate restructuring as opportunities present. This mindful approach to how the university allocates resources and manages the activity leads to greater efficiency and helps control the overall cost of higher education.

More information

This financial report is designed to provide a general overview of Lander University's finances and demonstrate the institution's accountability for the funds it receives. Any questions about this report or requests for information may be addressed to the Vice President for Finance and Administration, Lander University, 320 Stanley Avenue, Greenwood, South Carolina 29649.

Financial Statements

LANDER UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2024

ASSETS	
Current assets	
Cash and cash equivalents	$ 5,336,758
Cash and cash equivalents, restricted	19,992,638
Accounts receivable, net of allowance for doubtful accounts of $457,420	27,836,348
Due from component unit	121,047
Inventories	130,794
Prepaid items	21,974
Total current assets	53,439,559
Non-Current assets	
Cash and cash equivalents, restricted	7,264
Right to use leased assets, not being amortized	413,588
Right to use lease & subscriptsion assets, net of amortization	11,841,586
Capital assets, not being depreciated	4,315,212
Capital assets, net of accumulated depreciation	48,487,449
Total non-current assets	65,065,099
TOTAL ASSETS	118,504,658
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension	7,292,354
Deferred outflows - OPEB	14,764,685
TOTAL DEFERRED OUTFLOWS OF RESOURCES	22,057,039
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 140,561,697

See independent auditor's report and notes to financial statements which are an integral part of this statement.

LIABILITIES

Current liabilities	
Accounts payable	$ 651,751
Accrued payroll and related liabilities	2,144,495
Accrued compensated absences and related liabilities - current portion	639,570
Accrued interest payable	327,545
General obligation bonds payable - current portion	1,958,131
Lease & subscription liability - current portion	1,886,035
Other deposits	1,311
Unearned revenue	4,749,647
Total current liabilities	12,358,485
Non-current liabilities	
Accrued compensated absences, net of current portion	1,287,217
General obligation bonds payable, net of current portion	8,727,314
Lease & subscription liability, net of current portion	8,235,359
Net pension liability	52,575,702
Net OPEB liability	38,343,178
Non-current liabilities payable from restricted non-current assets	
Perkins Loan Program - federal liability	6,784
Total non-current liabilities	109,175,554
TOTAL LIABILITIES	121,534,039
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension	706,292
Deferred inflows - OPEB	22,203,775
TOTAL DEFERRED INFLOWS OF RESOURCES	22,910,067
NET POSITION	
Net investment in capital assets	43,923,451
Restricted for Expendable:	
Grants and contracts	17,927,850
Loans	480
Capital projects	15,813,791
Debt service	2,244,597
Unrestricted	(83,792,578)
TOTAL NET POSITION	(3,882,409)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 140,561,697

See independent auditor's report and notes to financial statements which are an integral part of this statement.

LANDER UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended June 30, 2024

OPERATING REVENUES		
Student tuition and fees, net of scholarship allowances of $31,203,241	$	13,016,557
Federal grants and contracts		683,457
State grants and contracts		13,356,637
Non-Governmental grants and contracts		546,637
Sales and services of education and other activities		1,231,276
Sales and services of auxiliary enterprises, pledged for debt service		19,651,822
Other revenues		802,863
Total operating revenues		49,289,249
OPERATING EXPENSES		
Compensation		33,448,265
Employee benefits		17,460,516
Supplies and services		19,113,441
Scholarships and fellowships		2,475,562
Depreciation and amortization		6,742,604
Total operating expenses		79,240,388
Net operating income (loss)		(29,951,139)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations		21,283,050
Federal grants and contracts		8,897,631
Private gifts		1,177,981
Investment gain (loss)		(16,401)
Net gain (loss) on disposal of capital assets		14,550
Interest expense on capital assets and related debt		(440,434)
Total non-operating revenues (expenses)		30,916,377
Income before other revenues, expenses, gains & losses		965,238
State Capital Appropriations		7,500,000
Total other revenues		7,500,000
Change in Net Position		8,465,238
NET POSITION - BEGINNING		(12,347,647)
NET POSITION - ENDING	$	(3,882,409)

See independent auditor's report and notes to financial statements which are an integral part of this statement.

LANDER UNIVERSITY
STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

Cash flows from operating activities		
Student tuition and fees	$	10,113,524
Grants and contracts		11,580,830
Sales and services of educational and other activities		1,231,276
Sales and services of auxiliary enterprises		19,651,822
Other operating cash receipts		834,750
Payments to suppliers		(19,075,678)
Payments to employees and for benefits		(47,395,494)
Collections on loans to students		(286)
Net cash used in operating activities		(23,059,256)
Cash flows from non-capital financing activities		
State appropriations		21,283,050
Federal grants and contracts		8,897,631
Private gifts		14,550
Other miscellaneous		1,177,981
Net cash provided by non-capital financing activities		31,373,212
Cash flows from capital and related financing activities		
Capital appropriations		7,500,000
Purchases of capital assets		(1,731,265)
Payments on bonds and redemption of premiums		(2,060,213)
Payments on lease obligation		(2,806,468)
Interest paid		(276,636)
Net cash provided by capital and related financing activities		625,418
Cash flows from investing activities		
Interest on investments		(16,401)
Net cash used in investing activities		(16,401)
Net change in cash and cash equivalents		8,922,973
Cash and cash equivalents - beginning		16,413,687
Cash and cash equivalents - ending	$	25,336,660
Reconciliation to Statement of Net Position		
Cash and cash equivalents, current portion	$	5,336,758
Restricted cash and cash equivalents, current portion		19,992,638
Restricted cash and cash equivalents, non-current portion		7,264
Total cash and cash equivalents per Statement of Net Position	$	25,336,660

(Continued)

LANDER UNIVERSITY
STATEMENT OF CASH FLOWS - CONTINUED
For the year ended June 30, 2024

Reconciliation of net operating loss to net cash used for operating activities		
Net operating loss	$	(29,951,139)
Adjustments to reconcile net operating loss to net cash used for operating activities		
Depreciation		6,742,604
(Increase)/decrease in accounts receivable		(6,875,788)
(Increase)/decrease in inventory		(21,662)
(Increase)/decrease in prepaid items		33,623
Increase/(decrease) in accounts payable and other liabilities		355,754
Increase/(decrease) in unearned revenues		3,520,692
Increase/(decrease) in deposits		(46,380)
Increase/(decrease) in deferred outflows		7,334,190
Increase/(decrease) in deferred inflows		3,897,485
Increase/(decrease) in pension liability		(786,137)
Increase/(decrease) in OPEB liability		(7,261,911)
Increase/(decrease) in Perkins Loan		(286)
Increase/(decrease) in compensated absences		(301)
Net cash used for operating activities	$	(23,059,256)
Non-cash transactions		
Amortization of bond premium	$	335,213

See independent auditor's report and notes to financial statements which are an integral part of this statement.

Non-Governmental Discretely Presented Component Unit

LANDER FOUNDATION
NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of June 30, 2024

ASSETS	
Current assets	
Cash and cash equivalents	$ 649,942
Prepaid expenses	7,130
Short term rent receivable	713,705
Short term lease receivable	2
Right of use assets	17,228
Total current assets	1,388,007
Non-current assets	
Investments	25,072,343
Investments related to split-interest agreements	460,246
Investments in real estate	572,472
Net unconditional promises to give	3,698,537
Long term lease receivable	7
Long term lease receivable	275,658
Other investments	2,000
Debit issuance costs, net	68,253
Cash surrender value of life insurance	9,354
Land, buildings, and equipment, net	17,105,014
Total non-current assets	47,263,884
TOTAL ASSETS	$ 48,651,891
LIABILITIES	
Current liabilities	
Accounts payable	$ 123,945
Accrued expenses	82,621
Short term lease liability	8,270
Short term deferred revenue	37,285
Revenue bonds payable - current portion	405,000
Notes payable - current portion	157,115
Total current liabilities	814,236
Non-current liabilities	
Revenue bonds payable , net of current portion	7,495,000
Notes payable, net of current portion	363,432
Actuarial liability of annuities payable	27,507
Long term deferred revenue	249,154
Long term lease liability	8,958
Total non-current liabilities	8,144,051
TOTAL LIABILITIES	8,958,287
NET ASSETS	
Without donor restrictions	9,871,797
With donor restrictions	29,821,807
TOTAL NET ASSETS	39,693,604
TOTAL LIABILITIES AND NET ASSETS	$ 48,651,891

See independent auditor's report and notes to financial statements which are an integral part of this statement.

LANDER FOUNDATION
NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	$ 101,864	$ 1,777,311	$ 1,879,175
General Revenue	5,190	125,949	131,139
Event Revenue	-	7,571	7,571
In-kind contributions - related party	991,503	-	991,503
Rental income - related party	786,996	-	786,996
Bank Interest	133	-	133
Investment Income-Net	21,572	3,145,888	3,167,460
Change in actuarial liability of annuities payable	(399)	16,069	15,670
Trust Investment Income-Net	7,367	-	7,367
Net assets released from restrictions	1,695,307	(1,695,307)	-
Total revenue, support, and reclassifications	3,609,533	3,377,481	6,987,014
PROGRAM EXPENSES			
Scholarships	847,290	-	847,290
Awards	2,275	-	2,275
Grants and other approved programs	206,034	-	206,034
University Program Support	1,131,705	-	1,131,705
In-Kind Expense	-		-
Interest Expense	223,020	-	223,020
Banking Fees	5,540	-	5,540
Amortization Expense	12,600		12,600
Depreciation Expense	422,954	-	422,954
Total program expenses	2,851,418	-	2,851,418
SUPPORTING SERVICES			
Fundraising	463,628	-	463,628
Administrative and general	483,797	-	483,797
Total supporting services	947,425	-	947,425
Total program expenses and supporting services	3,798,843	-	3,798,843
Change in net assets	(189,310)	3,377,481	3,188,171
NET ASSETS - BEGINNING	10,061,107	26,444,326	36,505,433
NET ASSETS - ENDING	$ 9,871,797	$ 29,821,807	$ 39,693,604

See independent auditor's report and notes to financial statements which are an integral part of this statement.

1. Summary of Significant Accounting Policies

a. Nature of Operations

Lander University (the "University") is a state-supported institution of higher learning. The University is granted an annual appropriation for operating purposes as authorized by the South Carolina General Assembly. The appropriation as enacted becomes the legal operating budget for the University. The Appropriation Act authorizes expenditures from funds appropriated from the General Fund of the State and authorizes expenditures of total operating funds. The laws of the State and the policies and procedures specified by the State for State agencies and institutions are applicable to the activities of the University. The University was established as an institution of higher education by Section 59-119-20 of the Code of Laws of South Carolina.

The University's commitment to extending educational opportunities to an array of varying constituencies reflects its belief that citizens of a free society have a right to the enriching benefits of a higher education. The University is a component unit of the State of South Carolina, and its financial statements are included in the Annual Comprehensive Financial Report (ACFR) of the State.

A seventeen-member Board of Trustees governs the University. The Board of Trustees consists of the following:

1) The Governor of the State or his or her designee, who is an ex-officio member,
2) Sixteen members that are elected by the South Carolina General Assembly (at least one member must be from each Congressional district), and
3) One member that is appointed by the Governor.

b. Reporting Entity

The accompanying basic financial statements present the statement of net position, statement of revenues, expenses, and changes in net position, and the statement of cash flows of the University. The financial statements also include all funds and accounts of the University and all component units.

As defined by Generally Accepted Accounting Principles (GAAP) established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of the University, as the primary government, and the accounts of its non-governmental discretely presented component unit, the Lander Foundation and Subsidiaries (the "Foundation").

The Foundation is a legally separate, tax-exempt entity, which acts primarily as a fundraising organization to supplement the resources that are available to the University in support of its programs. The Board of Directors of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or incomes thereon, the funds that the Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a non-governmental component unit of the University and is discretely presented in the University's financial statements.

1. Summary of Significant Accounting Policies, Continued

b. Reporting Entity, Continued

The University's inclusion of the Foundation as a component unit is done for the purpose of communicating information about its component unit as required by GAAP, and the entity's relationship with the University. It is not intended to create the perception that the University and these entities are one legal entity. The University does not have legal or financial responsibility for the Foundation.

A complete copy of the component unit's financial statements can be obtained from:

Lander University
Attn: Foundation Office
320 Stanley Avenue
Greenwood, SC 29649

c. Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government 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-entity transactions have been eliminated.

The Foundation is a private non-profit organization that reports under Financial Accounting Standards Board's Accounting Standards Codification. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial reporting entity for these differences.

The financial statement presentation for the University meets requirements of GASB Codification Sections 2100-2900, *Financial Reporting Entity*, and *C05, Colleges and Universities*. The financial statement presentation provides a comprehensive, entity—wide perspective of the University's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses and changes in net position and cash flows.

In accordance with Section 97.2 of the South Carolina General Appropriations Bill, the Comptroller General's Office (CGO) determines and issues policies that apply to entities within the State's primary government submitting financial statements for incorporation into the statewide Annual Comprehensive Financial Report (ACFR). These policies also apply to component units that meet the GASB 14 (as amended by GASB 39 and GASB 61) criteria for blending.

1. Summary of Significant Accounting Policies, Continued

d. Cash and Cash Equivalents

For purposes of the statement of cash flows, the University, as well as the Foundation, considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's Office are also considered cash equivalents.

e. Investments

Investments of the Foundation are carried at fair value. Gains or losses that result from market fluctuations are reported in the current period.

f. Receivables and Allowance for Doubtful Accounts

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also includes amounts due from the federal government, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivables are recorded net of estimated uncollectible amounts.

Student loans receivable consist of amounts due from the Federal Perkins Loan Program and from other loans administered by the University. Interest and income receivable consists of amounts due from the State Treasurer relating to holdings in the State's internal cash management pool and cash invested in various short-term investments by that agency.

g. Inventories

Inventories, which consists of bookstore inventories for resale, are carried at the lower of cost or net realizable value. The cost of textbooks is reported on a weighted average basis while the cost of merchandise is reported on a first-in, first-out basis.

h. Prepaid Items

Expenditures for insurance and similar services paid for in the current or prior fiscal years and benefiting more than one accounting period are allocated among accounting periods. For the University, amounts reported in this asset account consist primarily of advance payments for equipment maintenance and service contracts and prepaid postage.

i. Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The University follows capitalization guidelines established by the State of South Carolina. All assets with a useful life in excess of two years are capitalized. 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 costing $100,000 or more 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

1. Summary of Significant Accounting Policies, Continued

i. Capital Assets, Continued

capitalizes movable personal property with a unit value in excess of $5,000. 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. The State of South Carolina Office of the Comptroller General's Audited Financial Statements Manual establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.
The State's policy is to apply the capitalization thresholds to individual items rather than to groups. Accordingly, if several items of the same type are purchased at one time (for example, 5 computer workstations, 25 library books, or 15 pieces of modular furniture (cubicles)), the cost of each individual item must be examined to determine if it should be capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as outlined by the State of South Carolina Office of the Comptroller General Audited Financial Statements Manual. Lives are generally 15 to 40 years for buildings and improvements and land improvements and 5 to 20 years for machinery, equipment, and vehicles. For assets capitalized prior to fiscal year 2012, a full year of depreciation was taken during the year the asset was placed in service, and no depreciation was taken in the year of disposition. Beginning in fiscal year 2012, capital assets are depreciated based on the number of months the asset is in service during the fiscal year. The change in depreciation method was required by the State of South Carolina.

j. Right to Use Leased Assets and Subscription Assets

In accordance with GASB Statement No. 87, *Leases*, Right to Use Leased Assets are measured as the sum of:

1. The amount of the initial measurement of the lease liability,
2. Lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term
3. Initial direct costs that are ancillary charges necessary to place the lease asset into service.

Lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset as provided in the estimated useful lives of the assets as outlined by the State of South Carolina Office of the Comptroller General Audited Financial Statements Manual. An exception is if a lease contains a purchase option that the lessee has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset. If the underlying asset is non-depreciable, such as land, the lease asset is not amortized.

The amortization of the lease assets is reported as amortization expense.

1. Summary of Significant Accounting Policies, Continued

j. Right to Use Leased Assets and Subscription Assets, continued

Subscription assets are recorded under GASB Statement No. 96, *Subscription-Based information Technology Arrangements* (SBITAS), net of accumulated amortization. SBITAs are amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

k. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The University has two items that meet this criterion – pension and OPEB-related deferrals. In addition to liabilities, the statement of net position can also report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The University has two items that meet this criterion – pension and OPEB-related deferrals.

l. Federal Perkins Loans Receivable and Related Liability

The restricted student loans receivable on the Statement of Net Position are due to the University under the Federal Perkins Loan program. This program is funded primarily by the federal government with the University providing a required match. The amount reported as federal loan liability is the amount of cumulative federal contributions and a pro-rata share of net earnings on the loans under this program, which would have to be repaid to the federal government if the University ceased to participate in the program.

m. Lease Liabilities

Under GASB Statement No. 87, a short-term lease is defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. The University recognizes short-term lease payments as outflows of resources based on the payment provisions of the lease contract.

All other lease liabilities within the scope of the Standard are measured at the present value of payments expected to be made during the lease term for all leases that are not defined as short-term leases.

Payments included in the measurement of present value include:

1. Fixed payments,
2. Variable payments that depend on an index or a rate, initially measured using the index or rate as of the commencement of the lease term,
3. Variable payments that are fixed in substance,

1. Summary of Significant Accounting Policies, Continued

m. Lease Liabilities, Continued

4. Amounts that are reasonably certain of being required to be paid by the University under residual value guarantees,
5. The exercise price of a purchase option if it is reasonably certain that the University will exercise that option
6. Payments for penalties for terminating the lease, if the lease term reflects the University exercising (1) an option to terminate the lease or (2) a fiscal funding or cancellation clause,
7. Any lease incentives receivable from the lessor,
8. Any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The lease term is defined as the period during which the University has a noncancelable right to use an underlying asset, plus the following periods, if applicable:

1. Periods covered by the University's option to extend the lease if it is reasonably certain, based on all relevant factors, that the University will exercise that option.
2. Periods covered by the University's option to terminate the lease if it is reasonably certain, based on all relevant factors, that the University will not exercise that option.
3. Periods covered by a lessor's option to extend the lease if it is reasonably certain, based on all relevant factors, that the lessor will exercise that option.
4. Periods covered by a lessor's option to terminate the lease if it is reasonably certain, based on all relevant factors, that the lessor will not exercise that option.

n. Long-term Obligations

For advanced refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt and are recognized as deferred outflows or inflows of resources. The University reports bonds payable net of the applicable bond premium.

o. 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. Generally, all permanent full-time employees and certain part-time employees scheduled to work at least one-half of the University's workweek are entitled to accrue and carry forward at calendar year-end a maximum of 180 days of sick leave and of 45 days of annual vacation leave, apart from faculty members who do not accrue annual leave.

Upon termination of employment, employees are entitled to be paid for accumulated unused annual vacation leave up to the maximum but are not entitled to any payment for unused sick leave. The compensated absences liability includes accrued annual leave and salary-related employee benefits.

1. Summary of Significant Accounting Policies, Continued

p. Non-current Liabilities

Non-current liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

q. Unearned Revenues and Deposits

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year and relate to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

r. Net Pension Liability

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS) and additions to/deductions from SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by SCRS or PORS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

s. Net Position

The University's net position is classified as follows:

1) Net Investment in Capital Assets
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.

2) Restricted Net Position - Expendable
Includes resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

3) Unrestricted
Represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

1. Summary of Significant Accounting Policies, Continued

3) Unrestricted, continued

The University's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

t. Income Taxes

The University, as a political subdivision of the State of South Carolina, is exempt from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The Foundation is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, as amended.

u. Revenues and Expenses

1) Classification

The University has classified its revenues and expenses as either operating or non-operating revenues according to the following criteria:

Operating revenues and expenses - generally result from exchange transactions to provide goods or services related to the University's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services, housing, and other related services to students; (2) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the University; (3) receipts for scholarships; and (4) grants and contracts that are essentially the same as contracts for services that finance programs the University would not otherwise undertake. Operating expenses include all expense transactions incurred other than those related to investing, capital or non-capital financing activities.

Non-operating revenues and expenses - include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes. Non-operating expenses include interest paid on capital asset related debt, losses on the disposal of capital assets, and refunds to grantors.

2) Sales and Services of Educational and Other Activities

Revenues from sales and services of educational and other activities generally consist of amounts received from instructional, laboratory, research, and public service activities that incidentally create goods and services which may be sold to students, faculty, staff, and the general public. The University receives such revenues primarily from tournaments, student-related activities, and workshops.

1. Summary of Significant Accounting Policies, Continued

3) Sales and Services of Auxiliary Enterprises and Internal Service Activities

Auxiliary enterprise revenues primarily represent revenues generated by housing, food service, vending, and bookstore. Revenues of internal service and auxiliary enterprise activities and the related expenditures of the University's departments have been eliminated.

4) Scholarship Discounts and Allowances

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

Certain governmental grants, such as Pell grants, and other Federal, state, or non-governmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

v. 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, deferred inflows, deferred outflows, revenues, and expenses and affect disclosure of contingent assets and liabilities at the date of the financial statements. Significant estimates include separation of accrued compensated absences between current and non-current, depreciation expense, accounts receivable allowances, scholarship allowances, and functional expense classifications. Actual results could differ from those estimates.

2. Deposits and Investments

Cash consists of petty cash and deposits and investments of the University that are under control of the State Treasurer, who by law, has sole authority for investing State funds.

The following schedule reconciles the University's deposits and investments per the notes to the statement of net position amounts:

	Cost	Market Value
Cash and cash equivalents – current	$ 5,383,828	$ 5,336,758
Restricted cash and cash equivalents – current	20,087,331	19,992,638
Restricted cash and cash equivalents – non-current	7,398	7,264
Total cash and cash equivalents	$ 25,478,557	$ 25,336,660
Notes to the financial statements:		
Cash on hand	$ 7,665	$ 7,665
Deposits held by State Treasurer	25,470,893	25,328,995
	$ 25,478,558	$ 25,336,660

Current restricted cash and cash equivalents represent funds restricted for capital expenditures. Non-current restricted cash and cash equivalents represent funds associated with the Perkins Loan Program.

The University participates in the State's internal cash management pool. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents. The State Treasurer administers the cash management pool. The pool includes some long-term investments, such as obligations of the United States and certain agencies of the United States, obligations of the State of South Carolina and certain of its political subdivisions, certificates of deposit, collateralized repurchase agreements, and certain corporate bonds.

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 records and reports its deposits in the general deposit account at cost. Investments held by the pool are recorded at fair value.

Fair value is defined as a 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. In determining fair value, a market-based approach is used which establishes that fair value is based on the "highest and best use." Additionally, in accordance with accounting guidance, the University categorizes its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy as reflected below. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Levels 3).

2. Deposits and Investments, continued

The levels of the fair value hierarchy are defined as follows:

Level 1 – Fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities that management has the ability to access at the measurement date.
Level 2 – Fair values are based on inputs other than quoted prices in Level 1 that are either for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that were observable e for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3 – Fair values are based on unobservable inputs for the asset or liability where there is little, if any, market activity for the asset or liability at the measurement date.

The investments held by the pool are valued using level 2 inputs, and are based on the fair value of the underlying investments, previously noted above, within the investment pool.

Interest earnings are allocated based on the percentage of the University's accumulated daily income receivable to the total income receivable of the pool. Reported interest income includes interest earnings at the stated rate, realized gains/losses, and unrealized gains/losses arising from changes in the fair value of investments held by the pool. Realized gains and losses are allocated daily and are included in the accumulated income receivable. Unrealized gains and losses are allocated at year-end based on the percentage of ownership in the pool.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the University's deposits may not be returned to the University. For deposits held by the 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. With respect to 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, credit risk, concentration risk, and interest rate risk, of the State Treasurer's deposits and investments is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina.

The University does not invest funds outside of the accounts it maintains with the State Treasurer.

3. Accounts Receivable

Accounts receivable as of June 30, 2024, are summarized as follows:

Description	Current	Non-current	Total
Student accounts	$ 2,644,386	$ -	$ 2,644,386
Direct lending	144,325	-	144,325
State capital appropriations	11,880,000	-	11,880,000
Grants and contracts:			
Federal	515,902	-	515,902
State	9,003,253	-	9,003,253
Non-governmental	4,089,483	-	4,089,483
Other	16,419	-	16,419
Less: Allowance for doubtful accounts	(457,420)	-	(457,420)
Accounts Receivable, net	$ 27,836,348	$ -	$ 27,836,348

Allowances for losses for student accounts receivable, are established, based upon actual losses experienced in prior years and evaluations of the current account portfolio.

Student loans made through the Federal Perkins Loan Program comprise all of the loans receivable as of June 30, 2023. The Perkins Loan program provides 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. As the University determines that loans are uncollectible, the loans are written off and assigned to the United States Department of Education. This program ceased initiative loans several years ago. As part of closing out the program, the University is scheduled to repay the remaining total to the federal government in fiscal year 2025.

4. Right to Use Leased and Subscription Assets

Right to use leased and Subscription assets consist of the following:

	Beginning Balance	Additions	Removals	Adjustment	Ending Balance
Leases and Subscriptions not being amortized					
Land	$ 413,588	$ -	$ -	$ -	$ 413,588
Total Leases and Subscriptions not being amortized	**413,588**	**-**	**-**	**-**	**413,588**
Component Unit Leases being amortized					
Land improvements	9,074,306	-	-	-	9,074,306
Buildings and improvements	7,939,564	-	1,765,498	-	6,274,066
Total Component Unit Leases being amortized	17,013,870	-	1,765,498	-	15,248,372
External Party Leases being amortized					
Buildings and improvements					
Equipment	190,865	48,448	-	-	239,313
Vehicles	76,494	-	-	-	76,494
SBITA	58,696	-	-	-	58,696
Total Component Unit Leases being amortized	3,482,810	282,448	248,353	1,097,059	4,613,964
Less component Unit Leases accumulated amortization					
Land improvements	1,433,741	-	-	-	1,433,741
Buildings and improvements	3,192,436	739,703	-	-	3,932,139
Total External Party Leases being amortized	4,626,177	739,703	-	-	5,365,880
Less External Party Leases accumulated amortized					
Buildings and improvements	86,644	65,530	-	-	152,173
Buildings and equipment	112,175	69,187	-	-	181,362
Buildings and vehicles	22,996	12,048	-	-	35,044
Buildings and SBITA	1,008,077	1,324,629	-	328,088	2,660,794
Total External Party Leases being amortized	1,229,892	1,471,394	-	328,088	3,029,373
Total Leases and Subscription assets, net	$ 15,380,254	$ (1,880,201)	$ 2,013,851	$ 768,971	$ 12,255,174

5. Capital Assets

Capital assets consist of the following:

	Balance Beginning	Additions	Removals	Balance Ending
Capital assets not being depreciated				
Land and improvements	$ 2,688,244	$ 455,737	$ -	$ 3,143,961
Art and historical collections	84,946	-	-	84,946
Construction in progress	4,414,846	1,706,594	(5,035,135)	1,086,305
Total capital assets not being depreciated	7,188,016	2,162,331	(5,035,135)	4,315,212
Capital assets being depreciated				
Land improvements	8,345,050	1,345,863	-	9,690,913
Buildings and improvements	108,080,901	3,233,535	-	111,314,436
Machinery, equipment, and other	5,789,697	674,196	(462,999)	6,000,894
Motor vehicles	1,439,928	147,436	(13,404)	1,573,960
Total capital assets being depreciated	123,655,576	5,401,030	(476,403)	128,580,203
Less Accumulated Depreciation				
Land improvements	4,201,407	526,437	-	4,727,844
Buildings and improvements	66,517,006	3,389,484	-	69,906,490
Machinery, equipment, and other	4,143,034	462,311	(462,999)	4,142,346
Motor vehicles	1,217,075	112,403	(13,404)	1,316,074
Total capital assets being depreciated, net	47,577,054	910,395	-	48,487,449
Intangible assets, historical costs				
Intangibles	1,556,557	-	138,800	1,417,757
Total intangible assets, historical cc	1,556,557	-	(138,800)	1,417,757
Accumulated amortization	(1,556,557)	-	138,000	(1,417,757)
Total intangible assets, net	-	-	-	-
Total capital assets, net	**$ 54,765,070**	**$ 3,072,726**	**$ (5,035,135)**	**$ 52,802,661**

6. Unearned Revenue

Unearned revenue for the year ended June 30, consists of the following:

	Current	Non-Current	Total
Student fees	$ 1,249,647	$ -	$ 1,249,647
Nongovernmental grants and contracts	3,500,000	-	3,500,000
	$ 4,749,647	**$ -**	**$ 4,749,647**

7. Pension Plans

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various retirement systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. 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 assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

PEBA issues a Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through 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, South Carolina 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.

7. Pension Plans, Continued

Plan Descriptions

The University is a member of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS).

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established 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 and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple employer defined benefit pension plan, was established 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 and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System of Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

7. Pension Plans, Continued

Membership

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

- SCRS – Generally, all employees of covered employers 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 Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

- State ORP - As an alternative to membership in SCRS, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

- PORS – to be eligible for PORS membership, an employee must be required by the terms of their 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; be a coroner in a full-time permanent position; or to be 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 Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

7. Pension Plans, Continued

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 service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below:

- SCRS - A Class Two member who has separated from service with at least 5 or more years of earned service is eligible for a monthly pension at age 65 or with 28 years 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 Three member who has separated from service with at least 8 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 age and the member creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the 5 or 8 year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

  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 of 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 age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- PORS - A Class Two member who has separated from service with at least 5 or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least 8 or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with 5 or 8 years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. 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.

7. Pension Plans, Continued

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 and amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled
in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

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

Required employee contribution rates for the fiscal year ended June 30 are as follows:

SCRS (Class II and III)	9.00% of earnable compensation
ORP	9.00% of earnable compensation
PORS (Class II and III)	9.75% of earnable compensation

7. Pension Plans, Continued

Required employer contributions for the fiscal year ended June 30, 2024, are as follows:

SCRS (Class II and III)	18.41% of earnable compensation
SCRS Incidental Death Benefit	0.15% of earnable compensation
ORP	18.41% of earnable compensation
ORP Incidental Death Benefit	0.15% of earnable compensation
PORS (Class II and III)	20.84% of earnable compensation
PORS Incidental Death Benefit	0.20% of earnable compensation
PORS Accidental Death Program	0.20% of earnable compensation

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019, for first use in the July 1, 2022, actuarial valuation.

The June 30, 2021, total pension liability, net pension liability, and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS), and are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2021, using generally accepted actuarial principles. In FY 2021 the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021, to decrease from 7.25% to 7.00% as provided by Section 9-16-335 in South Carolina State Code.

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2022.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11% (varies by service)	3.5% to 10.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or $500 annually	lesser of 1% or $500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% Scale UMP projected from the year 2020.

7. Pension Plans, Continued

Actuarial Assumptions and Methods, continued

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

Former Job Class	Males	Females
Educators and Judges	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 net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that system's fiduciary net position. Net pension liability totals as of June 30, 2022 for SCRS and PORS are presented below:

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

The total pension liability is calculated by the systems' actuary, and each plan fiduciary net position is reported in the systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 67 in the systems' 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.

At June 30, 2024, the University reported a net pension liability of $51,301,129 for SCRS and $1,274,563 for PORS for its proportionate share of the systems' net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating Organizations' actuarially determined. The University's proportions for the years ended June 30, 2021 and June 30, 2020 are presented in the following table:

System	2024	2023
SCRS	0.21219%	0.21448%
PORS	0.04187%	0.04562%

7. Pension Plans, Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the University recognized pension expense of $5,065,629 for SCRS and $149,999 for PORS. At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SCRS		PORS	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	$ 890,677	$ 142,266	$ 59,982	$ 15,713
Assumption changes	786,007	-	27,740	-
Net difference between projected and actual earnings on pension plan investments		70,220	-	2,188
Proportionate share of contributions	1,777,059	392,160	21,039	83,745
Organization contributions subsequent to the measurement date	3,567,663	-	162,187	-
Total	$ 7,021,406	$ 604,646	$ 270,948	$ 101,646

Deferred outflows of resources related to pensions resulting from university contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024, These contribution amounts are $3,567,663 for SCRS and $162,187 for PORS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	SCRS	PORS
2025	1,961,162	15,099
2026	(490,472)	(46,183)
2027	1,408,498	39,534
2028	(30,090)	(1,335)
	$ 2,849,098	$ 7,115

Long-term Expected Rate of Return

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

7. Pension Plans, Continued

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the actuarial assumptions table below. For actuarial purposes, the 7% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global equity			
Global public equity	46%	6.62%	3.04%
Private equity	9%	10.91%	0.98%
Bonds	26%	0.31%	0.08%
Real assets			
Real estate	9%	6.41%	0.58%
Infrastructure	3%	6.62%	0.20%
Credit			
Private debt	7%	6.16%	0.43%
Total	100.0%		5.31%
Inflation for actuarial purposes			2.25%
Total expected nominal return			7.56%

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6%) or one percent higher (8%) than the current rate:

7. Pension Plans, Continued

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

System	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
SCRS	$ 66,285,970	$ 51,301,144	$ 38,846,274
PORS	$ 1,797,964	$ 1,274,563	$ 845,833
	$ 68,083,934	$ 52,575,707	$ 39,692,107

Additional Financial and Actuarial Information

Pension plan information contained in these notes to financial statements was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2021, and the accounting valuation report as of June 30, 2022.

Additional financial information supporting the preparation of the schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

8. Post-Employment Benefits Other Than Pensions

The South Carolina Public Employee Benefit Authority (PEBA) was created by the South Carolina General Assembly as part of Act No. 278 effective July 1, 2012. PEBA – Insurance Benefits is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts and retirement systems and is part of the State of South Carolina primary government.

The governing board of PEBA is a board of 11 members. The membership composition is three members appointed by the Governor, two members appointed by the President Pro Tempore of the Senate, two members appointed by the Chairman of the Senate Finance Committee, two members appointed by the Speaker of the House of Representatives and two members appointed by the Chairman of the House Ways and Means Committee. Individuals appointed to the PEBA board must possess certain qualifications. Members of the PEBA board serve for terms of two years, and until their successors are appointed and qualify. Terms commence on July first of even numbered years. The PEBA board appoints the Executive Director. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the State Fiscal Accountability Authority (SFFA), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and other post-employment benefits (OPEB).

8. Post-Employment Benefits Other Than Pensions, Continued

Plan Descriptions

The Other Post-Employment Benefits Trust Funds (OPEB Trusts), collectively refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), were established by the State of South Carolina as Act 195, which became effective in May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan.

In accordance with Act 195, the OPEB Trusts are administered by the PEBA – Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit OPEB plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. 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.

Benefits

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public-school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008, and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public-school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

8. Post-Employment Benefits Other Than Pensions, Continued

Contributions and Funding Policies, continued

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2023, was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premium's structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. However, due to the COVID 19 pandemic and the impact it has had on the PEBA-Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutory required transfer until further notice. It is also funded through investment income.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA – Insurance Benefits bills and collects premiums charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was $3.22 for the fiscal year ended June 30, 2024. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income. The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for fiscal year 2024 totaled $655,193,006. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of $(159,380).

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

8. Post-Employment Benefits Other Than Pensions, Continued

PEBA – Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the PEBA – Insurance Benefits' link on PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the Annual Comprehensive financial report of the state.

The University paid $1,928,595 and $1,843,922 applicable to the surcharge included with the employer contribution for retirement health benefits for the fiscal years ended June 30, 2024 and 2023, respectively. The University recorded employer contributions applicable to the long-term disability insurance benefits for active employees totaling $16,940 and $17,192 for the years ended June 30, 2024, and 2023, respectively.

Actuarial assumptions and methods

Actuarial valuations of an ongoing plan 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.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial valuations were performed as of June 30, 2022.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date	June 30, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.25%
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation
Single Discount Rate	3.86% as of June 30, 2023
Demographic Assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality Assumptions	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections based on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.
Health Care Trend Rates	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 13 years
Participation Assumptions	79% participation for retirees eligible for Funded Premiums 59% participation for retirees eligible for Partial-funded Premiums 20% participation for retirees eligible for Non-Funded Premiums

8. Post-Employment Benefits Other Than Pensions, Continued

Actuarial assumptions and methods , continued

Notes	The discount rate changed from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023; demographic and salary increases assumptions were updated to reflect the 2020 SCRS experience study and the health care trend rates were reset to better reflect the plan's anticipated experience.

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date	June 30, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.25%
Investment Rate of Return	3.00%, net of plan investment expense, including inflation
Single Discount Rate	3.57% as of June 30, 2023
Salary, Termination, and Retirement Rates	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Disability Incidence	The disability incidence rates used in the valuation are 165% of the rates developed for the South Carolina Retirement Systems pension plans
Disability Recovery	For participants in payment, 1987 CGDT Group Disability for active employees, 60% were assumed to recover after the first year and 93% were assumed to recover after the first two years
Offsets	45% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan
Expenses	Third party administrative expenses were included in the benefit projections
Notes	The discount rate changed from 3.41% as of June 30, 2022 to 3.57% as of June 30, 2023. Additionally, the salary, termination, and retirement rates assumptions were updated to reflect the 2020 experience study for the South Carolina Retirement Systems' pension valuations, and the disability incidence, disability recovery, and administration fee and offset assumptions were updated to better reflect the plan's anticipated experience.

Roll Forward Disclosures

The actuarial valuations were performed as of June 30, 2022. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2023.

8. Post-Employment Benefits Other Than Pensions, Continued

Net OPEB Liability

At June 30, 2023, the University reported liabilities of $38,309,223 and $33,955 for its proportionate share of the SCRHITF and SCLTDITF net OPEB liabilities, respectively. At June 30, 2023, the University's proportionate shares of the SCRHITF and SCLTDITF plans were 0.292627% and 0.221766% respectively. For the year ended June 30, 2024, the University recognized OPEB expense of $-1,625 and $5,657 for the SCRHITF and SCLTDITF plans, respectively.

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors. The following table represents the components of the net OPEB liability as of June 30, 2023.

OPEB Trust	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRITF	$ 14,749,639	$ 1,658,152,923	$ 13,091,486,232	11.24%
SCLTDITF	$ 47,855,524	32,544,441	$ 15,311,083	68.01%

The TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts' funding requirements.

Single Discount Rate

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

A Single Discount Rate of 3.57% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 3.00% and a municipal bond rate of 3.86%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain at $38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2033. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2033, and the municipal bond rate was applied to all benefit payments after that date.

8. Post-Employment Benefits Other Than Pensions, Continued

Long Term Expected Rate of Return

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. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

South Carolina Retiree Health Insurance Trust Fund (SCRHITF)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
US domestic fixed income	80%	0.95%	0.76%
Cash and short duration	20%	0.35%	0.07%
Total	100.0%		0.83%
Inflation for actuarial purposes			2.25%
Total expected nominal return			3.08%
Investment return assumption			3.00%

South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF)

Asset Class	Asset	Arithmetic Real	Portfolio Real Rate
US domestic fixed income	80%	0.95%	0.76%
Cash and short duration	20%	0.35%	0.07%
Total	100.0%		0.83%
Inflation for actuarial purposes			2.25%
Total expected nominal return			3.08%
Investment return assumption			2.75%

8. Post-Employment Benefits Other Than Pensions, Continued

Sensitivity Analysis

The following table presents the University's proportionate share of SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.86%, as well as what the University's proportionate share of net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

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

System	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Health	$ 46,659,702	$ 38,309,223	$ 31,809,703

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

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost

System	1% Decrease	Current Discount Rate	1% Increase
Health	$ 45,222,486	$ 38,309,223	$ 32,733,621

The following table presents the University's proportionate share of SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.57%, as well as what the University's proportionate share of net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

System	1% Decrease (2.57%)	Current Discount Rate (3.57%)	1% Increase (4.57%)
LTD	$ 38,144	$ 33,955	$ 29,907

The SCLTDITF's net OPEB liability is not affected by changes in the healthcare cost trend rates due to the method used to calculate benefit payments. Therefore, the sensitivity to changes in the healthcare cost trend rates have not been calculated.

8. Post-Employment Benefits Other Than Pensions, Continued

OPEB Expense

Components of the University's proportionate share of OPEB expense reported in the Schedule of OPEB Amounts by Employer for the fiscal year ended June 30, 2023, are presented below.

Description	SCRHITF	SCLTDITF
Service Cost	$ 1,389,638	$ 18,749
Interest on the Total OPEB Liability	1,812,716	$ 3,462
Projected Earnings on Plan Investments	(131,921)	$ (2,245)
OPEB Plan Administrative Expenses	2,750	$ 190
Recognition of Outflow (Inflow) of Resources due to Liabilities	(2,191,883)	619
Recognition of Outflow (Inflow) of Resources due to Assets	87,981	1,610
Total Aggregate OPEB Expense	$ 969,281	$ 22,385

Additional items included in Total Employer OPEB Expense are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective NOL and differences between actual employer contributions and proportionate share of total plan employer contributions.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Health Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 677,758	$ 8,729,800
Assumption changes	11,733,395	13,465,596
Net difference between project and actual earnings on OPEB investments	384,736	-
Organization contributions subsequent to the measurement date – (including implicit subsidy)	1,928,595	-
Total	**$ 14,724,484**	**$ 22,195,396**

8. Post-Employment Benefits Other Than Pensions, Continued

Deferred Outflows of Resources and Deferred Inflows of Resources, Continued

	LTD	
	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	$ 8,956	$ 3,944
Assumption changes	4,460	3,826
Net difference between projected and actual earnings on pension OPED investments	9,381	-
Proportionate share of contributions	464	609
Organization contributions subsequent to the measurement date	16,940	-
Total	**$ 40,201**	**$ 8,379**

Of the total amount reported as deferred outflows of resources related to OPEB, $16,940 (including implicit rate subsidy) resulting from University contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the University's OPEB expense as follows:

SCRHITF

Year Ended June 30:	Deferred Outflows (Inflows)
2024	$ (795,586)
2025	(650,794)
2026	(980,799)
2027	(2,391,147)
2028	(3,475,439)
Thereafter	(1,105,742)
	$ (9,399,507)

SCLTDITF

Year Ended June 30:	Deferred Outflows (Inflows)
2024	$ 2,869
2025	4,193
2026	3,559
2027	1,131
2028	684
Thereafter	2,446
	$ 14,882

8. Post-Employment Benefits Other Than Pensions, Continued

Deferred Outflows of Resources and Deferred Inflows of Resources, Continued

As discussed in paragraph 86 of GASB Statement No. 75, differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB plan (active and inactive members) determined as of the beginning of the measurement period.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

Additional Financial and Actuarial Information

Information contained in these Notes to the Financial Statements were compiled from the OPEB Trust Funds audited financial statements for the fiscal year ended June 30, 2023, and the accounting and financial reporting actuarial valuations as of June 30, 2023. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the OPEB Trust Funds audited financial statements.

9. Leases and Subscriptions

Lessee Arrangements

The University has entered into agreements to lease certain equipment with external parties. The lease agreements qualify as other than short-term leases under GASB 87. The University has also entered into agreements to lease certain real property from the Lander Foundation, a component unit of the University. The leases also qualify as long-term leases under GASB 87. The leases expire at various dates through 2036 and some provide for renewal options ranging from one year to five years. In accordance with GASB Statement No. 87, the University records right of use assets and lease liabilities based on the present value of expected payments over the lease term of the respective 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. The University used guidance from the State of South Carolina Comptroller General's Office in determining the interest rate by which expected payments should be discounted when it was not stated in the lease agreement. The University does not have any leases featuring payments tied to an index or market rate. The University also does not have any leases subject to a residual value guarantee. See Note 4 – Right to Use Lease Assets for information on leased assets and associated accumulated amortization. Future commitments for leases having remaining terms in excess of one year as of June 30, 2024 were as follows:

9. Leases and Subcriptions, continued

Description	Lease Obligations Payable	Interest
Years Ending June 30:		
2025	687,594	233,814
2026	598,072	213,619
2027	589,164	195,654
2028	442,371	182,635
2029	417,752	169,420
2029 through 2037	5,571,142	942,433
Total remaining lease commitments	$ 8,306,095	$ 1,937,575

Lease commitments consist of:

Description	Lease Obligations Payable
Agreements between the University and related parties for real estate space payable in monthly and annual installments ranging from $1,200 - $600,000, with fixed and implicit interest rates ranging from 1%-3%. The agreements expire in various fiscal years from 2023-2036, with some agreements that offer the option to extend through 2036.	$ 8,058,490
Agreements between the University and third-party vendors for various types of equipment and vehicles. Payable in monthly and annual installments ranging from $40 - $4,000, with fixed and implicit interest rates ranging from 1%-3%. The agreements expire in various fiscal years from 2023-2027, with some agreements that offer the option to extend through 2027.	$ 247,605
Present Value of minimum lease commitments	$ 8,306,095

9. Leases and Subcriptions, continued

Software-Based Information Technology Arrangements

As mentioned in Note 1, The University adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) in FY2023. The University entered into arrangements with external parties for access to information technology for various dates through 2027 and provide for renewal options ranging from one to four years. In accordance with GSB 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 on the lease, 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 depreciation. Future commitments for subscription assets having remaining terms in excess of one year as of June 30, 2024, were as follows:

SBITA Description	SBITA Payable	Interest
Years Ending June 30:		
2025	$ 1,198,441	$ 47,241
2026	595,468	9,567
2027	21,390	113
2028		-
2029		-
Total remaining lease commitments	$ 1,815,299	$ 56,921

SBITA's consist of academic and administrative software with annual payments ranging from $5,000 to $500,000, an imputed interest rate averaging 3% and expiring between December 2025 to July 2028.

Additional information about the intangible right to use subscription asset and subscription liability can be found in Note 4 – Capital Assets and Note 12 – Long-Term Liabilities, respectively.

10. Deferred Compensation Plans

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. All University employees may participate in the deferred compensation plans, except those in student employment positions. 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 Section 401(k), 457 and 403(b) 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 employment if permitted by the plan. Eligibility rules and penalties may apply. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan. In accordance with IRS regulations effective January 1, 2009, the University adopted a 403(b) plan document. Under the plan, loans and financial hardship distributions are permitted. Fifteen years of service catch-up contributions are not permitted.

11. Commitments and Contingencies

The University receives a substantial amount of its support from the United States Department of Education, from State of South Carolina appropriations, and from the South Carolina Commission on Higher Education. While it is anticipated that funding will continue in the future, a significant reduction in the level of this support, if it were to occur, could have an adverse effect on the University's programs and activities.

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

The Tax Cuts and Jobs Act (TCJA) of 2017 was passed during the fiscal year ended June 30, 2018. This legislation featured several changes that could ultimately impact both public and private higher education institutions, their benefactors, and employees. The TCJA requires each unrelated trade or business to be reported separately and disallows netting of losses from one unrelated trade or business with profits from another. Historically the University has not engaged in more than one unrelated trade or business. As such, the University has not accrued a liability for any changes referenced in the TCJA. At June 30, 2024, the University had completed certain capital projects.

The University is a party to various litigations as a defendant arising from its normal operations. Management does not anticipate material losses in connection with these claims.

Bonds Payable

The University has issued debt to finance construction of facilities. At June 30, 2024, bonds payable consisted of the following:

$14,125,000 general obligation bonds issued December 2013 and due in annual installments ranging from $405,000 to $2,270,000 through 2029, with interest at 3.00 to 5.00 percent	$ 9,365,000
$8,550,000 general obligation state institution refunding bonds issued October 2016 and due in annual installments ranging from $425,000 to $1,150,000 through 2026, with interest at 2.00 to 5.00	855,000
Total	$ 10,220,000

11. Commitments and Contingencies, continued

Bonds Payable, continued

The scheduled maturities of bonds payable are as follows for the years ending June 30:

	General Obligation Bonds		
	Principal	**Interest**	**Total**
2025	1,810,000	349,650	2,159,650
2026	1,865,000	291,925	2,156,925
2027	2,095,000	219,900	2,314,900
2028	2,180,000	134,400	2,314,400
2029	2,270,000	45,400	2,315,400
Total	$ 10,220,000	$ 1,041,275	$ 11,261,275

At June 30, 2024, there was no arbitrage liability associated with bonds issued by the University. Interest is expensed in the year it is incurred. The principal remaining on the bonds, $10,220,000, and the remaining unamortized premium, $465,445 comprise the total liability of $10,685,445 at year-end. Of that amount, $1,958,131 is the current portion of the total liability.

Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Balance Beginning	Adjustment	Additions	Reductions	Balance Ending	Current Portion
General obligation						
General obligation bonds	$ 11,945,000	$ -	$ -	$ 1,725,000	$ 10,220,000	$ 1,810,000
Unamortized premiums	800,658	-	-	335,213	465,445	148,131
Total general obligation	12,745,658	-	-	2,060,213	10,685,445	1,958,131
Other liabilities						
Compensated absences	1,927,088	-	142,045	142,346	1,926,787	639,570
Net pension liability	53,361,839	-	-	786,137	52,575,702	-
Net OPEB liability	45,605,089	-	-	7,261,911	38,343,178	-
Lease Liability						
Lease Liability Component Unit	10,579,568	(1,902,018)	-	619,060	8,058,490	529,197
Lease Liability External Parties	123,034	136,520	85,923	97,872	247,605	158,397
Lease liability SBITA	2,225,263	697,727	209,964	1,317,655	1,815,299	1,198,441
Total Lease Liability	113,821,881	(1,067,771)	437,932	10,224,981	102,967,061	1,886,035
Federal Perkins Loan	7,070	-	-	286	6,784	-
Total other liabilities	113,828,951	(1,067,771)	437,932	10,225,267	102,973,845	2,525,605
Total long-term liabilities	$ 126,574,609	$ (1,067,771)	$ 437,932	$ 12,285,480	$ 113,659,290	$ 4,483,736

12. Related Parties

The Lander Alumni Association (the Alumni Association) is a separately chartered legal entity whose activities are related to those of the University and exists primarily to provide financial assistance and other support to the University and its educational programs. The Alumni Association, which has assets of less than $10,000 was established by alumni to promote academic improvements, to assist in scholarship programs, to further the interests of the University and to promote among its present and former students and friends good fellowship and loyalty. The Alumni Association's financial statements are not presented in these financial statements.

13. Component Unit

The Foundation is considered a component unit of Lander University. The Foundation paid $762,637 to the University for scholarships. The Foundation also paid $65,650 to the University for various other approved programs related to academics and administration. Accounts payable to the University as of June 30, 2024, was $121,047. Compensation and benefits for some University employees that provide administrative services for the Foundation are paid by the University and are not reimbursed by the Foundation. The Foundation has recorded a contribution for an estimate of the related compensation and benefits of $1,131,705.

The University implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* on July 1, 2021, which had substantial accounting and financial reporting impacts on the component unit, the Lander Foundation. The Foundation will show a Lease Receivable to match the University's Lease Liability. The Foundation is not due to implement ASC 842 until July 1, 2023, therefore, the chart below shows the Foundation Lease Receivable per GASB 87:

Lease Receivable	Balance Beginning	Adjusment	Additions	Reductions	Balance Ending	Current Portion
Lease Receivable Component Unit	$ 10,579,568	$ (1,902,018)	$ -	$ 619,060	$ 8,058,490	$ 529,197
	$ 10,579,568	$ (1,902,018)	$ -	$ 619,060	$ 8,058,490	$ 529,197

A summary of the Foundation's investments at June 30, 2024 follows:

Pooled Investments	Fair Market Value
Fixed income securities	$ 5,848,417
Common stocks and publicly traded partnerships	19,223,926
Total pooled investments	$ 25,072,343

13. Component Unit, continued

During the year ended June 30, 2018, the Foundation refinanced the $1,950,000 promissory note that was secured to construct an Athletic Fieldhouse and other improvements to the RWS Complex. Monthly payments of $14,700 including interest at 4.5 percent are required through August 2027. There was $520,547 outstanding on the note payable at June 30, 2024. In connection with the notes payable, the Foundation is required to meet certain covenants including debt service coverage ratios. During the fiscal year ended June 30, 2024, the debt covenants were met by the Foundation. Maturities of the notes payable are as follows:

Foundation
Maturities of notes payable

2025	157,115
2026	163,441
2027	170,023
2028	29,968
	$ 520,547

In 2020, the Foundation refunded the South Carolina Jobs-Economic Development Authority Economic Development Revenue Bond, Series 2009 for a Series 2019A Bond for $9,330,000 and Series 2019B for $95,000, dated October 18, 2019. Interest is due semiannually on February 1 and August 1, at a base rate of 2.51% for Series A and 1.85% Series B. Principal is due annually on August 1 through August 1, 2034. The balance due at June 30, 2023, was $8,295,000 combined. Maturities of bonds payable are as follows:

Maturities of bonds payable

2025	$ 405,000
2026	415,000
2027	425,000
2028	440,000
2029	450,000
Thereafter	5,765,000
	$ 7,900,000

Interest expense on notes and bonds payable for the year ended June 30, 2024, totaled $223,020. There was no interest cost capitalized during the year ended June 30, 2024.

14. Risk Management

The University is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There were no significant reductions in insurance coverage from coverage in the prior year. The costs of settled claims have not exceeded this coverage in any of the past three years. The University pays insurance premiums to certain other State agencies and commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accord with insurance policy and benefit program limits.

State management believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several State funds accumulate assets and the State itself assumes substantially all risks for the following:

1) Claims of State employees for unemployment compensation benefits (South Carolina Department of Employment and Workforce);
2) Claims of covered employees for workers' compensation benefits for job-related illnesses or injuries (State Accident Fund);
3) Claims of covered public employees for health and dental insurance benefits (South Carolina PEBA); and
4) Claims of covered public employees for long-term disability and group-life insurance benefits (South Carolina PEBA).

Employees elect health coverage through either a health maintenance organization or the State's self-insured plan. All of the other coverages listed above are through the applicable State self-insured plan except dependent and optional life premiums are remitted to commercial carriers.

The University and other entities pay premiums to the State's Insurance Reserve Fund (IRF) which issues policies, accumulates assets to cover the risks of loss, and pays claims incurred for covered losses related to the following University assets, activities, and/or events:

1) Theft of, damage to, or destruction of assets;
2) Real property, its contents, and other equipment;
3) Motor vehicles, aircraft, and watercraft (inland marine);
4) Torts;
5) Business interruptions;
6) Natural disasters; and
7) Medical malpractice claims against covered infirmaries and employees.

The IRF is a self-insurer and purchases reinsurance to obtain certain services and specialized coverage and to limit losses in the areas of property, boiler and machinery, automobile liability, and medical professional liability insurance. Also, the IRF purchases reinsurance for catastrophic property and medical professional liability insurance. Reinsurance permits partial recovery of losses from reinsurers, but the IRF remains primarily liable. The IRF purchases insurance for aircraft and ocean marine coverage. The IRF's rates are determined actuarially. State agencies and other entities are the primary participants in the State's Health and Disability Insurance Fund and in the IRF.

14. Risk Management, continued

The University obtains coverage through a commercial insurer for employee fidelity bond insurance for losses arising from dishonest or fraudulent acts, limited to $100,000 for dishonesty, $50,000 for forgery or alteration, and $5,000 from theft, disappearance, and destruction. The University also obtains coverage through a commercial insurer for medical insurance covering student athletes. In fiscal year 2020, the University purchased a Directors and Officers policy.

The University has not transferred the portion of the risk of loss related to insurance policy deductibles, unreported claims, underinsurance, and co-insurance for any covered losses to a state or commercial insurer.

The University has not reported an estimated claims loss expenditure, and the related liability at June 30, 2022, based on the requirements of GASB Statement's No. 10 and No. 30, which state that a liability for claims must be reported only if information prior to issuance of the financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before June 30, 2022, and the amount of the loss is reasonably estimable.

In management's opinion, claims losses in excess of insurance coverage are unlikely and, if incurred, would be insignificant to the University's financial position. Furthermore, there is no evidence of asset impairment or other information to indicate that a loss expenditure and liability should be recorded at year-end. No loss accrual has been recorded.

15. Transactions with State Entities

The University received substantial funding from the Commission on Higher Education (the CHE) for scholarships on behalf of students that is accounted for as operating state grants and contracts. The following is a summary of amounts received from the CHE for scholarships, sponsored research and public service projects for the fiscal year ended June 30, 2024:

LIFE Scholarships	$ 6,658,685
Palmetto Fellows Scholarship	971,860
Need-Based Grants	3,527,541
Hope Scholarships	833,630
Assistance Program	175,063
SC Teaching Fellows	399,923
Other	789,935
Total received from the CHE	$ 13,356,637

Services received at no cost from State agencies include maintenance of certain accounting records by the Comptroller General; banking, bond trustee and investment services from the State Treasurer; legal services from the Attorney General; and grants services from the Governor's Office.

15. Transactions with State Entities, continued

Other services received at no cost from various offices of the Department of Administration include pension plan administration, insurance plans administration, audit services, personnel management, assistance in the preparation of the budget, review and approval of certain budget amendments, procurement services and other centralized functions.

The University had financial transactions with various State agencies during the fiscal year. Significant payments were made to divisions of the Department of Administration for pension and insurance plans employee and employer contribution, insurance coverage, office supplies, and interagency mail. Significant payments were also made for unemployment and workers' compensation coverage for employees to the South Carolina Department of Employment and Workforce and State Accident Fund. The amounts of expenditures applicable to related transactions with state entities are not readily available.

16. Operating Expenses by Function

Operating expenses by functional classification for the year ended June 30, 2024 are summarized as follows:

	Compensation and Benefits	Supplies and Fellowships	Scholarships and Fellowships	Depreciation and Amortization	Total
Instruction	$ 21,197,738	$ 1,260,390	$ -	$ -	$ 22,458,118
Research	-	-	-	-	-
Public service	148,475	172,539	-	-	321,014
Academic support	2,699,417	1,458,869	-	-	4,158,286
Operation and maintenance	10,601,844	2,998,055	-	-	13,599,899
Institutional support	7,948,043	3,563,504	-	-	11,511,577
Operation and maintenance of plant	5,375,155	1,367,365	-	-	6,742,520
Scholarships and fellowships	-	-	2,475,562	-	2,475,562
Auxiliary enterprises	2,938,089	8,292,719	-	-	11,230,808
Depreciation	-	-	-	6,742,604	6,742,604
Total operating expenses	**$ 50,908,781**	**$ 19,113,441**	**$ 2,475,562**	**$ 6,742,604**	**$ 79,240,388**

17. Subsequent Events

The University has evaluated all subsequent events through September 30, 2024, the date the financial statements were available to be issued.

Required Supplementary Information

LANDER UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Retiree Health Insurance	2024	2023	2022	2021	2020	2019	2018
University's proportion of the net OPEB liability	0.292627%	0.299627%	0.285438%	0.274258%	0.259068%	0.254524%	0.255079%
University's proportionate share of the net OPEB liability	$ 38,309,223	$ 45,578,783	$ 59,437,271	$ 49,507,536	$ 39,175,031	$ 36,067,540	$ 34,550,033
Plan fiduciary net position as a percentage of the total OPEB liability	11.24%	9.64%	7.48%	8.39%	8.44%	7.91%	7.60%

Long-Term Disability Insurance	2024	2023	2022	2021	2020	2019	2018
University's proportion of the net OPEB liability	0.22706%	0.22706%	0.21843%	0.20742%	0.20742%	0.20399%	0.19849%
University's proportionate share of the net OPEB liability	$ 33,955	$ 26,306	$ 6,941	$ 648	$ 4,082	$ 6,245	$ 3,599
Plan fiduciary net position as a percentage of the total OPEB liability	68.01%	75.04%	92.84%	99.29%	95.17%	92.20%	95.29%

This schedule is intended to reflect information for ten years. Additional years will be added as they become available.

See independent auditor's report and accompanying OPEB plan supplementary information note.

LANDER UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S CONTRIBUTIONS - OPEB PLANS

Retiree Health Insurance	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Statutorily required contribution	$ 1,917,272	$ 1,844,497	$ 1,663,714	$ 1,580,043	$ 1,370,786	$ 1,207,217	$ 1,146,507	$ 1,146,507
Contributions in relation to the Statutorily required contribution	$ 1,917,272	$ 1,844,497	$ 1,663,714	$ 1,580,043	$ 1,370,786	$ 1,207,217	$ 1,146,507	$ 1,146,507
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Long-Term Disability Insurance	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Statutorily required contribution	$ 16,940	$ 17,192	$ 16,548	$ 16,161	$ 15,285	$ 14,854	$ 14,368	$ 14,368
Contributions in relation to the Statutorily required contribution	$ 16,940	$ 17,192	$ 16,548	$ 16,161	$ 15,285	$ 14,854	$ 14,368	$ 14,368
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

This schedule is intended to reflect information for ten years. Additional years will be added as they become available.

See independent auditor's report and accompanying OPEB plan supplementary information note.

LANDER UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY

SCRS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
University's proportion of the net pension liability	0.21219%	0.21448%	0.20153%	0.19480%	0.18274%	0.18025%	0.17792%	0.17229%	0.17359%	0.17352%
University's proportionate share of the net pension liability	$ 51,301,140	$ 51,993,669	$ 43,613,923	$ 49,775,645	$ 41,726,270	$ 40,387,672	$ 40,051,528	$ 36,800,249	$ 32,922,370	$ 29,875,079
University's covered payroll	$ 19,222,320	$ 18,994,301	$ 18,003,052	$ 16,075,454	$ 15,588,851	$ 14,142,560	$ 14,033,582	$ 13,994,406	$ 13,106,120	$ 12,185,973
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	266.88318%	273.73299%	242.25850%	309.63757%	267.66739%	285.57540%	285.39776%	262.96399%	251.19845%	245.15957%
Plan fiduciary net position as a percentage of the total pension liability	58.60%	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%

PORS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
University's proportion of the net pension liability	0.04187%	0.04562%	0.04410%	0.04460%	0.04489%	0.04027%	0.04146%	0.04192%	0.04259%	0.04406%
University's proportionate share of the net pension liability	$ 1,274,562	$ 1,368,170	$ 1,134,584	$ 1,478,965	$ 1,286,571	$ 1,141,113	$ 1,135,795	$ 1,063,189	$ 928,335	$ 843,405
University's covered payroll	$ 763,591	$ 733,601	$ 721,999	$ 663,087	$ 673,720	$ 651,136	$ 557,419	$ 558,323	$ 534,859	$ 529,483
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	166.91683%	186.50056%	157.14482%	223.04238%	190.96524%	175.24956%	203.75965%	190.42543%	173.56630%	159.28840%
Plan fiduciary net position as a percentage of the total pension liability	67.80%	66.40%	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.55%

This schedule is intended to reflect information for ten years. Additional years will be added as they become available.

See independent auditor's report and accompanying pension plan supplementary information note.

LANDER UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S CONTRIBUTIONS - PENSION PLAN

SCRS	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 4,704,545	$ 4,229,275	$ 4,106,497	$ 3,544,761	$ 3,377,938	$ 2,810,946	$ 2,532,831	$ 2,074,180	$ 1,845,796	$ 1,773,683	$ 1,669,891
Contributions in relation to the contractually required contribution	$ 4,704,545	$ 4,229,275	$ 4,106,497	$ 3,544,761	$ 3,377,938	$ 2,810,946	$ 2,532,831	$ 2,074,180	$ 1,845,796	$ 1,773,683	$ 1,669,891
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered-employee payroll	$ 19,222,320	$ 18,994,301	$ 18,003,052	$ 16,075,454	$ 15,588,851	$ 14,142,560	$ 14,033,582	$ 13,994,406	$ 13,106,120	$ 12,799,775	$ 12,185,973
Contributions as a percentage of covered-employee payroll	24.47%	22.27%	22.81%	22.05%	21.67%	19.88%	18.05%	14.82%	14.08%	13.86%	13.70%

PORS	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 148,481	$ 138,913	$ 184,036	$ 120,947	$ 122,886	$ 112,256	$ 90,525	$ 79,504	$ 73,489	$ 70,761	$ 68,036
Contributions in relation to the contractually required contribution	$ 148,481	$ 138,913	$ 184,036	$ 120,947	$ 122,886	$ 112,256	$ 90,525	$ 79,504	$ 73,489	$ 70,761	$ 68,036
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered-employee payroll	$ 763,591	$ 733,601	$ 721,999	$ 663,087	$ 673,720	$ 651,136	$ 557,419	$ 558,323	$ 534,859	$ 530,678	$ 529,483
Contributions as a percentage of covered-employee payroll	19.45%	18.94%	25.49%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.33%	12.85%

This schedule is intended to reflect information for ten years. Additional years will be added as they become available.

See independent auditor's report and accompanying pension plan supplementary information note.

LANDER UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN SUPPLEMENTARY INFORMATION NOTE
For the year ended June 30, 2024

NOTE 1 - CHANGE OF BENEFIT TERMS

No changes were made to the benefit terms during the fiscal year ended June 30, 2023 (the measurement year).

NOTE 2 - CHANGES OF ASSUMPTIONS

There were no assumption changes since the prior actuarial valuation.

NOTE 3 - COVERED PAYROLL

The State's actuary excludes ORP payroll when disclosing funding progress. As a result, the University has elected to follow the calculation performed by the State actuary and has excluded ORP salaries from covered payroll. ORP payroll amounts were as follows for the years ended June 30:

	2024	2023	2022	2021	2020	2019	2018	2017
ORP Payroll	$ 11,074,200	$ 10,900,838	$ 10,786,908	$ 9,880,873	$9,018,111	$7,863,917	$ 7,358,393	$ 6,957,730

LANDER UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
OPEB PLAN SUPPLEMENTARY INFORMATION NOTE
For the year ended June 30, 2024

NOTE 1 - CHANGE OF BENEFIT TERMS

No changes were made to the benefit terms during the fiscal year ended June 30, 2023 (the measurement year).

NOTE 2 - CHANGES OF ASSUMPTIONS

The discount rate for SCRHITF changed from 3.69% as of June 30, 2023 to 3.86% as of June 30, 2023. The discount rate for SCLTDITF changed from 2.48% as of June 30, 2022 to 3.57% as of June 30, 2023.

No other changes were made to the actuarial assumptions utilized during the fiscal year ended June 30, 2023 (the measurement year).

LANDER UNIVERSITY
SUPPLEMENTARY SCHEDULE REQUIRED BY THE STATE OF SOUTH CAROLINA
OFFICE OF THE COMPTROLLER GENERAL
SCHEDULE RECONCILING STATE APPROPRIATIONS PER THE FINANCIAL STATEMENTS
TO STATE APPROPRIATIONS RECORDED IN STATE ACCOUNTING RECORDS
For the Year Ended June 30, 2024

The following is a reconciliation of the original base budget amount presented in the General Funds Column of Section 1 of the 2023-2024 Appropriations Bill enacted by the South Carolina General Assembly to State Appropriations revenue reported in the financial statements for the year ended June 30, 2024.

Non-Capital Appropriations	
Appropriation per Annual Appropriations Act	$ 19,857,404
Supplemental Appropriations:	
SCRS & PORS 1% Rate Increase	123,731
Health and Dental Allocation	223,129
Pay Plan	737,109
Nonrecurring General Fund Allocation Proviso 117.52	
From Commission of Higher Education:	
SC Education Lottery - Technology Program	341,677
Total Non-Capital Appropriations recorded as current year revenue	21,283,050
Capital Appropriations for Maintenance, Renovation and Replacement	
Capital Reserve Fund Bill H.5151 FY2023	7,500,000
Total Capital Appropriations recorded as current year revenue	7,500,000
Total Non-Capital and Capital Appropriations	$ 28,783,050

See independent auditor’s report.

LANDER UNIVERSITY
SUPPLEMENTARY SCHEDULE REQUIRED BY THE STATE OF SOUTH CAROLINA
OFFICE OF THE COMPTROLLER GENERAL

SCHEDULE OF TUITION AND FEES

For the Year Ended June 30, 2024

South Carolina Code of Laws Section 59-107-90 requires that the maximum amount of annual debt service on state institution bonds for each institution shall not exceed 90 percent of the sums received from tuition and fees (as defined by code Section 59-107-30) for the preceding year.

The applicable amount for the year ended June 30, 2024 is as follows:

Amount of tuition and fees as defined by Code Section 59-107-30 for the year ended June 30, 2023	$	14,505,911
Legal annual debt service limit at June 30, 2024	$	13,055,320

See independent auditor's report.

BrownEdwards
certified public accountants

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
Lander University
Greenwood, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the buisness-type activities and discretely presented component unit of Lander University (the "University"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated September 30, 2024. The financial statements of the discretely presented component unit, the Lander Foundation, were not audited in accordance with Government Auditing Standards and accordingly this report does not include reporting on internal control over.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
September 30, 2024

Lander University

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Grantor/Program or Cluster Title	Federal Assistance Listing Number	Total Federal Financial Assistance/Loans Advanced
Federal Awards		
U.S. Department of Education		
Student Financial Assistance Cluster		
Federal Work-Study Program	84.033	$ 144,548
Federal Supplemental Educational Opportunity Grants Program	84.007	192,542
Federal Pell Grant Program	84.263	8,557,560
Federal Direct Student Loans	84.268	18,631,377
Total Student Financial Assistance Cluster		27,526,027
TRIO Cluster		
Student Support Services	84.042A	306,247
Higher Education Emergency Relief Fund (HEERF)		
American Rescue Plan Elementary and Secondary School Emergency Relief (ESSER)	84.425U	236,408
Special Education Cluster		
Passed Through South Carolina Department of Education:		
Project CREATE	84.027	299,270
Total U.S. Department of Education		28,367,952
National Aeronautics and Space Administration:		
Passed Through College of Charleston:		
National Space Grant College and Fellowship Program – Education	43.008	474
National Endowment of the Humanities		
Passed Through South Carolina Humanities:		
Constitution Day 2023 at Lander University	45.129	2,071
Lander Writers Series A Reading and Conversation with Robert Maynor	45.129	1,323
Lander University Film Festival	45.129	3,387
Total National Endowment of the Humanities		6,781
Total Federal Awards		**$ 28,375,207**

Lander University

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal expenditures of Lander University (the "University") and is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The University's major federal programs are as follows:

Student Financial Aid

Student Financial Aid includes certain awards to provide financial aid to students, primarily under the Federal Work-Study (FWS), Federal Pell Grant (Pell), and Federal Supplemental Educational Opportunity Grant (FSEOG) programs of the U.S. Department of Education. The University also receives awards to make loans to eligible students under the Federal Direct Loan program.

Note 2 – Summary of Significant Accounting Policies for Expenditures of Federal Awards

Expenditures for federal student financial aid programs are recognized as incurred and include the federal share of students' FSEOG program grants and FWS program earnings, certain other federal financial aid for students, and administrative cost allowances, where applicable. Federal Pell Grant awards and Direct Loans are recognized as agency transactions and are not recorded as expenditures in the basic financial statements. The University elected not to use the 10% de minimis indirect cost rate.

Note 3 – Federal Direct Loan Program

The University is responsible only for the performance of certain administrative duties with respect to its Federal Direct Loan program and, accordingly, these loans are not included in its financial statements. It is not practicable to determine the balance of loans outstanding to students and former students of the University under these programs as of June 30, 2024.

Note 4 – Federal Perkins Loan (FPL) Program

The University participated in the FPL Program sponsored by the U.S. government. Under this program, funds were loaned to qualified students and were re-loaned after collection. The U.S. government phased out the program and no disbursements were permitted or made after June 30, 2018. At June 30, 2024, there were no cumulative loans outstanding (net of principal repayments, cancellations, and allowances).

BROWN EDWARDS
certified public accountants

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

The Board of Trustees
Lander University
Greenwood, South Carolina

Opinion on Compliance for Each Major Federal Program

We have audited Lander University's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lander University's major federal programs for the year ended June 30, 2024. Lander University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lander University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis of Opinion for Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lander University and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Lander University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lander University's federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lander University’s compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lander University’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Lander University’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lander University’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lander University’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined below. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of Lander University as of and for the year ended June 30, 2024 and have issued our report dated February 17, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
February 17, 2025

Lander University

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

A – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP	Unmodified			
Internal control over financial reporting:				
Are any material weaknesses identified?		Yes	X	No
Significant deficiencies identified that are not considered to be material weaknesses?		Yes	X	None Reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major federal programs:				
Material weaknesses identified?		Yes	X	No
Significant deficiencies identified that are not considered to be material weaknesses?		Yes	X	None Reported
Noncompliance material to federal awards?		Yes	X	No
Type of auditor's report issued on compliance for major federal programs	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		Yes	X	No

Identification of major federal programs

CFDA Number(s)	Name of Federal Program or Cluster
	Student Financial Assistance Cluster
88.033	Federal Work-Study Program
84.007	Federal Supplemental Educational Opportunity Grants Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans

Dollar threshold used to distinguish between Type A and Type B Programs	$ 750,000			
Auditee qualified as low risk auditee?	X	Yes		No

B – Findings – Financial Statement Audit

None.

C – Findings and Questioned Costs – Major Federal Award Programs Audit

None.