

13.2.b

Financial Documents: Position of Unrestricted Net Assets

The member institution provides the following financial statements:

- b. a statement of financial position of unrestricted net assets, exclusive of plant assets and plant-related debt, which represents the change in unrestricted net assets attributable to operations for the most recent year.

For applicant and candidate institutions, including an applicant seeking separate accreditation from a current SACSCOC-accredited institution, the institution provides the financial information, including audit requirements, specified in the SACSCOC's policy entitled "Accreditation Procedures for Applicant Institutions."

Judgment

Compliant Non-Compliant Not Applicable

Narrative

The annual audited financial statements for the University of South Carolina Columbia and regional Palmetto College campuses for the fiscal years ending [June 30, 2017](#), [June 30, 2018](#) and [June 30, 2019](#) document consistent growth in revenue, expenditures, and net assets. The most recent audit confirms Columbia and regional Palmetto College campuses financial strength with net position of \$1.46 billion, excluding net pension liability (GASB 68) and net OPEB liability (GASB 75), an increase of \$108.4 million over the previous year.

Unrestricted net position for the Columbia and regional Palmetto College campuses was \$481.5 million for fiscal year 2019 compared to \$433.7 million in the prior year, excluding net pension liability and net OPEB liability. Columbia and regional Palmetto College campuses unrestricted net position increase of \$47.8 million is an indicator of its financial stability. The chart below shows the effect of GASB 68 and 75 on Columbia and regional Palmetto College campuses financial statements in comparison.

USC Columbia and Regionals Summary of Net Position as reported and excluding GASB 68 and GASB 75

	2019 as reported	2019 excluding GASB 68 and GASB 75
<i>Assets:</i>		
Current assets	\$ 761,274,592	\$ 761,274,592
Capital assets, net	1,277,164,630	1,277,164,630
Other noncurrent assets	112,947,881	112,947,881
Total assets	2,151,387,103	2,151,387,103
<i>Deferred outflows of resources</i>		
Deferred loss on debt refunding	16,248,532	16,248,532
Deferred outflows related to net OPEB liability	56,759,066	-
Deferred outflows related to net pension liability	129,139,321	-
Total deferred outflows of resources	202,146,919	16,248,532
<i>Liabilities:</i>		
Current liabilities	153,375,161	153,375,161
Non-current liabilities	2,176,864,632	554,884,688
Total liabilities	2,330,239,793	708,259,849
<i>Deferred inflows of resources</i>		
Deferred inflows related to net OPEB liability	64,953,795	-
Deferred inflows related to net pension liability	5,156,979	-
Total deferred inflows of resources	70,110,774	-
<i>Net Position:</i>		
Net investment in capital assets	743,058,334	743,058,334
Restricted - nonexpendable	86,276,384	86,276,384
Restricted - expendable	148,568,487	148,568,487
Unrestricted	(1,024,719,750)	481,472,580
Total net position	\$ (46,816,545)	\$ 1,459,375,786

Unrestricted net position for the University of South Carolina Columbia campus including the School of Medicine and the four regional Palmetto College campuses was \$481.5 million for fiscal year 2019 compared to \$433.7 million in the prior year, excluding net pension liability and net OPEB liability.

Over the last 5 years, the University of South Carolina Columbia’s unrestricted net position has increased 41.47% or \$141.1 million, an average of 8.3% annually. Net tuition revenue growth has been steady and consistent. In addition, expenses have been managed and growth controlled. In the development of the fiscal year 2020 budget, all units were assessed a 3% budget cut to fund initiatives associated with the strategic plan.

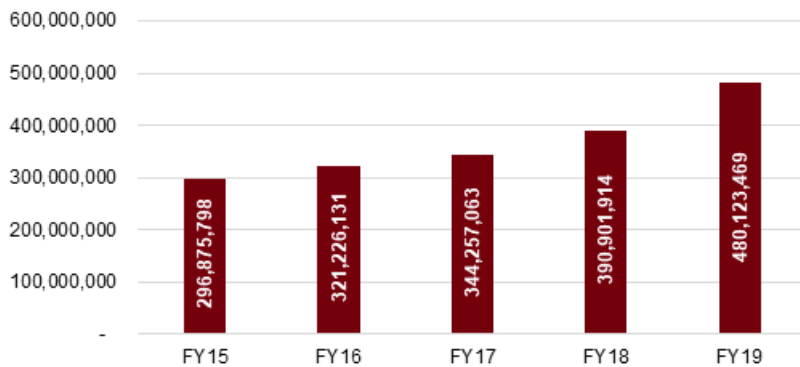
USC Columbia and Regionals

Unrestricted Net Position Trend Analysis

	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	FY15 to FY19 Change	FY15 to FY19 % Change
Unrestricted Net Position excluding GASB 68 and GASB 75	340,345,074	370,700,145	401,900,967	433,677,508	481,472,580	141,127,506	41.47%
Unrestricted Net Position as reported	(258,787,574)	(238,725,882)	(232,000,502)	(1,026,100,981)	(1,024,719,750)	(784,952,176)	-294.48%

Over the last 5 years, the University of South Carolina Columbia’s unrestricted net position exclusive of plant has increased 61.73% or \$181.2 million, an average growth of 12.9% annually. The university continues to have adequate resources to support its education and general and auxiliary operations.

**Unrestricted Net Position excluding GASB 68 & 75
and Unexpended Plant Funds**



USC Columbia and Regionals

Unrestricted Net Position Trend Analysis- Excluding GASB 68 and 75 and Unexpended Plant Funds

	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
E & G Breakdown					
A Funds	95,019,752	108,745,970	126,668,539	169,859,847	205,257,099
E Funds	62,793,321	71,264,425	79,570,151	100,626,195	132,356,361
D Funds	4,884,526	5,519,217	7,531,162	7,855,748	8,358,243
N Funds	-	-	-	-	10,879,538
R Funds	1,785,733	1,527,963	1,536,644	1,645,003	1,808,507
S Funds	1,845,785	2,247,243	2,064,874	2,665,432	2,338,083
Total E & G Funds	197,329,318	189,307,818	217,371,370	282,652,225	361,007,830
Auxiliary Breakdown					
Health Center	18,961,668	18,298,444	11,679,289	4,513,773	5,055,792
Housing	11,531,689	10,330,581	11,475,648	16,308,499	17,544,336
Bookstore	4,185,595	4,162,735	4,318,902	4,750,175	4,659,766
Vending/Concessions	1,363,741	1,185,443	976,694	650,707	363,314
Athletics	13,226,766	14,235,383	7,782,077	8,204,534	8,206,631
Food Service	1,328,916	1,275,575	1,680,362	5,150,356	123,161
Parking	5,034,783	6,689,746	8,451,948	11,783,790	15,780,795
Other	5,452,024	6,289,633	5,935,849	6,944,817	13,545,829
Total Auxiliary Funds	61,086,182	62,467,540	52,301,009	58,206,651	65,539,625
Quasi Endowments	69,758,401	70,021,105	70,494,153	66,888,352	44,313,332
Unexpended Plant Funds	-	-	-	-	-
Financial Statement Adjustments	(1,298,104)	(581,332)	(4,090,531)	(16,945,314)	9,262,682
Total Unrestricted Net Position	296,875,798	321,226,131	344,257,063	390,901,914	480,123,469

Sources

 Cola_Regionalis_FY16-17

 Cola_Regionalis_FY17-18

 Cola_Regionalis_FY18-19