

UNIVERSITY OF SOUTH CAROLINA  
Columbia, South Carolina

Revenue Bonds  
Continuing Disclosure Annual Report  
For the Year Ended June 30, 2022  
January 31, 2023 Filing

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**Arnold School of Public Health**

Big Data Health Science Center  
Cancer Prevention and Control Program  
Carolina Consortium on Health, Inequalities and Populations  
Children's Physical Activity Research Group  
Clinical Exercise Research Center  
Community Health Worker Institute  
Consortium for Latino Immigration Studies  
Center for Environmental Nanoscience and Risk  
Center for Health Services and Policy Research  
Center for Research in Nutrition and Health Disparities  
Center for the Study of Aphasia Recovery  
Core for Applied Research and Evaluation  
Disability Research and Dissemination Center  
Institute for Partnerships to Eliminate Health Disparities  
The Montgomery Speech, Language and Hearing Clinic  
Noncommunicable Disease Policy & Communication Research  
Oceans & Human Health Center on Climate Change Interactions  
Office for the Study of Aging  
PASOs Programs  
Prevention Research Center  
Research Center for Child Well-Being  
SC Cancer Disparities Community Network  
SC Institute of Medicine and Public Health  
SC Public Health Consortium  
SC Rural Health Research Center  
Technology Center to Promote Healthy Lifestyles

**College of Social Work**

Center for Child and Family Studies  
Institute for Families in Society  
I. DeQuincey Newman Institute for Peace and Social Justice  
SmartHOME  
South Carolina Center for Gerontology

## **Alumni**

The University of South Carolina Alumni Association serves more than 310,000 alumni in 45 cities around the world.

## **System Campuses**

Three comprehensive and four regional campuses complement the flagship campus in Columbia. USC Aiken, USC Beaufort and USC Upstate are separately accredited institutions offering four-year degree programs. The four regional campuses, USC Lancaster, USC Salkehatchie, USC Sumter and USC Union, are the Palmetto College Campuses and are accredited as two-year degree-granting institutions under the USC Columbia umbrella.

# Debt Structure

## Outstanding Debt

The University's debt consists of the following categories:

General Obligation. State Institution Bonds of the state of South Carolina (the "State Institution Bonds"), which are secured by a pledge of the full faith, credit and taxing power of the state and in addition by a pledge of tuition fees collected at the University. State Institution Bonds are issued by the state on behalf of the University.

Revenue bonds. The proceeds of revenue bonds (the "Revenue Bonds") are used by the University for, but not limited to:

(A) Dormitories, apartment buildings, dwelling houses, bookstores and other University operated stores, laundries, dining halls, cafeterias, parking facilities, student recreational, entertainment and fitness related facilities, inns, conference and other non-degree educational facilities and similar auxiliary facilities of the University and any other facilities which are auxiliary to any of the foregoing excluding, however, athletic department projects which primarily serve varsity athletic teams of the University.

(B) Those academic facilities as may be authorized by joint resolution of the General Assembly.

The Revenue Bonds under this category are payable from and secured by a pledge of the revenues derived by the University from the operation of the student and faculty housing facilities and the parking facilities; and are additionally secured by a pledge of subsidies and available funds and academic fees of the University not otherwise designated or restricted. Funds of the University derived from appropriations received from the General Assembly and any tuition funds pledged to the repayment of State Institution Bonds are not considered available funds.

Athletic Facilities Revenue Bonds. The proceeds of Athletic Facilities Revenue Bonds are used by the University for the financing or refinancing of the costs of acquiring, constructing, reconstructing, renovating, or equipping Athletic Facilities. The Athletic Facilities Revenue Bonds are payable from and secured by a pledge of (A) the Net Revenues, (B) the gross receipts from the imposition of the Admissions Fee, and (C) the gross receipts from the imposition of the Special Student Fee.

The following table shows the categories of outstanding long-term obligations of the University as of December 31, 2022.

<u>Category of Indebtedness</u>	<u>Amount Outstanding</u>
State Institution Bonds	\$115,320,000
Revenue Bonds	369,800,000
Athletic Facilities Revenue Bonds	<u>169,360,000</u>
Total	<u>\$654,480,000</u>

## Debt Payment Record

There has been no default in the payment of principal or interest on any bonds issued by or on behalf of the University. The University has never borrowed for the purpose of refunding any bonds in order to prevent a default, nor has the University borrowed for the purpose of paying the cost of operations or for funding a deficit.

# Financial Matters

## ***Budget***

The University is a state institution of higher learning, governed by the Board of Trustees. The amount of state appropriations received is determined by the state legislature. The Board of Trustees must approve the annual operating budget and is empowered to establish tuition and fee amounts, subject to such limits as may be imposed from time to time by the General Assembly of the state of South Carolina.

The internal University budget process is that generally used by public higher education institutions. The budget is determined in the following manner:

1. Amount of expense budget to sustain current operations is determined.
2. Expense budget reductions are made to continuing operations where programmatically warranted.
3. Expense budget increases for institutional priorities are determined.
4. Realistic revenue budget estimates are determined.
5. Necessary expense budget reductions are made to current operating bases or planned institutional priorities as circumstances warrant in order to insure that the expense budget does not exceed the revenue budget.

The total current funds budget of the University for the fiscal year ended June 30, 2022 was approximately \$1.747 billion as approved by the Board of Trustees. Of that amount, \$222.5 million was appropriated by the state with the remainder derived from student tuition and fees, grants, contracts, auxiliary enterprises and other revenue.

The total current funds budget approved by the University Board of Trustees on June 24, 2022 for fiscal year 2022 is \$1.804 billion. Of that amount, state appropriations are \$266.5 million.

Total revenues of the University for the fiscal years ended June 30, 2018 through 2022 are as follows:

Year	Total Revenues
2022	\$1,728,803,872
2021	1,547,698,863
2020	1,449,350,656
2019	1,434,729,538
2018	1,353,362,205

The percentages of the sources of the revenues shown above are as follows:

	2022	2021	2020	2019	2018
State Appropriations (including Capital)	22%	14%	15%	13%	12%
Tuition and Fees	32	37	39	39	40
Gifts, Grants and Contracts	34	35	29	30	31
Sales and Services and Other Sources	12	14	17	18	17

### ***Insurance***

The University is exposed to various risks and maintains state and commercial insurance coverage to mitigate the impact of those potential losses. The University believes such coverage is sufficient to preclude any significant uninsured losses to the University. Settled claims have not exceeded this coverage in any of the past three years. The University pays insurance premiums to certain other state agencies to cover risks that may occur in normal operations. Additional information can be found in the Annual Comprehensive Financial Report of the University for fiscal year ended June 30, 2022 – Notes to the Financial Statements – Note 13 – Risk Management.