LANDER UNIVERSITY

A Component Unit of the State of South Carolina

FINANCIAL STATEMENTS

For the year ended June 30, 2021

LANDER UNIVERSITY
GREENWOOD, SOUTH CAROLINA
June 30, 2021

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Lois D. Eustace, CPA, CGMA
605 Calhoun Avenue
Greenwood, South Carolina 29649
Voice 864.388.9101
Facsimile 864.388.0781

Clark Eustace Wagner, PA
Certified Public Accountants

Barbara JS Wagner, CPA
3790 Fernandina Road, Suite 303
Columbia, South Carolina 29210
Voice 803.798.4302
Facsimile 803.798.7153

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Lander University
Greenwood, South Carolina

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, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Lander Foundation, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 19 to the financial statements, in 2021 the University adopted new accounting guidance, GASBS No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Other Matters

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. 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 and are not a required part of the basic financial statements.

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 the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule Reconciling State Appropriations per the Financial Statements to State Appropriations Recorded in State Accounting Records and the Schedule of Tuition and Fees are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Clark Eustace Wagner, PA

Greenwood, South Carolina
September 30, 2021

Lander University

Management's Discussion and Analysis

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 Bell Tower 2020

Lander College building, 1904-05

Lander offers high-demand and market-driven programs to ambitious and talented students in and around South Carolina. These programs are delivered in a rich liberal arts environment to produce highly qualified and marketable graduates. This is accomplished by creating graduates who are well rounded and prepared to continue their education or launch their careers.

Lander University offers baccalaureate, master's and professional degrees with more than 80 areas of study. Some key signature programs of study are: Biology, Criminal Justice and Criminology, Cybersecurity, Exercise Science, Financial Services, Government Administration, Health Care Management, Homeland Security and Emergency Management, Management/Marketing, Mass Communications, Nursing, Pre-Professional Studies, Psychology and Teaching (K-12). A comparison of faculty and student numbers follows:

	Faculty (Headcount)	Student (Headcount)	Student (FTE)
Fiscal Year 2021	160	3511	3356
Fiscal Year 2020	139	3227	3079
Fiscal Year 2019	148	3053	2882

Overview of the Financial Statement and Financial Analysis

The University is pleased to present its financial statements for fiscal year 2021. The financial statement presentation for the University has been prepared to meet the requirements of the Governmental Accounting Standards Board ("GASB") Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, as amended.

The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows.

In addition, the financial statements contain a Statement of Financial Position and Statement of Activities for The Lander Foundation, a discretely presented component unit. The Foundation's separately issued financial statements are audited by independent auditors retained by the Foundation.

This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2021 and fiscal year 2020.

Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows, liabilities, deferred inflows, 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 and deferred outflows (property owned by the University, timing variances, and debts owed by others to the University), liabilities and deferred inflows (debts owed to others, timing differences, and funds collected from others prior to the University providing service/goods), and net position (assets and deferred outflows minus liabilities and deferred inflows) 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 position category is expendable restricted Net Position. Expendable restricted net position are 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 net position is available to the institution for any lawful purpose of the institution. Although unrestricted Net Position is not subject to externally imposed stipulations, substantially all of 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

			Increase/	Percent
Assets:	**2021**	**2020**	**Decrease**	**Change**
Current assets	$ 18,806,704	$ 18,623,624	$ 183,080	0.98%
Capital assets, net	57,898,580	58,586,177	(687,597)	-1.17%
Other assets	936,659	1,076,570	(139,911)	-13.00%
Total Assets	77,641,943	78,286,371	(644,428)	-0.82%
Deferred Outflow of Resources	23,649,070	11,087,970	12,561,100	113.29%
Liabilities:				
Current Liabilities	6,913,614	5,778,099	1,135,515	19.65%
Noncurrent Liabilities	117,561,549	101,645,759	15,915,790	15.66%
Total Liabilities	124,475,163	107,423,858	17,051,305	15.87%
Deferred Inflows of Resources	3,549,831	4,157,219	(607,388)	-14.61%
Net Position:				
Invested in capital assets, net of debt	41,162,114	40,047,973	1,114,141	2.78%
Restricted-expendable	4,458,315	6,392,271	(1,933,956)	-30.25%
Unrestricted	(72,354,410)	(68,646,980)	(3,707,430)	5.40%
Total Net Position	$ (26,733,981)	$ (22,206,736)	$ (4,527,245)	20.39%

As of June 30, 2021, University assets were $77,641,943. Total Assets of the University were largely unchanged compared to prior year. Current assets increased by a mere 0.98%, most notably from the unspent Capital Reserve Funds (CRF) appropriated in 2019 (FY2020). The original CRF appropriations were designated for roof replacements and campus safety and security upgrades, and were completed under budget. The remaining funds of $602,442 have been redirected for campus renovations and improvements. Other assets fell by 13%, most notably from the return of excess funds to the federal government from the now "Sunset" Perkins Loan Program. Capital Assets, Net, decreased by $687,597. A key factor of the decrease was depreciation of older equipment and the removal of Sproles Recreation Center. Depreciation and amortization expense increased to $4,230,312, a 3% increase over prior year.

Deferred Outflows of Resources had a significant increase due to the actuarial determinations for GASB 68 and GASB 75. Additionally, contributions subsequent to the measurement date for the University's Net Pension Liability and OPEB Liability are reported in Deferred Outflows of Resources. The University's total outflows were $23,649,070 as of June 30, 2021. These Outflows of Resources will be amortized in subsequent periods. Please see Note 6 and 7 for more information

Total University liabilities were $124,475,163 as of June 30, 2021. The University experienced an increase in liabilities over the prior fiscal year of 15.87%. Current liabilities increased over prior year mainly due to accrued payroll and related liabilities with a $912,685 increase, and accounts payable of $203,662 increase. These increases were offset by a decrease in accrued interest payable, bonds payable and deferred revenue, combining a total upsurge in current liabilities of 19.65%. Noncurrent liabilities account for an additional 15.66% increase. Driving factors for the rise of noncurrent liabilities include accrued compensated absences and net pension and OPEB liabilities, coupled with the decrease in bonds payable and the Perkins liability.

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 a decrease of $607,388, 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 and 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 2021, without the GASB 68 and 75 impact, the University's unrestricted net position had an increase of $1,694,922. Following is the University's net position with the GASB 68 and 75 impact reported discretely.

Net Position	**2021**	**2020**	**Change**
Invested in capital assets, net of debt	$ 41,162,114	$ 40,047,973	$ 1,114,141
Restricted-expendable	4,458,315	6,392,271	(1,933,956)
Unrestricted (exclusive GASB 68/75)	8,309,145	6,614,223	1,694,922
Unrestricted (GASB 75 portion)	(39,849,467)	(37,757,929)	(2,091,538)
Unrestricted (GASB 68 portion)	(40,814,088)	(37,503,274)	(3,310,814)
Total Net Position	$ (26,733,981)	$ (22,206,736)	$ (4,527,245)

Statement of Revenues, Expenses and Changes in Net Position

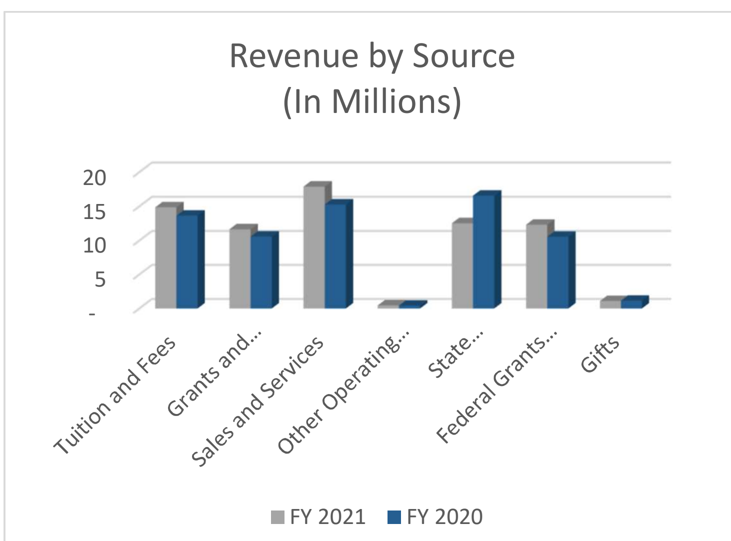
Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and non-operating, and 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 constituents 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.

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

	2021	2020
Operating Revenues	$ 44,845,576	$ 39,915,209
Operating Expenses	(74,574,536)	(67,459,127)
Operating Income/(Loss)	(29,728,960)	(27,543,918)
Non-operating Revenues	25,943,640	28,607,702
Non-operating Expenses	(741,924)	(554,616)
Income before Other Revenues, Expenses, Gains, or Losses	(4,527,244)	509,168
Change in Net Position	(4,527,244)	509,168
Net Position at Beginning of Year	(22,206,737)	(22,715,905)
Net Position at End of Year	$ (26,733,981)	$ (22,206,737)

Revenue by Source
For the Years Ended June 30, 2021 and June 30, 2020

Operating Revenues	2021	2020
Tuition and Fees	$ 14,859,010	$ 13,645,174
Grants and Contracts	11,645,288	10,584,278
Sales and Services	17,890,354	15,271,799
Other Operating Revenues	450,924	413,958
Total Operating Revenues	44,845,576	39,915,209
Non-operating Revenues		
State Appropriations	12,535,984	16,571,689
Federal Grants and Contracts	12,319,035	10,563,613
Gifts	1,088,621	1,141,784
Investment Income	-	315,540
Other Non-operating Revenues	-	15,076
Total Non-operating Revenues	25,943,640	28,607,702
Total Revenues	$ 70,789,216	$ 68,522,911



Statement of Revenues, Expenses and Changes in Net Position continued

The Fall 2020 semester at Lander University kicked off with another record-breaking enrollment, boasting new bachelor's and master's degree programs offered and expanded food and dining options for students. These factors have increased operating revenues over prior year by 12.35% or $4,930,367. The major increase in operating revenue was the increase in auxiliary enterprises due to the increase in enrollment as housing was at full capacity. Lander's total enrollment was at 3,511, representing an 8.9% increase over last year's enrollment – and the largest enrollment in the University's 148-year history. The benefit of the hard work in recruiting new students has been proven with the 17.15% increase of auxiliary sales and services. There was also an increase in grants and contracts of 10% over prior year.

Lander University's Fall 2020 semester had record enrollment with an 8.9% increase over last year's figure. Additionally, on-campus housing is at 100 percent capacity, and Lander worked with local hotels to secure temporary housing for students until residential spaces became open on campus. Lander has also broken a nearly 30-year record for retention at 75%, topping the previous record of 71% set in 1992.

Non-operating revenues reflect a decrease of $2,764,994 over prior year. The SC General Assembly passed H.3411-Continuing Resolution bill that authorized the state to operate in FY 20-21 under the FY19-20 budget. Therefore, Lander University did not receive any new recurring funds in FY21 due to the continuing resolution. According to the bill, State appropriations were unchanged from prior year. The SC lottery appropriations made in FY20 continued in FY21, as well, due to H.3411. The large decrease in overall state appropriations revenue year over year is a result of non-recurring capital reserve funding received in FY20 totaling $4.6 million.

Federal grants and contracts increased 16.62% or $1,755,422 over prior year, mainly due the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). The CRRSAA was signed into law on December 27, 2020. This law gave the US Department of Education additional funds to distribute to colleges and universities through the Higher Education Emergency Relief Fund (HEERF II). In 2020, this stimulus package was known as CARES Act funding. Under Section 314 (a)(1) of the CRRSAA, Lander University received a total allocation of $5,802,081. Allocations were made to emergency financial aid grants, direct to students, of $1,768,497; institutional portion of $3,798,956; and strengthening institutions program of $234,628.

As of June 30, 2021, total disbursements of the CRRSAA are broken out below:

Institutional Portion - $2,633,295. The institution has used and intends to use the funds provided by this section for the purchase of COVID related expenses associated with social distancing measures, purchase of medical supplies, cost to disinfect public areas and classrooms, campus safety and operations, information technology to include telework, housing costs associated with closures, reducing occupancy, off-campus housing quarantine, loss of certain revenues associated with decreased enrollment, the cancellation of events and campus safety and to provide tuition discounts. The university awarded $2,026 of its institutional share to provide emergency financial aid grants to nine students who qualified for additional funds based on Financial Aid's award criteria. These students received up to a maximum of $750 in their initial grant; however, they satisfied a requirement that made them eligible for an additional $250 grant. These students are duplicated as they have already been counted in the student emergency grant portion. (See Student Portion of the CRRSAA report for the award criteria methodology as it relates to emergency financial aid grants.) The university provided tuition discounts to students adversely affected by COVID during the spring semester which could be used during summer school. Financial Aid awarded a total of 91 tuition discounts totaling $134,537. The minimum discount was $750 and the maximum discount was $1,784.

<u>Strengthening Institutions Program Portion</u> - $234,628. The institution used the funds provided by this section for the purchase of COVID related expenses associated with campus safety and operations.

<u>Student Portion-Emergency Financial Aid Grants</u> - $1,768,497 at June 30, 2021. To be eligible to receive the emergency financial aid grants provided by the CRRSAA/HEERF II, students must:

- be enrolled full-time or part-time in the Spring 2021 semester (face-to-face or online) as a degree-seeking student; and
- be a U.S. citizen, or a non-citizen who is eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965 (i.e., be eligible to receive federal student aid).

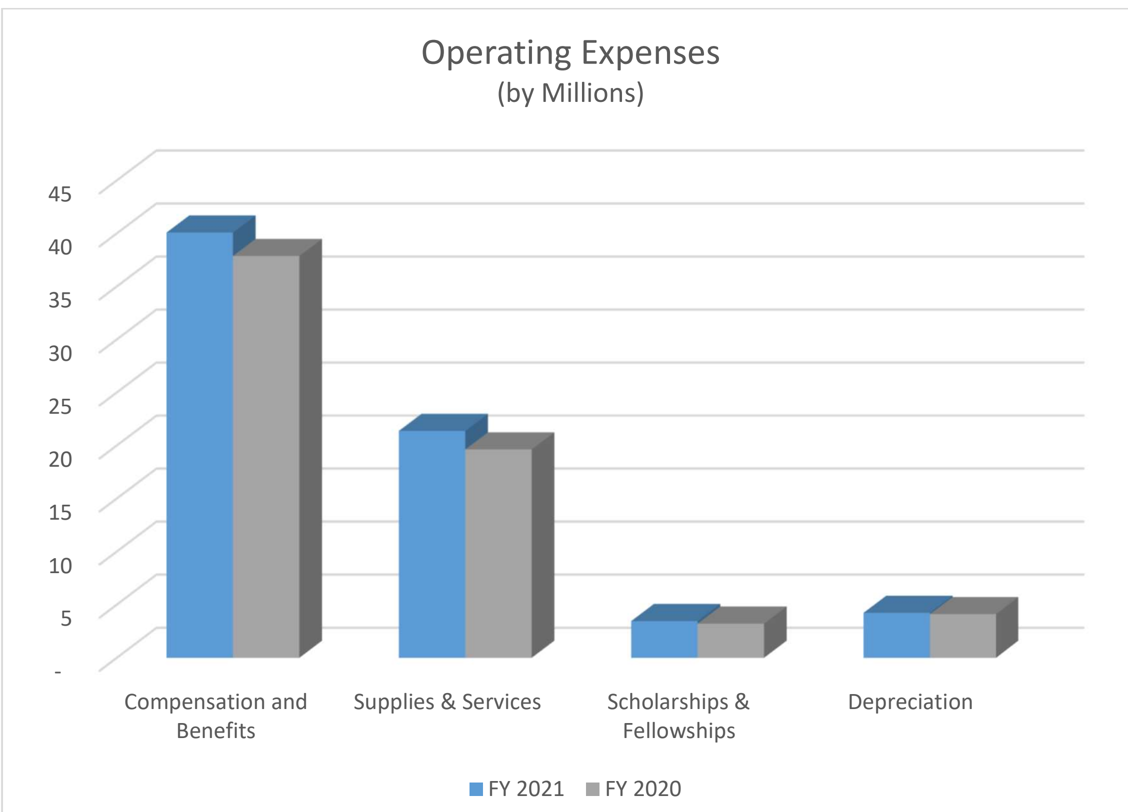
Students enrolled exclusively in online/distance learning were also eligible. Lander has prioritized students with exceptional need in awarding the emergency financial aid grants. Full-time students who meet the eligibility requirements [above] received a grant of $250, with additional allotments of $250 for each of the following criteria that apply:

- Initial gross need of $5,000 or more, as determined by the Free Application for Federal Student Aid (FAFSA)
- Remaining need greater than $500 (gross need minus financial aid offered)
- Pell Grant recipient, indicating exceptional need

In summary, eligible full-time students received between $250-$1,000, depending on demonstrated financial need. Part-time students were evaluated using the same guidelines; however, funding was prorated and based on the student's actual hours of enrollment. Students are permitted to apply their award, from the student share of HEERF II funding, toward educational expenses, including tuition and fees. Students with outstanding balances are given the option to electronically consent their affirmation and apply this aid toward their Spring 2021 balance. Any excess between the eligible award and amount due the university will be refunded to the student.

Expenses by Source
For the Years Ended June 30, 2021 and June 30, 2020

Operating Expenses	**2021**	**2020**
Compensation and Benefits	$ 40,206,781	$ 37,868,860
Pension Expense	3,310,813	1,919,312
OPEB Expense	2,091,538	727,254
Supplies & Services	21,280,248	19,623,741
Scholarships & Fellowships	3,454,844	3,215,522
Depreciation	4,230,312	4,104,438
Total Operating Expenses	74,574,536	67,459,127
Non-operating Expenses		
Interest Expense	424,067	554,615
Investment Expense	100,931	-
(Gain)/Loss on Disposal of Assets	216,926	-
Total Non-operating Expenses	741,924	554,615
Total Expenses	$ 75,316,460	$ 68,013,742



Total operating expenses increased by $7,115,409, which equates to a 10.55% increase. Employee compensation and benefits increased 6.17%, reflecting the hiring of new faculty and increased cost of retirement contributions and health insurance. During the year scholarships increased 7.44%, the increase is reflective of the increase in enrollment which increases the number of students receiving awards. The statement shows an additional increase of $2,755,785 from Pension and OPEB expense.

Supplies and other services increased 8.44% from prior year. This increase reflects the expenditures to keep the campus safe, disinfected and operational due to COVID protocols. Lander University has also purchased additional seating, furniture and other equipment for the increased enrollment. With a normal focus, competitive athletics has resumed, resulting in increased travel spending due to COVID transportation capacity restrictions. The University is always making a conscious effort to keeping spending constant.

Statement of Cash Flows

The final statement presented by the Institution is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the Institution during the year. Cash flow information can be used to evaluate the financial viability of the Institution'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 Institution. 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, 2021 and 2020, Condensed

Cash Provided (Used) by:	2021	2020
Operating Activities	$ (18,881,247)	$ (23,592,364)
Non-Capital Financing Activities	25,726,712	28,292,182
Capital and Related Financing Activities	(5,630,704)	(3,264,459)
Investing Activities	(100,931)	315,539
Net Change in Cash	1,113,830	1,750,898
Cash and Cash Equivalents, Beginning of Year	13,650,028	11,899,130
Cash and Cash Equivalents, End of Year	$ 14,763,858	$ 13,650,028

Capital Assets

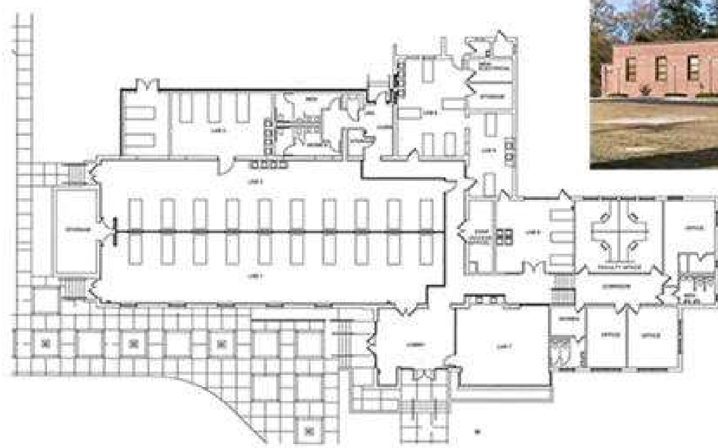
Lander University students, faculty, and staff enjoy service at the all new Chick-fil-A location on Lander's campus, which opened for the start of the 2020/21 academic year. Chick-fil-A is just one of several updates to Lander's dining options. The campus Starbucks was also renovated this summer in order to accommodate more students. Finally, Which Wich was moved to a new location in the Carnell Learning Center. These dining options are in addition to Lander University's Dining Hall, all of which offer to-go options that help reduce the number of guests inside the facility and allow for greater social distancing to prevent the spread of COVID-19.

The University received $3,313,400 in capital reserve fund appropriations in fiscal year 2020 to replace two much needed roofs on campus. The roof on the Physical Education and Exercise Science (PEES) building has not been replaced since its construction in 1991. The second roofing project was for the Art Annex, one of the oldest buildings on campus. As the building was constructed in 1957, the roof was original and in desperate need of replacement. These roofing projects were completed in fiscal year 2021 under budget allowing the excess funds to be redirected to other campus renovations and improvements.

Fiscal year 2021 has been a busy and exciting year with the start of several new capital projects. These campus enhancements, which are summarized below, will include the addition of new recreational and academic space for students, as well as renovation and expansion of a number of current campus buildings and facilities. Activity on these projects will get under way in the coming days and weeks, and we anticipate having many of them complete by the Fall 2022 semester, with the remainder to finish up over the course of the academic year.

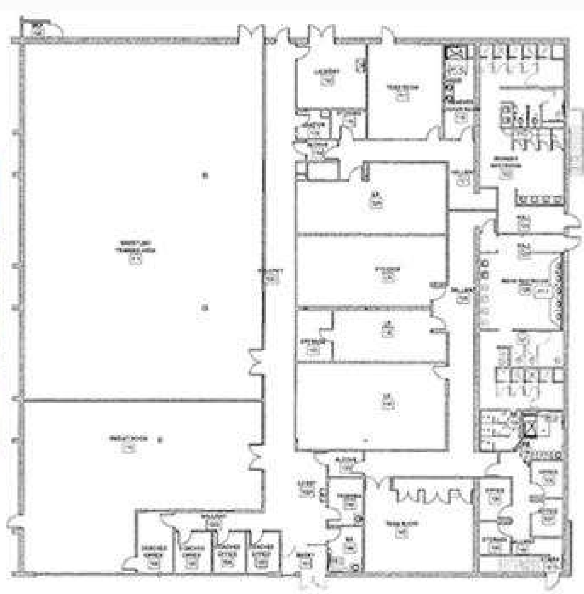
Legion Hall Nursing Simulation Lab

Lander's Legion Hall, located about one-half mile from campus, will soon be home to the William Preston Turner School of Nursing's state-of-the-art simulation laboratory. Construction is already underway on the lab, which has been designed with input from our nursing school faculty, other simulation labs, and Self Regional Healthcare. The expansive facility will promote appropriate social distancing and will feature an array of the most current clinical equipment and technologies, providing Lander's student nurses with a safe, dynamic and realistic environment for hands-on clinical instruction.



Field House II

Construction is also in progress at Lander's Jeff May Athletic Complex on a second field house, located in the former Wellness Works building. When complete, Field House II will be home to our wrestling and lacrosse teams, and will provide exceptional facilities for strength and conditioning programs.



Bank of America Building, Uptown Greenwood

With the University continuing to experience record growth in the number of students and programs, there is an urgent need for additional space that can be used for academic, administrative, student life and event purposes, while also allowing for social distancing. To address this shortage, Lander recently purchased the former Bank of America building in Uptown Greenwood, which will 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.

This new addition will serve as a beautiful, modern facility for multiple campus departments, and provide another location for meetings, student organization functions, and university and community events. Along with increasing Lander's visibility and presence in the Uptown area, the new building will also free up space on our main campus to allow for more social distancing in classrooms, offices and meeting areas.

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

Covid 19

In March of 2020, the COVID 19 pandemic hit the world, moving everything to a virtual environment. Lander University bounced back in just 5 short months with face-to-face instruction for the Fall of 2020. Health and safety of our students, staff, and faculty was the top priority for the University. Changes were made to accommodate the health standard and the University implemented the following:

- Most classes adapted a flexible, hybrid model that blends face-to-face instruction with synchronous video and online activities
- Classes were capped to allow for appropriate social distancing in classrooms, labs and facilities
- Lander increased online offerings to promote safety.
- All face-to-face courses started the semester with contingency plans allowing for an immediate and smooth transition to online instruction, should circumstances require it.

- Students and faculty with underlying health conditions or concerns were given the opportunity to request online instruction options.
- Office hours were virtual, and most non-class meetings will take place virtually.
- The University provided quality, reusable masks for students, faculty and staff.
- Social distancing policies and guidelines were put in place across campus.
- Cleaning supplies were made available in classrooms, labs and other academic settings
- Health safety education was provided to students throughout the semester, and safety training was required for faculty and staff.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) made it possible to complete these tasks. As of June 30, 2021, the total disbursement of the CRRSAA is broken out above in the Statement of Revenues, Expenses and Changes in Net Position portion of this document.

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 five 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.

The Fall 2021 semester at Lander University has launched with yet another year of record-breaking enrollment and residence halls filled to capacity. Lander's total enrollment was at 3,839 students – an all-time high for the University, and a 9.3% increase over Fall 2020, when Lander had 3,511 students. Included in the impressive enrollment figure are several other significant milestones:

- New student enrollment (freshman and transfer) is up 8.6% over Fall 2020.
- Graduate enrollment has also soared, growing 81.8% over last fall.
- On-campus housing occupancy is at 102%, leading the University to work with a local hotel to secure temporary housing for students until residential space opens up on campus. This represents the most students the University has ever housed.

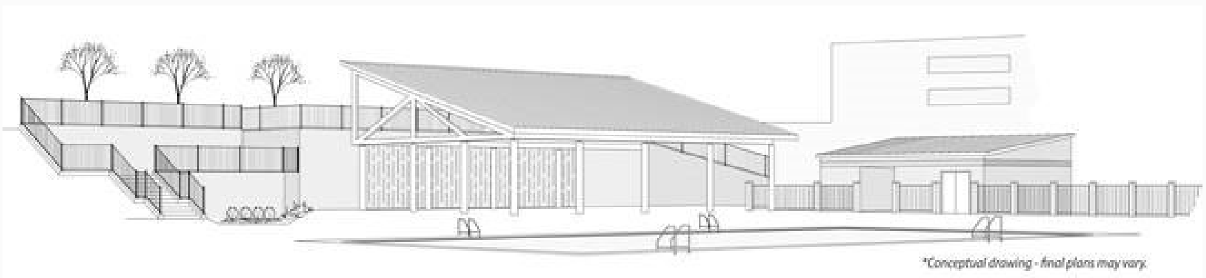
Over the last six years, Lander's enrollment has grown an impressive 42.1%, with an increase of 1,138 students since the fall of 2015. While the pandemic has had devastating impacts on many colleges and universities, Lander has remained a highly sought-after choice for students and their families.

Several new things are on the horizon for Lander University. Beginning in the Fall 2021, Lander is excited to announce Chick-fil-A will be serving breakfast to students, staff, and faculty.

In the Summer of 2021, several new and exciting projects have begun, including:

New Outdoor Recreation Center - At nearly 70 years old, the Sproles Recreation Center no longer safely accommodates our students' expanding needs for recreational space that also provides adequate social distancing. To address this, the University has received approval from the Board of Trustees and the State of South Carolina to demolish Sproles to make way for an outdoor, multipurpose space for recreational and academic use.

Designs for the space are still being finalized, but this new area will complement our existing outdoor pool with the addition of a large concrete pad, new lighting, a covered pavilion, restrooms and audio/visual equipment. This space will also provide a unique, expansive area for outdoor classes, academic activities and campus events that call for social distancing. Renovations to the pool and patio should be completed by this fall, with the pavilion and restrooms following later in the academic year.



Housing Renovations and Maintenance - With more students living on campus than ever before, it is critically important that our residence halls receive regular attention and maintenance so that they remain top-quality, safe and comfortable living spaces. This summer, we will be undertaking more than 20 renovation projects at Bearcat Village, Brookside, Centennial, Chipley, Lide, Thomason and Williamston residence halls, with a focus on cosmetic and functional updates, including: new roofing, flooring and decking; bathroom updates; new windows and blinds; interior and exterior painting; and HVAC, water heater and drainage upgrades.

Laura Lander Hall Tower Renovation - As the icon of our University, the bell tower of Laura Lander Hall is one of our most recognizable and most celebrated campus landmarks. A significant renovation project is scheduled to preserve and restore the 117-year-old bell tower to its original beauty. The work will include roofing and brick touchups, along with new louvers and uplighting, to ensure that our magnificent bell tower can remain a proud symbol of the university for the next century and beyond.

Genesis Hall Updates - Genesis Hall houses Lander's Student Wellness Center, which provides health and counseling services, as well as the University's Academic Advising Center. The Lander University Police Department was also located in Genesis, but recently moved to the former offices of University Advancement and the Alumni Association. This move freed up a significant amount of floor space in Genesis, which can now be reconfigured to enhance health and counseling services, as well as expand advising services – all of which play a critical role in student success. Additionally, this space can provide a more efficient location for the campus post office.

Chipley Circle Drive Enhancement - The circle drive in front of Chipley Hall will be reconfigured and repaved this summer, incorporating new landscaping and other enhancements that will not only beautify the area, but also make it safer and more convenient for students and pedestrians.

Recreation Field Lighting - New lighting will be installed at the recreation field next to New Residence Hall, allowing for more opportunities for outdoor intramurals, campus recreation, academic events and other campus functions where attendees need the ability to safely spread out.

Digital Signage - Over the summer, the University will be installing new digital signage that will allow for more efficient communication with our campus and surrounding communities. This digital signage will be large, dynamic, and strategically placed throughout the main campus and off-campus sites to allow for maximum visibility. The signs will help us better promote important university news and dates, campus events, and emergency messages.

As Lander University continues to grow with the Greenwood community, the Board of Trustees approved a new dual enrollment pilot program that will allow qualifying high school students in the GLEAMNS area to take two free courses each semester beginning Fall 2021. This is one example among many of new dual enrollment programs the university will offer.

With intense student recruiting efforts coupled with strenuous spending policies, Lander is well positioned to make smart choices and maintain its ability to react to unknown internal and external issues.

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 money it receives. Any questions about this report or requests for information may be addressed to the Controller, Lander University, 320 Stanley Avenue, Greenwood, South Carolina 29649.

FINANCIAL SECTION

LANDER UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2021

	Note		
ASSETS			
Current assets			
Cash and cash equivalents	2	$	8,476,494
Cash and cash equivalents, restricted	2		6,192,093
Accounts receivable, net of allowance for doubtful accounts of $805,655	3		3,218,102
Due from component unit			176,353
Interest receivable			297,258
Inventories			54,892
Prepaid items			391,512
Total current assets			18,806,704
Non-Current assets			
Restricted assets			
Cash and cash equivalents	2		95,271
Student loans receivable	3		841,388
Capital assets, not being depreciated	4		4,196,000
Capital assets, net of accumulated depreciation	4		53,702,580
Total non-current assets			58,835,239
TOTAL ASSETS			77,641,943
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	6		10,651,193
Deferred outflows - OPEB	7		12,997,877
TOTAL DEFERRED OUTFLOWS OF RESOURCES			23,649,070
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		$	101,291,013

(Continued)

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

LANDER UNIVERSITY
STATEMENT OF NET POSITION - CONTINUED
As of June 30, 2021

	Note	
LIABILITIES		
Current liabilities		
Accounts payable		$ 723,605
Retainage payable		18,899
Accrued payroll and related liabilities		2,613,254
Accrued compensated absences and related liabilities - current portion	13	600,897
Accrued interest payable		143,094
General obligation bonds payable - current portion	11	1,909,119
Obligations under capital leases payable - current portion	12	58,143
Other deposits		66,940
Unearned revenue	5, 13	779,663
Total current liabilities		6,913,614
Non-current liabilities		
Accrued compensated absences, net of current portion	13	1,149,143
General obligation bonds payable, net of current portion	11	14,639,820
Capital lease payable, net of current portion	12	129,384
Net pension liability	6, 13	51,254,610
Net OPEB liability	7, 13	49,508,184
Non-current liabilities payable from restricted non-current assets		
Perkins Loan Program - federal liability	13	880,408
Total non-current liabilities		117,561,549
TOTAL LIABILITIES		124,475,163
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension	6	210,671
Deferred inflows - OPEB	7	3,339,160
TOTAL DEFERRED INFLOWS OF RESOURCES		3,549,831
NET POSITION		
Net investment in capital assets		41,162,114
Restricted for Expendable:		
Grants and contracts		258,061
Loans		207,927
Capital projects		1,285,136
Debt service		2,707,191
Unrestricted		(72,354,410)
TOTAL NET POSITION		(26,733,981)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		$ 101,291,013

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, 2021

OPERATING REVENUES	
Student tuition and fees, net of scholarship allowances of $25,645,534	$ 14,859,010
Federal grants and contracts	348,847
State grants and contracts	10,533,136
Non-governmental grants and contracts	763,305
Sales and services of education and other activities	478,082
Sales and services of auxiliary enterprises, pledged for debt service	17,412,272
Other revenues	450,924
Total operating revenues	44,845,576
OPERATING EXPENSES	
Compensation	29,016,060
Employee benefits	16,593,072
Supplies and services	21,280,248
Scholarships and fellowships	3,454,844
Depreciation and amortization	4,230,312
Total operating expenses	74,574,536
Net operating income (loss)	(29,728,960)
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	12,535,984
Federal grants and contracts	12,319,035
Private gifts	1,088,620
Investment gain (loss)	(100,931)
Net gain (loss) on disposal of capital assets	(216,926)
Interest and amortization expense on capital assets and related debt	(424,067)
Total non-operating revenues (expenses)	25,201,716
Change in net position	(4,527,244)
NET POSITION - BEGINNING	(22,206,737)
NET POSITION - ENDING	$ (26,733,981)

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, 2021

Cash flows from operating activities		
Student tuition and fees	$	11,355,301
Grants and contracts		11,665,842
Sales and services of educational and other activities		478,082
Sales and services of auxiliary enterprises		17,412,272
Other operating cash receipts		466,184
Payments to suppliers		(21,040,209)
Payments to employees and for benefits		(39,049,797)
Collections on loans to students		(168,922)
Net cash used for operating activities		(18,881,247)
Cash flows from non-capital financing activities		
State appropriations		12,535,984
Federal grants and contracts		12,319,035
Private gifts		1,088,619
Other miscellaneous		(412,437)
Net cash provided by non-capital financing activities		25,531,201
Cash flows from capital and related financing activities		
Purchases of capital assets		(3,577,841)
Payments on bonds and redemption of premiums		(1,742,610)
Payments on capital lease obligation		(58,141)
Interest paid		(252,112)
Net cash used for capital and related financing activities		(5,630,704)
Cash flows from investing activities		
Interest on investments		94,580
Net cash used for investing activities		94,580
Net change in cash and cash equivalents		1,113,830
Cash and cash equivalents - beginning		13,650,028
Cash and cash equivalents - ending	$	14,763,858
Reconciliation to Statement of Net Position		
Cash and cash equivalents, current portion	$	8,476,494
Restricted cash and cash equivalents, current portion		6,192,093
Restricted cash and cash equivalents, non-current portion		95,271
Total cash and cash equivalents per Statement of Net Position	$	14,763,858

(Continued)

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

LANDER UNIVERSITY
STATEMENT OF CASH FLOWS - CONTINUED
For the year ended June 30, 2021

Reconciliation of net operating loss to net cash used for operating activities		
Net operating loss	$	(29,728,960)
Adjustments to reconcile net operating loss to net cash used for operating activities		
Depreciation		4,230,312
Amortization of pension liability		8,241,769
Amortization of OPEB liability		10,329,071
(Increase)/decrease in accounts receivable		566,771
(Increase)/decrease in inventory		112,504
(Increase)/decrease in prepaid items		9,482
(Increase)/decrease in student loans receivable		83,678
Increase/(decrease) in accounts payable and other liabilities		1,151,474
Increase/(decrease) in unearned revenues		(833,886)
Increase/(decrease) in deposits		170,384
Increase/(decrease) in deferred outflows		(12,561,101)
Increase/(decrease) in deferred inflows		(607,388)
Increase/(decrease) in Perkins Loan		(168,922)
Increase/(decrease) in compensated absences		123,565
Net cash used for operating activities	$	(18,881,247)
Non-cash transactions		
Amortization of bond premium	$	329,119
Loss on sale of capital assets	$	231,476

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 FINANCIAL POSITION
As of June 30, 2021

ASSETS	
Current assets	
Cash and cash equivalents	$ 2,711,365
Accounts receivable	54,986
Prepaid expenses	21,571
Net unconditional promises to give	2,957,180
Total current assets	5,745,102
Non-Current assets	
Investments	19,048,811
Investments related to split-interest agreements	557,552
Investments in real estate	486,185
Net investment in sales-type and direct financing leases	334,373
Other investments	2,000
Debit issuance costs, net	106,052
Cash surrender value of life insurance	18,697
Land, buildings, and equipment, net	18,329,791
Total non-current assets	38,883,461
TOTAL ASSETS	$ 44,628,563
LIABILITIES	
Current liabilities	
Accounts payable	$ 197,316
Revenue bonds payable - current portion	375,000
Notes payable - current portion	150,039
Total current liabilities	722,355
Non-current liabilities	
Revenue bonds payable , net of current portion	8,680,000
Notes payable, net of current portion	795,548
Actuarial liability of annuities payable	34,182
Total non-current liabilities	9,509,730
TOTAL LIABILITIES	10,232,085
NET ASSETS	
Without donor restrictions	8,689,024
With donor restrictions	25,707,454
TOTAL NET ASSETS	34,396,478
TOTAL LIABILITIES AND NET ASSETS	$ 44,628,563

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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	$ 1,018,186	$ 2,758,435	$ 3,776,621
General Revenue	200	-	200
In-kind contributions - related party	1,086,044	-	1,086,044
Rental income - related party	893,382	-	893,382
Investment income - net	20,477	7,097	27,574
Investment income from capital leases	323,771	-	323,771
Interest income from capital leases	11,882	-	11,882
Change in actuarial liability of annuities payable	(3,806)	2,499	(1,307)
Realized and unrealized gains (losses) on investments	64,458	4,842,032	4,906,490
Loss on sale of real estate	(24,000)	-	(24,000)
Interest income	1,924	-	1,924
Net assets released from restrictions	1,158,735	(1,158,735)	-
Total revenue, support, and reclassifications	4,551,253	6,451,328	11,002,581
PROGRAM EXPENSES			
Scholarships	633,863	-	633,863
Awards	5,515	-	5,515
Grants and other approved programs	699,568	-	699,568
University Program Support	423,404	-	423,404
Interest Expense	286,869	-	286,869
Banking Fees	3,502	-	3,502
Depreciation Expense	378,863	-	378,863
Total program expenses	2,431,584	-	2,431,584
SUPPORTING SERVICES			
Fundraising	533,044	-	533,044
Administrative and general	385,358	-	385,358
Total supporting services	918,402	-	918,402
Total program expenses and supporting services	3,349,986	-	3,349,986
Change in net assets	1,201,267	6,451,328	7,652,595
NET ASSETS - BEGINNING	7,468,861	19,219,267	26,688,128
NET ASSETS - ENDING	$ 8,670,128	$ 25,670,595	$ 34,340,723

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 Comprehensive Annual Financial Report (CAFR) 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 Comprehensive Annual Financial Report (CAFR). 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 include 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 receivable 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 consist of bookstore inventories for resale, are carried at the lower of cost or market. 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, 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 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.

1. Summary of Significant Accounting Policies, Continued

i. Capital Assets, Continued

According to the State of South Carolina Office of the Comptroller General Audited Financial Statements Manual, the cost of capital assets constructed by enterprise funds must include any associated interest expense incurred during the construction period (except for interest paid on State Capital Improvement Bonds). This associated interest expense is called construction period interest. Funding for constructed assets came from State Capital Improvement Bond issuances, and as a result, interest cost is not capitalized. The State's policy is to apply the capitalization thresholds to individual items rather than to groups. This means that if several items are purchased of the same type 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. 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.

k. 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.

l. Capital Leases Payable

Leases that substantially transfer all of the risks and benefits of ownership are accounted for as capital leases. Capital leases are included in capital assets and, where appropriate, are amortized over their estimated economic life. The related capital lease obligations are included in long-term liabilities.

1. Summary of Significant Accounting Policies, Continued

m. 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.

n. 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, with the exception of 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.

o. 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.

p. 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.

q. 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.

1. Summary of Significant Accounting Policies, Continued

r. 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
Represents 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.

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.

s. 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.

t. 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.

1. Summary of Significant Accounting Policies, Continued

t. Revenues and Expenses, Continued

1) Classification

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.

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.

u. 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. At year end, the carrying amount of the University's cash was $14,763,858 and the bank balance was $11,197,201.

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

Cash and cash equivalents – current	$	8,476,494
Restricted cash and cash equivalents – current		6,192,093
Restricted cash and cash equivalents – non-current		95,271
Total cash and cash equivalents	$	14,763,858
Notes to the financial statements:		
Cash on hand	$	8,665
Deposits held by State Treasurer		14,755,193
	$	14,763,858

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. 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 Comprehensive Annual Financial Report of the State of South Carolina.

2. Deposits and Investments, Continued

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, 2021 are summarized as follows:

Description	Current	Non-current	Total
Student accounts	$ 2,010,393	$ -	$ 2,010,393
Direct lending	131,869	-	131,869
Grants and contracts			
Federal	80,319	-	80,319
COVID 19 Federal	191,578	-	191,578
State	5,520	-	5,520
Non-governmental	1,567,371	-	1,567,371
Other	36,707	-	36,707
Student loans receivable	-	841,388	841,388
Less: Allowance for doubtful accounts	(805,655)	-	(805,655)
Accounts Receivable, net	$ 3,218,102	$ 841,388	$ 4,059,490

Allowances for losses on 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, 2021. 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 is no longer making loans; however, the University is working on repaying the federal government.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed into law on December 27, 2020, this law gave the US Department of Education additional funds to distribute to colleges and universities through the Higher Education Emergency Relief Fund (HEERF II). In 2020, this stimulus package was known as CARES Act funding. Lander University received $5,802,081 funding for the Higher Education Emergency Relief Fund (HEERF II) under Section 314 (a)(1) of the CRRSAA, of which $191,578 is included in the Federal COVID 19 accounts receivable.

4. Capital Assets

Capital assets consist of the following:

	Balance Beginning	Additions	Removals	Balance Ending
Capital assets not being depreciated				
Land and improvements	$ 2,688,224	$ -	$ -	$ 2,688,224
Land and improvements - capital leases	413,588	-	-	413,588
Art and historical collections	84,946	-	-	84,946
Construction in progress	56,094	3,273,972	(2,320,824)	1,009,242
Total capital assets not being depreciated	3,242,852	3,273,972	(2,320,824)	4,196,000
Capital assets being depreciated				
Land improvements	8,230,165	-	-	8,230,165
Buildings and improvements	102,575,228	2,320,824	(838,478)	104,057,574
Buildings and improvements - capital leases	4,712,693	-	-	4,712,693
Machinery, equipment, and other	5,222,052	424,251	(234,977)	5,411,326
Motor vehicles	1,246,657	75,967	(8,459)	1,314,165
Total capital assets being depreciated	121,986,795	2,821,042	(1,081,915)	123,725,922
Accumulated depreciation	(66,643,468)	(4,230,312)	850,438	(70,023,342)
Total capital assets being depreciated , net	55,343,327	(1,409,270)	(231,477)	53,702,580
Total capital assets, net	$ 58,586,179	$ 1,864,702	$ (2,552,301)	$ 57,898,580

5. Unearned Revenue

Unearned revenue for the year ended June 30, 2021 consists of student fees of $724,467 and grants and contracts of $55,196.

	Current	Non-Current	Total
Student fees	$ 724,467	$ -	$ 724,467
Governmental grants and contracts	24,263	-	24,263
Nongovernmental grants and contracts	30,933	-	30,933
	$ 779,663	$ -	$ 779,663

6. 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 Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR 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 comprehensive annual financial report of the state.

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.

6. Pension Plans, Continued

Plan Descriptions, Continued

- 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).

Membership

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

- SCRS – Generally, all employees of covered employers 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.

6. 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.

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.

6. Pension Plans, Continued

Contributions, Continued

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, 2021 are as follows:

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

Required employer contributions for the fiscal year ended June 30, 2021 are as follows:

SCRS Employer (Class II and III)	15.41% of earnable compensation
SCRS Incidental Death Benefit	0.15% of earnable compensation
State ORP Employer Contribution	15.41% of earnable compensation
State ORP Employer Incidental Death Benefit	0.15% of earnable compensation
PORS Employer (Class II and III)	17.84% of earnable compensation
PORS Employer Incidental Death Benefit	0.20% of earnable compensation
PORS Employer Accidental Death Benefit	0.20% of earnable compensation

Amounts due to the SCRS and PORS were $421,035 and $19,535 at June 30, 2021, respectively. The amounts were due by August 2, 2021 for legally required contributions per the preceding table for the month of June 2021.

6. Pension Plans, Continued

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, 2021 actuarial valuation.

The June 30, 2019, 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, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2020.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (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 2016 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 published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2020 TPL are as follows:

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

6. Pension Plans, Continued

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, 2020 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	$ 51,844,187,763	$ 26,292,418,682	$ 25,551,769,081	50.7%
PORS	$ 8,046,386,629	$ 4,730,174,642	$ 3,316,211,987	58.8%

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, 2021, the University reported a net pension liability of $49,775,613 for SCRS and $1,478,997 for PORS for its proportionate share of the systems' net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2020 and June 30, 2019 are presented in the following table:

System	2020	2019
SCRS	0.19480%	0.18025%
PORS	0.04460%	0.04027%

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

For the year ended June 30, 2021, the University recognized pension expense of $5,569,390 for SCRS and $213,041 for PORS. At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

6. Pension Plans, Continued

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

	SCRS		PORS	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	$ 574,345	$ 188,223	$ 31,431	$ 6,510
Assumption changes	60,983	-	18,048	-
Net difference between projected and actual earnings on pension plan investments	3,661,416	-	151,441	-
Proportionate share of contributions	2,427,086	-	60,735	15,938
Organization contributions subsequent to the measurement date	3,544,761	-	120,947	-
Total	$ 10,268,591	$ 188,223	$ 382,602	$ 22,448

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, 2021. These contribution amounts are $3,544,761 for SCRS and $120,947 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
2022	$ 1,685,618	$ 76,204
2023	1,973,089	71,377
2024	1,942,586	52,844
2025	934,314	38,782
	$ 6,535,607	$ 239,207

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.

6. Pension Plans, Continued

Long-term Expected Rate of Return, Continued

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 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 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00% real rate of return and a 2.25% inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global equity			
Global public equity	35%	7.81%	2.73%
Private equity	9%	8.91%	0.80%
Equity options strategies	7%	5.09%	0.36%
Real assets			
Real estate (private)	8%	5.55%	0.44%
Real estate (REIT)	1%	7.78%	0.08%
Infrastructure (Private)	2%	4.88%	0.10%
Infrastructure (Public)	1%	7.05%	0.07%
Opportunistic			
Global tactical asset allocation	7%	3.56%	0.25%
Hedge funds (non-PA)	1%	4.41%	0.04%
Credit			
High Yield Bonds/Bank Loans	4%	4.21%	0.17%
Emerging markets debt	4%	3.44%	0.14%
Private debt	7%	5.79%	0.40%
Rate Sensitive			
Core fixed income	13%	1.60%	0.21%
Cash and short duration (net)	1%	0.56%	0.01%
Total	100.0%		5.80%
Inflation for actuarial purposes			2.25%
Total expected nominal return			8.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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.

6. Pension Plans, Continued

Sensitivity Analysis

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.25%, 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 (6.25%) or one percent higher (8.25%) than the current rate:

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

System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	$ 61,690,769	$ 49,775,613	$ 39,826,314
PORS	1,957,900	1,478,997	1,094,410
	$ 63,648,668	$ 51,254,610	$ 40,920,724

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, 2020, and the accounting valuation report as of June 30, 2020. 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' CAFR.

7. 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).

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.

7. Post-Employment Benefits Other Than Pensions, Continued

Plan Descriptions, Continued

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.

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, 2020 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 premiums 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. It is also funded through investment income.

7. Post-Employment Benefits Other Than Pensions, Continued

Contributions and Funding Policies, Continued

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, 2020. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

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.

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 comprehensive annual financial report of the state.

The University paid $1,663,714 and $1,580,049 applicable to the surcharge included with the employer contribution for retirement health benefits for the fiscal years ended June 30, 2021 and 2020, respectively. The University recorded employer contributions applicable to the long-term disability insurance benefits for active employees totaling $16,161 and $15,285 for the years ended June 30, 2020 and 2019, 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, 2019. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2020.

7. Post-Employment Benefits Other Than Pensions, Continued

Actuarial assumptions and methods, Continued

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date	June 30, 2019
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	2.45% as of June 30, 2020
Demographic Assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Mortality Assumptions	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females were used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type
Health Care Trend Rates	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 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
Notes	The discount rate changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020; updates were also made to the healthcare trend assumption, including an adjustment to reflect the repeal of the "Cadillac Tax".

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date	June 30, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.25%
Investment Rate of Return	3.00%, net of OPEB plan investment expense, including inflation
Single Discount Rate	2.83% as of June 30, 2020
Salary, Termination, and Retirement Rates	Carolina Retirement Systems for the 5-year period ending June 15, 2015
Disability Incidence	The disability rates used in the valuation are based on 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 92% were assumed to recover after the first two years
Offsets	40% 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 3.04% as of June 30, 2019 to 2.83% as of June 30, 2020

7. Post-Employment Benefits Other Than Pensions, Continued

Roll Forward Disclosures

The actuarial valuations were performed as of June 30, 2019. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2020.

Net OPEB Liability

At June 30, 2021, the University reported liabilities of $49,507,536 and $648 for its proportionate share of the SCRHITF and SCLTDITF net OPEB liabilities, respectively. At June 30, 2021, the University's proportionate shares of the SCRHITF and SCLTDITF plans were 0.274258% and 0.20742% respectively. For the year ended June 30, 2020, the University recognized OPEB expense of $3,766,842 and $17,480 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, 2020.

OPEB Trust	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	$ 19,703,745,672	$ 1,652,299,185	$ 18,051,446,487	8.39%
SCLTDITF	42,782,316	42,479,106	303,210	99.29%

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 2.45% 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 2.83% 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 2.45%. 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 2041. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2041, and the municipal bond rate was applied to all benefit payments after that date.

7. 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%	0.60%	0.48%
Cash equivalents	20%	0.35%	0.07%
Total	100.0%		0.55%
Expected inflation			2.25%
Total return			2.80%
Investment return assumption			2.75%

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

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 equivalents	20%	0.35%	0.07%
Total	100.0%		0.83%
Expected inflation			2.25%
Total return			3.08%
Investment return assumption			3.00%

Sensitivity Analysis

The following table presents the University's proportionate share of SCRHITF's net OPEB liability calculated using a Single Discount Rate of 2.45%, 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 (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
Health	$ 59,072,428	$ 49,508,184	$ 41,864,472

7. Post-Employment Benefits Other Than Pensions, Continued

Sensitivity Analysis, Continued

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 Healthcare Cost Trend Rate	1% Increase
Health	$ 40,071,599	$ 49,508,184	$ 61,899,638

The following table presents the University's proportionate share of SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 2.83%, 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 (1.83%)	Current Discount Rate (2.83%)	1% Increase (3.83%)
LTD	$ 3,706	$ 648	$ (2,427)

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.

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, 2020 are presented below.

Description	SCRHITF	SCLTDITF
Service Cost	$ 1,744,993	$ 17,984
Interest on the Total OPEB Liability	1,421,496	2,665
Projected Earnings on Plan Investments	(111,015)	(2,473)
OPEB Plan Administrative Expenses	2,795	228
Recognition of Outflow (Inflow) of Resources due to Liabilities	716,534	(60)
Recognition of Outflow (Inflow) of Resources due to Assets	(7,961)	(864)
Total Aggregate OPEB Expense	$ 3,766,842	$ 17,480

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.

7. Post-Employment Benefits Other Than Pensions, Continued

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2021, 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	$ 1,415,961	$ 1,127,464
Assumption changes	7,367,339	1,971,643
Net difference between projected and actual earnings on pension plan investments	66,531	182,005
Proportionate share of contributions	2,491,221	47,430
Organization contributions subsequent to the measurement date - (including implicit subsidy)	1,636,145	-
Total	$ 12,977,197	$ 3,328,542

	LTD	
	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	$ -	$ 2,692
Assumption changes	2,717	324
Net difference between projected and actual earnings on pension plan investments	1,669	7,072
Proportionate share of contributions	133	530
Organization contributions subsequent to the measurement date	16,161	-
Total	$ 20,680	$ 10,618

Of the total amount reported as deferred outflows of resources related to OPEB, $1,652,306 (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, 2022.

7. Post-Employment Benefits Other Than Pensions, Continued

Deferred Outflows of Resources and Deferred Inflows of Resources, Continued

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)	
2022	$	1,118,786
2023		1,102,829
2024		1,077,542
2025		1,516,325
2026		1,652,590
Thereafter		1,544,438
	$	8,012,510

SCLTDITF

Year Ended June 30:	Deferred Outflows (Inflows)	
2022	$	(980)
2023		(1,446)
2024		(2,047)
2025		(1,391)
2026		(115)
Thereafter		(120)
	$	(6,099)

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, 2020, and the accounting and financial reporting actuarial valuations as of June 30, 2020. 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.

8. 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 Comprehensive Annual 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.

9. 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. It is management’s opinion, that had any liabilities been recorded, they would not have been material to the University’s financial statements.

At June 30, 2021, the University had completed certain capital projects. There was retainage payable of $18,899 at year-end.

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.

Unrelated business income can be subject to taxation. Management of the University and Foundation is not aware of any material uncertain tax positions and no liability has been recognized at June 30, 2021. The University and Foundation are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for the years prior to June 30, 2017.

10. Operating Leases

Commitments for operating leases with external parties having remaining non-cancelable terms in excess of one year as of June 30, 2021 were as follows:

	Equipment	Real Property	Total
2022	$ 9,168	$ 864,346	$ 873,514
2023	-	774,808	774,808
2024	-	775,019	775,019
2025	-	774,979	774,979
2026	-	774,688	774,688
2027 - 2035	-	8,887,598	8,887,598
Total	$ 9,168	$ 12,851,438	$ 12,860,606

The University's non-cancelable operating equipment leases provide for renewal options for periods from one to three years at their fair rental value at the time of renewal. In the normal course of business, operating leases are generally renewed or replaced by other leases and are generally payable on a monthly basis. Total rental payments for fiscal year 2021 were $9,168.

The University revised an operating lease with the related party, Lander RWS Properties, LLC, for the Jeff May Recreational, Wellness, and Sports Complex (RWS Property), a twenty-year lease with annual payments to equal the annual aggregate debt service on the bonds, provided that the base rent shall in no event exceed $691,000. The University leases certain other properties from the Foundation for amounts totaling $1 for each lease.

The University has also entered into an operating lease with the related party, Lander RWS Properties, LLC for the Field House Building, an eighteen-year lease with annual payments of $176,772.

The University has also entered into an operating lease with the related party, Lander RWS Properties, LLC for the Field House II Building. The lease is for one year with base rent of $90,000.

The University has also entered an operating lease with an unrelated party to lease the Stuart property at 103 Felder Avenue. This lease was renewed on July 1, 2021 with monthly payments of $3,411.

11. Bonds Payable

The University has issued debt to finance construction of facilities. At June 30, 2021, 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	$ 11,005,000
$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 percent	4,180,000
Total	$ 15,185,000

11. Bonds Payable, Continued

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

	General Obligation Bonds		
	Principal	Interest	Total
2022	$ 1,580,000	$ 579,025	$ 2,159,025
2023	1,660,000	499,150	2,159,150
2024	1,725,000	437,725	2,162,725
2025	1,810,000	349,650	2,159,650
2026	1,865,000	291,925	2,156,925
2027 - 2029	6,545,000	399,700	6,944,700
Total	$ 15,185,000	$ 2,557,175	$ 17,742,175

At June 30, 2021, 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, $15,185,000, and the remaining unamortized discount, $1,363,939 comprise the total liability of $16,548,939 at year-end. Of that amount, $1,909,119 is the current portion of the total liability.

12. Capital Leases

The following is an analysis of the leased property under capital leases by major class at June 30, 2021:

Land	$ 413,588
Buildings	4,712,693
Total leased property	5,126,281
Less: accumulated depreciation	(1,969,466)
Total leased property, net	$ 3,156,815

Future minimum lease payments under capital leases together with the present value of net minimum lease payments as of June 30, 2021 are as follows:

2022	$ 89,281
2023	89,281
2024	14,400
2025	14,400
2026	14,400
2027 - 2028	21,183
Net minimum lease payments	242,945
Less: amount representing interest	(55,418)
Present value of minimum lease payments	$ 187,527

Capital leases are reflected at the present value of estimated future cash flows using a borrowing rate of 3 percent.

13. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Balance Beginning	Additions	Reductions	Balance Ending	Current Portion
General obligation					
General obligation bonds	$ 16,690,000	$ -	$ 1,505,000	$ 15,185,000	$ 1,580,000
Unamortized premiums	1,613,221	-	249,282	1,363,939	329,119
Total general obligation	18,303,221	-	1,754,282	16,548,939	1,909,119
Capital leases	233,997	-	46,470	187,527	58,143
Total debt	18,537,218	-	1,800,752	16,736,466	1,967,262
Other liabilities					
Compensated absences	1,626,468	123,572	-	1,750,040	600,897
Net pension liability	43,012,841	8,241,769	-	51,254,610	-
Net OPEB Liability	39,179,113	10,329,071	-	49,508,184	-
Federal Perkins loan	1,049,330	-	168,922	880,408	-
Total other liabilities	84,867,752	18,694,412	168,922	103,393,242	600,897
Total long-term liabilities	$ 103,404,970	$ 18,694,412	$ 1,969,674	$ 120,129,708	$ 2,568,159

The University incurred $424,067 in charges for interest on its debt during the year ended June 30, 2021, all of which was expensed.

14. 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.

15. Component Unit

The Foundation is considered a component unit of Lander University. The Foundation paid $633,863 to the University for scholarships. The Foundation also paid $559,968 to the University for various other approved programs related to academics and administration. Accounts payable to the University as of June 30, 2021, was $176,352. 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 $1,086,044.

15. Component Unit, Continued

A summary of the Foundation's investments at June 30, 2021 follows:

Pooled Investments	Fair Market Value
Cash and cash equivalents	$ -
Fixed income securities	4,733,054
Common stocks and publicly traded partnerships	14,315,757
Total pooled investments	$ 19,048,811

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 $945,587 outstanding on the note payable at June 30, 2021. 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, 2021, the debt covenants were met by the Foundation. Maturities of the notes payable are as follows:

Foundation
Maturities of notes payable

2022	$ 150,039
2023	141,894
2024	148,413
2025	155,231
2026	162,362
Thereafter	187,648
	$ 945,587

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, 2020 was $ 9,055,000 combined. Maturities of bonds payable are as follows:

Foundation
Maturities of bonds payable

2022	$ 375,000
2023	385,000
2024	395,000
2025	405,000
2026	415,000
Thereafter	7,080,000
	$ 9,055,000

Interest expense on notes and bonds payable for the year ended June 30, 2021, totaled $286,869. There was no interest cost capitalized during the year ended June 30, 2021.

16. 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.

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 as well as Directors and Officers coverage.

16. Risk Management, Continued

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, 2021, 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, 2021, 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.

17. 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, 2021:

LIFE Scholarships	$ 6,899,785
Palmetto Fellows Scholarship	1,084,080
Need-Based Grants	1,019,401
Hope Scholarships	907,200
Assistance Program	118,687
SC Teaching Fellows	380,250
Other	123,734
Total received from the CHE	$ 10,533,136

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.

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.

18. Operating Expenses by Function

Operating expenses by functional classification for the year ended June 30, 2021 are summarized as follows:

	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 19,773,548	$ 988,594	$ -	$ -	$ 20,762,142
Research	-	11,693	-	-	11,693
Public service	201,384	198,004	-	-	399,388
Academic support	2,620,038	1,007,894	-	-	3,627,932
Student services	8,798,953	2,568,859	-	-	11,367,812
Institutional support	7,118,128	1,728,520	-	-	8,846,648
Operation and maintenance of plant	5,725,965	9,005,135	-	-	14,731,100
Scholarships and fellowships	7,074	-	3,454,844	-	3,461,918
Auxiliary enterprises	1,364,042	5,771,549	-	-	7,135,591
Depreciation	-	-	-	4,230,312	4,230,312
Total operating expenses	$ 45,609,132	$ 21,280,248	$ 3,454,844	$ 4,230,312	$ 74,574,536

19. Implementation of New Accounting Standards

The University has evaluated the applicability of GASB Statement Number 83, Certain Asset Retirement Obligations on its operations. The principal objective of this Statement is to address accounting and reporting for certain asset retirement obligations associated with the retirement of a tangible capital asset. Liabilities related to the future asset retirement activities related to tangible capital assets should be recognized in the financial statements based on the guidance provided in GASB Statement Number 83. The University has studied the Statement and determined that there are currently no material items meeting the criteria for inclusion under the standard.

The University has evaluated the applicability of GASB Statement Number 84, Fiduciary Activities on its operations. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. The University has studied the Statement and determined that there are currently no material items meeting the criteria for inclusion under the standard.

20. Subsequent Events

The 2019 novel Coronavirus (COVID-19) has adversely affected, and may continue to adversely affect, economic activity globally, nationally and locally. The degree of future impacts to the University's operations and finances are extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its duration, severity, ultimate geographic spread, as well as actions by governmental authorities to mitigate the impact and spread. The University continues to closely monitor and respond to this situation.

The University has evaluated all subsequent events through September 30, 2021, 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 PENSION LIABILITY

SCRS	2021	2020	2019	2018	2017	2016	2015
University's proportion of the net pension liability	0.19480%	0.18274%	0.18025%	0.17792%	0.17229%	0.17359%	0.17352%
University's proportionate share of the net pension liability	$ 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	$ 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	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	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%

PORS	2021	2020	2019	2018	2017	2016	2015
University's proportion of the net pension liability	0.04460%	0.04489%	0.04027%	0.04146%	0.04192%	0.04259%	0.04406%
University's proportionate share of the net pension liability	$ 1,478,965	$ 1,286,571	$ 1,141,113	$ 1,135,795	$ 1,063,189	$ 928,335	$ 843,405
University's covered payroll	$ 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	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	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	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 2,501,340	$ 2,425,626	$ 2,059,156	$ 1,902,953	$ 1,617,754	$ 1,845,796	$ 1,773,683	$ 1,669,891
Contributions in relation to the contractually required contribution	$ 2,501,340	$ 2,425,626	$ 2,059,156	$ 1,902,953	$ 1,617,754	$ 1,845,796	$ 1,773,683	$ 1,669,891
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered-employee payroll	$ 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	15.56%	15.56%	14.56%	13.56%	11.56%	14.08%	13.86%	13.70%

PORS	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 120,947	$ 122,886	$ 112,256	$ 90,525	$ 79,504	$ 73,489	$ 70,761	$ 68,036
Contributions in relation to the contractually required contribution	$ 120,947	$ 122,886	$ 112,256	$ 90,525	$ 79,504	$ 73,489	$ 70,761	$ 68,036
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered-employee payroll	$ 663,087	$ 673,720	$ 651,136	$ 557,419	$ 558,323	$ 534,859	$ 530,678	$ 529,483
Contributions as a percentage of covered-employee payroll	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, 2021

NOTE 1 - CHANGE OF BENEFIT TERMS

No changes were made to the benefit terms during the fiscal year ended June 30, 2020 (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:

	2021	2020	2019	2018	2017
ORP Payroll	$ 9,880,873	$9,018,111	$7,863,917	$ 7,358,393	$ 6,957,730

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

Retiree Health Insurance	**2021**	**2020**	**2019**	**2018**
University's proportion of the net OPEB liability	0.274258%	0.259068%	0.254524%	0.255079%
University's proportionate share of the net OPEB liability	$ 49,507,536	$ 39,175,031	$ 36,067,540	$ 34,550,033
Plan fiduciary net position as a percentage of the total OPEB liability	9.15%	7.60%	7.91%	7.60%

Long-Term Disability Insurance	**2021**	**2020**	**2019**	**2018**
University's proportion of the net OPEB liability	0.21383%	0.20742%	0.20399%	0.19849%
University's proportionate share of the net OPEB liability	$ 648	$ 4,082	$ 6,245	$ 3,599
Plan fiduciary net position as a percentage of the total OPEB liability	99.29%	95.29%	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	2021	2020	2019	2018	2017
Statutorily required contribution	$ 1,663,714	$ 1,580,049	$ 1,370,786	$ 1,207,217	$ 1,146,507
Contributions in relation to the Statutorily required contribution	$ 1,663,714	$ 1,580,049	$ 1,370,786	$ 1,207,217	$ 1,146,507
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -

Long-Term Disability Insurance	2021	2020	2019	2018	2017
Statutorily required contribution	$ 16,161	$ 15,285	$ 14,854	$ 14,368	$ 14,368
Contributions in relation to the Statutorily required contribution	$ 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.

LANDER UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
OPEB PLAN SUPPLEMENTARY INFORMATION NOTE
For the year ended June 30, 2021

NOTE 1 - CHANGE OF BENEFIT TERMS

No changes were made to the benefit terms during the fiscal year ended June 30, 2020 (the measurement year).

NOTE 2 - CHANGES OF ASSUMPTIONS

The discount rate for SCRHITF changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020. The discount rate for SCLTDITF changed from 3.04% as of June 30, 2019 to 2.83% as of June 30, 2020.

No other changes were made to the actuarial assumptions utilized during the fiscal year ended June 30, 2020 (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, 2021

The following is a reconciliation of the original base budget amount presented in the General Funds Column of Section 1 of the 2020-2021 Appropriations Bill enacted by the South Carolina General Assembly to State Appropriations revenue reported in the financial statements for the year ended June 30, 2021.

Appropriation per Annual Appropriations Act	$ 9,649,016
Lottery	224,174
SCRS & PORS 1% Rate Increase	73,114
Health and Dental Allocation	71,776
Employee Pay Plan & Employer Contribution	186,147
Total state appropriations	$10,204,227

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, 2021

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, 2021 is as follows:

Amount of tuition and fees as defined by Code Section 59-107-30 for the year ended June 30, 2020	$	13,645,174
Legal annual debt service limit at June 30, 2021	$	12,280,657

See independent auditor's report.

GOVERNMENT AUDITING STANDARDS

Lois D. Eustace, CPA, CGMA
605 Calhoun Avenue
Greenwood, South Carolina 29649
Voice 864.388.9101
Facsimile 864.388.0781

Clark Eustace Wagner, PA
Certified Public Accountants

Barbara JS Wagner, CPA
3790 Fernandina Road, Suite 303
Columbia, South Carolina 29210
Voice 803.798.4302
Facsimile 803.798.7153

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 business-type activities and discretely presented component unit of Lander University (the "University"), as of and for the year ended June 30, 2021, 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, 2021. 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 financial reporting or instances of reportable noncompliance associated with the Lander Foundation.

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) to determine the 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 a 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 is a 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of 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.

Clark Eustace Wagner, PA

Greenwood, South Carolina
September 30, 2021