

13.1 Financial resources

The institution has sound financial resources and a demonstrated, stable financial base to support the mission of the institution and the scope of its programs and services.

Compliance Judgment: In Compliance

Rationale

The University of South Carolina Aiken has a documented history of financial stability and a stable financial base to support its mission and scope of programs and services. Through a combination of prudent management and build-up of reserves, increases in state funding, conservative tuition and fee increases, and student growth, USC Aiken has strengthened its financial position over the past seven years.

Total and Unrestricted Net Assets. Table 13.1-1 shows the total net assets and unrestricted net assets over the past 8 fiscal years, excluding the university's share of deferred pension liabilities and other post-employee benefits associated with GASB 68 and 75. Links are provided to the audited financial statements used to calculate the values shown in all of the tables. The total net position has strengthened by \$11,562,305 since fiscal year 2012-2013. Unrestricted net assets, exclusive of deferred liabilities have increased by \$13,596,391 over the same period.

Table 13.1-1. Net Assets Exclusive of Deferred Compensation

Fiscal Year (links to audited statements)	Total Net Assets (Exclusive of Deferred Compensation)	Unrestricted Net Assets (Exclusive of Deferred Compensation)
2012-13 ^[1]	\$49,714,250	\$10,783,566
2013-14 ^[2]	\$50,108,569	\$11,427,887
2014-15 ^[3]	\$51,594,264	\$13,855,197
2015-16 ^[4]	\$54,940,383	\$16,806,986
2016-17 ^[5]	\$57,693,274	\$20,351,190
2017-18 ^[6]	\$59,895,127	\$22,830,004
2018-19 ^[7]	\$61,276,555	\$24,379,957

Revenue. Table 13.1-2 shows that total revenue has grown by \$10,554,391 over the past seven fiscal years. The growth has been a combination of operating revenue growth (\$7,451,576) and non-operating revenue growth (\$3,102,815).

Table 13.1-2. Revenues

Fiscal Year	Operating Revenue	Non-operating Revenue	Total Revenue
2012-13	\$29,847,095	\$13,727,272	\$43,574,367
2013-14	\$31,615,868	\$14,621,518	\$46,237,386
2014-15	\$34,193,950	\$14,313,924	\$48,507,874
2015-16	\$35,844,697	\$14,931,822	\$50,776,519
2016-17	\$38,424,179	\$15,201,990	\$53,626,169
2017-18	\$36,886,148	\$16,484,907	\$53,371,055
2018-19	\$37,298,671	\$16,830,087	\$54,128,758

As shown in Table 13.1-3, the revenue growth is a combination of increases in State appropriations and net tuition and fees resulting from modest increases in tuition and fee rates and growth in enrollment. From fiscal year 2012-13 to last year, appropriations have increased by 29%, net tuition has increased by 35%, and annualized FTE has grown by 337.

Table 13.1-3. State Appropriations, Net Tuition & Fees, Annualized FTE

Fiscal Year	Appropriations	Net Tuition & Fees	Annualized FTE
2012-13	\$6,892,150	\$14,654,142	2,815
2013-14	\$7,769,566	\$16,364,167	2,986
2014-15	\$7,553,845	\$18,341,950	3,018
2015-16	\$7,756,448	\$19,387,046	3,040
2016-17	\$8,036,905	\$20,024,507	3,122
2017-18	\$8,277,419	\$19,335,020	3,124
2018-19	\$8,924,200	\$19,773,460	3,152

Cash and Cash Equivalents. Table 13.1-4 shows a growth in liquidity since fiscal year 2012-13. USC Aiken considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The university participates in

the State's internal cash management pool, administered by the State Treasurer. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents. The university has sufficient cash and equivalents fully cover all current and long-term debt. Current holdings of cash and cash equivalents is sufficient to cover 55% of annual operating expenses and 54% of the total annual expenses.

Table 13.1-4. Cash and Cash Equivalents Relative to Debt and Expenses

Fiscal Year	Cash & Equivalents	Relative to Expenses (see Table 13.1-5)		
		Debt	Operational Expenses	Total Expenses
2012-13	\$14,697,099	39%	34%	33%
2013-14	\$15,896,568	44%	36%	35%
2014-15	\$17,915,255	52%	38%	37%
2015-16	\$20,601,720	64%	43%	42%
2016-17	\$25,694,525	80%	50%	49%
2017-18	\$27,600,804	93%	53%	52%
2018-19	\$29,934,338	110%	55%	54%

Table 13.1-5. Total Debt and Expenses

Fiscal Year	Debt	Operational Expense	Total Expenses
2012-13	\$37,876,374	\$42,640,463	\$44,999,887
2013-14	\$36,031,933	\$44,274,390	\$45,857,538
2014-15	\$34,247,762	\$46,588,369	\$48,237,518
2015-16	\$32,400,828	\$47,663,788	\$49,081,724
2016-17	\$32,173,621	\$51,278,907	\$52,433,647
2017-18	\$29,621,866	\$52,532,896	\$53,302,261
2018-19	\$27,312,776	\$54,477,662	\$55,417,818

Permanent Endowment and Funds held by Other Entities. As presented in the [narrative to Standard 5.3 Institution-related entities](#) ^[8], the University of South Carolina Educational Foundation and its subsidiary the Aiken Partnership Board, raises

funds for the improvement of the University of South Carolina Aiken. Endowment funds raised are held and invested by the Foundation. In addition to the foundation, the Aiken County Commission for Higher Education exists primarily to provide financial assistance and other support to the Campus and the educational programs. The Commission is a separately chartered legal entity which does not meet the criteria established by GASB Codification Section 2600, *Reporting Entity and Component Unit Presentation and Disclosure*, to be treated as a component unit of the Campus. The Commission was created under Act 103 of the 1961 Session of the General Assembly of South Carolina to establish and maintain an institution of higher education in Aiken County. It is empowered to enter into contracts, make binding agreements, negotiate with educators and educational institutions and generally, to take such actions in its name necessary to secure for Aiken County and adjacent areas the necessary educational facilities to provide higher education. The Commission receives an annual appropriation from Aiken County to accomplish these objectives. The Commission leases its land and buildings to USC Aiken for \$1 annually.

Table 13.1-6 shows that the permanent endowment held by the Foundation has grown to almost \$27 million and that the Commission holds almost \$2.5 million to support USC Aiken.

Table 13.1-6. Endowment and Commission Held Funds for USC Aiken

Fiscal Year	Permanent Endowment	Aiken County Commission on Higher Education
2013-14	\$22,262,196	\$1,864,554
2014-15	\$22,985,234	\$1,979,148
2015-16	\$22,096,434	\$1,792,087
2016-17	\$24,623,305	\$2,163,672
2017-18	\$26,107,947	\$2,319,032
2018-19	\$26,937,559	\$2,438,327

Supporting Documentation

1. [Audited Financial Statements for 2012-13](#)

2. [Audited Financial Statements for 2013-14](#)
3. [Audited Financial Statements for 2014-15](#)
4. [Audited Financial Statements for 2015-16](#)
5. [Audited Financial Statements for 2016-17](#)
6. [Audited Financial Statements for 2017-18](#)
7. [Audited Financial Statements for 2018-19](#)
8. [Narrative to Standard 5.3 Institution-related entities](#)