

WINTHROP UNIVERSITY

Independent Auditors' Report
Financial Statements and Schedules
For the Year Ended June 30, 2025

WINTHROP UNIVERSITY

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FINANCIAL SECTION



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Independent Auditors' Report

The Board of Trustees of
Winthrop University
Rock Hill, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Winthrop University (the "University"), a component unit of the State of South Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Winthrop University Foundation and Winthrop University Real Estate Foundation, Inc., which represent 100 percent of the aggregate discretely presented component units presented in the financial statements as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for these aggregate discretely presented component units is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Winthrop University Foundation and Winthrop University Real Estate Foundation, Inc., were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the University adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the University's proportionate share of the net pension liability and contributions, and the schedule of the University's proportionate share of the net OPEB liability and contributions as listed in the table of contents be presented to supplement the basic financial statements.

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LETTER OF TRANSMITTAL

To Winthrop University President Edward A. Serna,
Members of the Board of Trustees, and
Citizens of the State of South Carolina

I am pleased to present to you the Annual Comprehensive Financial Report of the University (the “University”) for the year ended June 30, 2025. The report provides financial information about the University’s operations during the year and describes its financial position as of fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal controls that was established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

State law, federal guidelines, and certain bond covenants require that the University’s accounting and financial records be outlined each year.

Management discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the University

Founded in 1886, the University provides personalized and challenging undergraduate, graduate and professional education programs of national caliber within a context dedicated to public service to the nation and to the State of South Carolina. The University aspires to be a transformational institution providing an excellent and affordable education within a vibrant and inclusive community offering the gift of learning, the tools for lifelong learning, and the confidence born of a robust and disciplined learning experience.

Building on its 19th century origins as a former women’s college, the University is a four-year, top-ranked, mid-sized public regional comprehensive institution serving residential and online students. Located in the heart of the Carolinas, the University recruits South Carolina’s outstanding students as well as highly qualified students from beyond the state. The University prides itself on being an institution of choice for all students who believe they can thrive in a relationship-rich educational environment found in a smaller campus setting that emphasizes student success, community and belonging, engaged learning, as well as leadership and service.

In an exceptionally beautiful location in burgeoning Rock Hill, South Carolina, the University combines instructional innovation and contemporary infrastructure amid historic facilities where students acquire and develop knowledge, skills, capabilities and values that enrich their lives and prepare them for professional careers, continuing education, and advanced degrees. To support them, the University prides itself on a dedicated and able faculty and staff who are effective teachers, scholars, researchers, practitioners, creative artists, and steadfast advocates for students.

To meet today’s growing and emerging job markets, the University grants bachelor’s, master’s, doctoral, and specialist degrees and certificates in a variety of modalities across the College of Arts and Sciences, the College of Business and Technology, the Richard W. Riley College of Education, Sport, and Human Sciences, the College of Visual and Performing Arts, and the School of Graduate, Continuing, and Online Education.

Close relationships among faculty and students, experiential learning, robust undergraduate research, championship athletics, genuine respect for others, and the unwavering pursuit of excellence are hallmarks of the distinctive Winthrop experience.

The University serves the state as the home to the S.C. Center for Educator Recruitment, Retention & Advancement (CERRA), whose vision is to ensure that South Carolina public school districts' teacher needs will be met, as well as the S.C. Arts in Basic Curriculum (ABC) Project which exists to provide quality arts education for all South Carolina students.

The University is governed by a 15-member Board of Trustees, the composition of which is described in SC Code § 59-125-20 (2024): the Governor and the State Superintendent of Education or their designees who are members ex officio of the board; 10 other members each to be elected by the joint vote of the General Assembly (one member from each of the congressional districts and three members from the state at large); two graduates of Winthrop University to be appointed by the Winthrop University Alumni Association; and one additional member of the board appointed by the Governor. The University operates as an agency of the State of South Carolina and is a state-assisted institution of higher education.

Economy

Governor Henry McMaster, in his 2025 State of the State address, noted South Carolina's pattern of economic strength in recent years, stating, "We boomed in 2024 and will boom again in 2025." According to the S.C. Department of Employment and Workforce (DEW), South Carolina's Gross Domestic Product (GDP) and personal income during Q1 of 2025 saw significant growth. The state's real GDP outpaced all other states and the District of Columbia, while S.C. ranked 4th in the country for personal income growth. The state also continues to be a national leader in population growth.

In his address, Governor McMaster mentioned the state's top three leading industries in capital investment in 2024 were information technology (\$4.1B), automotive (\$1.3B), and aerospace and aviation (\$1B). Some of the University's up-and-coming degree programs align well with these vital industries, including artificial intelligence, financial technology, supply chain and logistics, applied software engineering, and aviation and business management.

As an integral part of York County, the University contributes heavily to the local economy as well, generating more than \$200 million of activity in York County for 2023. The most recent economic impact study found that The University contributed to job growth by supporting nearly 2,500 jobs, added more than \$33 million in new economic activity from its students, attracted visitors to campus who supplied \$14 million to county businesses through their purchases, supported activity generating nearly \$5 million in local and state tax revenues, and produced well-prepared graduates for positions in a variety of workforce settings.

As the second largest four-year institution in the Charlotte metro area, The University's operating expenses were nearly \$129 million in fiscal year 2023. The total economic impact generated was approximately 60% larger at \$205 million in York County, S.C., alone, demonstrating the key role the University plays in local economic development, workforce development, tourism and tax revenue.

Major Initiatives

The University undertook a strategic planning process in spring 2023 to create a blueprint for the university's future. **Winthrop: United in Excellence** reflects the university's commitment to excellence, community and innovation. The plan sets a clear and ambitious path forward, not just for the University, but for the broader community it serves, signaling a new era of growth. During the strategic planning process, mission, vision and values were assessed and redefined, while five core strategic pillars (Excel, Educate, Enrich, Engage, and Enhance) became a central framework to the plan that was approved by the Board of Trustees in April 2024.

Over the past three years, the University has increased new freshmen **enrollment** by over 40% (from 709 to over 1,000), new transfer enrollment by over 50% (from 230 to over 350), and undergraduate enrollment by over 7%. Similarly, the University has executed an integrated strategic enrollment management plan that has increased overall enrollment (undergraduate and graduate) by 6% and has increased retention for new freshmen and transfer students to their highest levels in more than a decade. These indicators reflect the surging demand for a Winthrop education and as one of the most affordable, highly rated institutions in the Southeast.

The University has recently completed a two-year plan to align the instructional and administrative cost of delivery of academic programs with the direct costs students pay in tuition and fees. The University's "**Tuition Transparency Initiative**" has modified both the price of a Winthrop education and adjusted the structure of tuition and fees based on a realigned cost-per-credit-hour model. These efforts have helped to reduce direct costs to students while also providing equity, transparency, and accountability in the structure of tuition and fees – allowing the University to better serve students and fortify stewardship of revenue generated from tuition and fees.

On the facilities front, the University has more than **\$45 million in projects** that are in the planning, design, or construction phases. Key investments in the fiscal year ended June 30 include the renovation and reopening of the historic Byrnes Auditorium following remediation from a fire, as well as ongoing partial renovation of Sims and Dalton science buildings, renovation of Joynes Hall for admissions, and Stewart House building envelope renovation. Roof replacements of Lee Wicker, McBryde, Joynes and Phelps were completed or begun, while fire alarm replacement at Bancroft, Dinkins and Dalton, plus Kinard classroom furniture, technology and AV enhancements were among other projects.

For the fiscal year ending on June 30, the University reported its **second largest fundraising year** in its history and a 73% total increase in year-over-year total fundraising. Notably, donors established 23 new permanently endowed funds in support of students and the University, while the President's Circle leadership giving society saw its highest membership ever. The continued growth in giving signals donor and alumni support of the positive trajectory and strategic plan of the University.

The University is a proud member of **S.C. INBRE** (IDeA Networks of Biomedical Research Excellence), the goal of which is to increase the National Institutes of Health (NIH) research capacity of the state by programmatic expansion and networking of research activities of faculty and students at academic institutions. S.C. INBRE's grant-funded initiatives have provided hundreds of student-centered research experiences since 2005 and been a catalyst for enhancing the university's STEM-specific infrastructure through millions of dollars in support over the years. The University's consistently impressive biochemistry program was recertified in 2024 for seven more years after an evaluation by the American Society for Biochemistry and Molecular Biology. The program's emphasis on undergraduate research has served as a model for other institutions.

Highlights and Milestones of the Year

- The University is ranked in the top 10 among public universities in the South, according to U.S. News & World Report's 2025 edition of Best Colleges. The University also was rated among the best in the South for veterans and was a top performer on social mobility and undergraduate teaching in the U.S. News rankings. Money Magazine and Princeton Review included the University in listings of Best Colleges for Your Money and Best Regional Colleges, respectively.
- The University's first doctoral-level program, the Ed.D. in leadership and innovation was approved by accrediting agency SACSCOC and the S.C. Commission on Higher Education, leading to a successful fall 2025 launch within the Richard W. Riley College of Education, Sport, and Human Sciences.
- New academic programs were offered beginning in fall 2024, including criminal justice, supply chain and logistics, and game design. The Academic Affairs area made major in-roads on several other new programs including artificial intelligence, financial technology, health sciences, applied software engineering, and aviation and business management. The University's programs in AI, fintech, and game design are all the first of their kind in the state.

- The University successfully converted its Bachelor of Professional Studies degree to a competency-based education (CBE) delivery in spring 2025 to appeal to adult learners and the military. The move was part of the launch of Winthrop Elevate, a subscription-based modality that centers on self-directed, self-paced, affordable learning that shortens time to degree, especially for those with prior learning.
- The 2024-25 academic year was spent preparing for the launch of the University's new Honors College which develops tomorrow's leaders through an integrated experience of purposeful academics, hands-on leadership training, and meaningful community engagement. The inaugural recruiting weekend was a success contributing to a record number of fall 2025 admits and deposits.
- The University received millions in education- and science-related grants, including a \$6 million grant from the U.S. Department of Education to create a statewide model for year-long teacher residencies in an effort to recruit and retain aspiring teachers. As the lead institution, Winthrop's College of Education, Sport, and Human Sciences is partnering with Clemson University, Columbia College, the University of South Carolina at Columbia, and South Carolina's Center for Educator Recruitment, Retention, and Advancement (CERRA) on this grant.
- The U.S. Department of Education awarded Winthrop University a federal TRiO Student Support Services (SSS) grant totaling \$1.43 million to improve retention and graduation rates among low-income, first-generation students, and students with disabilities. This award marks the continuation of five years of TRiO SSS, now renamed as the TRiO Achievers Program, on the campus. First funded at Winthrop in 2005, the program has served more than 3,000 students, helping them stay in school, earn degrees and build meaningful careers.
- Similar to years past, the University received national recognition for student voting efforts, and the Winthrop Poll continued to take the pulse of South Carolinians on topics of national and state significance.
- The University's faculty, staff and students compassionately contributed in myriad ways to clean-up and support efforts in Western North Carolina following Hurricane Helene, the deadliest storm to ever hit South Carolina.
- The University began a partnership with Rock Hill Schools that allows local high school students the opportunity to earn up to 36 college credit hours through the Business & Leadership Dual Enrollment Program. The program creates a direct pipeline and a seamless path to a degree for students interested in business administration. This program is in addition to one with the Fort Mill School District specifically for students interested in accounting.
- The University also announced transfer student partnerships with Central Piedmont Community College and Spartanburg Community College, as well as assisted Limestone College students continue their academic journeys at Winthrop when the Gaffney area institution closed in spring 2025.
- A partnership of note yielded the University significant funds in the fiscal year, including \$1.5 million from Founders Federal Credit Union for athletics facilities and program improvements. Other partnerships have yielded exceptional experiential learning opportunities for Winthrop students.
- With the State's financial assistance, the University demolished two dated high-rise residence halls to make way for new construction and a safer intersection/entry point on the northern side of campus. The University also purchased the Courtyard residence hall from the Winthrop University Real Estate Foundation.
- Home of the notable D.B. Johnson Memorial Organ, the historic Byrnes auditorium reopened to music events and instruction after a 2018 fire led to a lengthy insurance settlement and renovation process. The S.C. Historic Preservation Office honored the University with its 2025 Stewardship Award for the Byrnes project.

- The University has prioritized improvements to infrastructure including core systems and processes across campus, including the campus steam line and high-voltage electrical equipment replacements, and renovation to various facility HVAC systems.
- The University planned its official August 2025 opening of a 5,400-square-foot design center in the Thread, a historic textile mill located in the heart of Rock Hill's Knowledge Park district in the 23-acre University Center development adjacent to campus. The center was named in honor of alumnus Bob Bazemore, a national leader in commercial interior design.
- The University received national attention for its inaugural cornhole team as the players won two national titles in the spring semester. The esports teams were undefeated in the fall. Winthrop student-athletes also won many individual and team honors, both in NCAA Division I and club sports.

Under the leadership of President Edward A. Serna, the University has a clear vision of being a leading comprehensive public university that reflects a commitment to student-centered learning, inclusive excellence, and community collaboration. Its mission, focused on delivering high-quality education that fosters lifelong learning, leadership, and service, encapsulates the essence of the university's purpose and role in shaping the leaders of tomorrow. As this letter indicates, the University is on the rise, and its stakeholders are proudly **United in Excellence!**

With warm regards,



Kevin Butler
CFO and Vice President for Finance and Business Affairs

WINTHROP UNIVERSITY MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2025

The following discussion and analysis have been prepared by management to provide an overview of the financial position and activities of Winthrop University (the University) for the year ended June 30, 2025. This discussion should be read in conjunction with the financial statements and accompanying notes to the financial statements. The financial statement presentation for the University has been prepared to meet the requirements of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The University also complies with the requirements of GASB Statements 36, 37, 38 and 61 that were issued to amend Statements 34 and 35. In the year ending June 30, 2015, the University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. In the year ended June 30, 2018, the University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Statement of Net Position

The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of Winthrop University. The Statement of Net Position is a point-of-time financial statement that presents data concerning assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position of the University as of the end of the fiscal year. Current assets are those that are reasonably expected to be realized in cash or sold or consumed within one year. Current liabilities are obligations whose liquidation is expected to require the use of current assets.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the University's equity in property, plant, and equipment owned by the institution. The next category is restricted net position, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is not available for expenditure. Expendable restricted net positions are available for expenditure by the University 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. The unrestricted portion of net position is available to the institution for any lawful purpose of the University. Although the unrestricted portion is not subject to externally imposed restrictions, substantially all the University's unrestricted net positions are designated for various academic or future capital initiatives.

The following Condensed Statement of Net Position has been presented to comply with the changes required by GASB Statements 68 and 75. The unrestricted net position is a negative as a result of the adoption of GASB 68 and 75 and the recognition of the University's proportionate share of the net liabilities for the South Carolina Retirement System (SCRS), the South Carolina Police Officers Retirement System (PORS), and Other Postemployment Benefits (OPEB). For additional information, see Impact of GASB 68 and 75 on Notes 9 and 10 in the accompanying notes to the financial statements.

CONDENSED STATEMENT OF NET POSITION

	2023	2024	2025	Increase/ (Decrease)
ASSETS				
Current Assets	\$ 44,293,418	35,352,057	32,201,886	(3,150,171)
Capital Assets, Net of Accumulated Depreciation	80,079,627	76,497,923	82,659,140	6,161,217
Other Noncurrent Assets	31,776,052	31,224,176	29,580,739	(1,643,437)
Total Assets	156,149,097	143,074,156	144,441,765	1,367,608
DEFERRED OUTFLOWS OF RESOURCES	34,793,413	28,531,000	34,960,278	6,429,278
LIABILITIES				
Current Liabilities	39,894,145	42,763,705	41,320,239	(1,443,466)
Noncurrent Liabilities	13,492,951	8,906,520	17,044,652	8,138,132
Net Pension Liability	87,103,332	83,614,496	73,197,327	(10,417,169)
Net OPEB Liability	76,628,539	62,922,597	68,496,717	5,574,120
Total Liabilities	217,118,967	198,207,318	200,058,935	1,851,617
DEFERRED INFLOWS OF RESOURCES	49,678,116	53,390,012	52,837,026	(552,986)
NET POSITION				
Net Investment in Capital Assets	65,585,012	66,449,795	66,455,931	6,136
Restricted for Nonexpendable	499,628	499,628	499,628	-
Restricted for Expendable	2,213,502	2,126,668	1,779,163	(347,505)
Unrestricted *	(144,152,715)	(149,068,265)	(142,228,640)	6,839,625
Total Net Position	\$ (75,854,573)	(79,992,174)	(73,493,918)	6,498,256

*See Impact of GASB 68 and 75. Exclusive of the GASB 68 and 75 changes, the Unrestricted Net Position decreased by \$5,609,694 to a total of \$17,123,259.

- Current Assets decreased by \$3,150,171. Cash and Cash equivalents decreased by \$5,314,816 to fund operations and deferred maintenance.
- Capital Assets, Net of Accumulated Depreciation increased by \$6,161,217 which was primarily a result of purchasing the Courtyard offset by disposals of Wofford and Richardson housing facilities.
- Other Noncurrent Assets decreased by \$1,643,437. This change is primarily driven by a decrease in Restricted Cash and Cash Equivalents of \$5,494,428, which is offset by increases in Lease and SBITA Assets, Net.
- Deferred Outflows of Resources increased by \$6,429,278 which related to the Net Pension (NPL) and Net OPEB (NOL) liabilities. Under GASB 68 and 75, the investment and net liability experience and contributions subsequent to the measurement date are reported in Deferred Outflows of Resources. Variances from year to year can be related to such measurements as differences between expected and actual experience, changes of assumptions, and net difference between projected and actual earnings on investments. See Notes 9 and 10 for additional details.
- Current Liabilities decreased by \$1,443,466 primarily due to timing differences payments.

- Noncurrent Liabilities increased by \$8,138,132 which is primarily driven by the increase in Long-Term Debt by \$6,290,751 and Lease and SBITA Liabilities of \$2,320,586.
- Net Pension Liability (NPL) decreased by \$10,417,169. This liability is the University's proportionate share of the pension liability amount related to its defined benefit plans. The NPL amount is provided by the South Carolina Public Employee Benefit Authority's (PEBA's) consulting actuary and reported in accordance with the GASB 68 requirements. Total pension liability may be impacted annually by the cost of service accrued by participants, interest accrued on the liability, the impact of benefit and assumption changes, the cost of benefit payments, and the difference between expected and actual plan experience. (See Note 10 for more details).
- Net OPEB Liability increased by \$5,574,120. This liability is the University's proportionate share of the postemployment benefits other than pension. The Other Postemployment 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). These OPEB Trusts are administered by PEBA - Insurance Benefits. The OPEB liability amount is reported in accordance with the GASB 75 requirements. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future such as future employment, mortality, and the healthcare cost trend. Like the Net Pension Liability, the Net OPEB liability may be impacted annually by the cost of service accrued by participants, interest accrued on the liability, the impact of benefit and assumption changes, the cost of benefit payments, and the difference between expected and actual plan experience. (See Note 10 for more details).
- The University's overall net position increased by \$6,498,256.
 - Net Investment in Capital Assets increased by \$6,136. As mentioned earlier, the overall Capital Asset, Net of Accumulated Depreciation value increased by \$6,161,217 as a result of the value for new assets in excess of the value depreciation expense.
 - Restricted for Expendable Net Position decreased by \$347,505 primarily as a result of a decrease in debt service funds.
 - Unrestricted Net Position increased by \$6,839,625 overall. Exclusive of GASB 68 and 75 changes, the Unrestricted Net Position decreased by \$5,609,694 in fiscal year 2025. (See additional explanation in Impact of GASB 68 and 75 that follows.) This decrease was offset by increases in the Unrestricted Net Position resulting from changes in the Net Pension Liability and Net OPEB Liability.

Impact of GASB 68 and 75

The GASB 68 and 75 standards create *accounting* liabilities rather than legal liabilities. Although pursuant to accounting standards, the University must report its proportionate share of the pension and other postemployment benefit liabilities for the state's defined benefit retirement and other postemployment benefit plans, the University has no legal requirement to fund or pay out that share of the liabilities. The University is responsible only for making the contributions required by state law during any given year and cannot pay down or pay off its proportionate shares because they are multiple employer cost-sharing plans. Internally, the University's management must continue to ensure that the University's financial position is sound. In fiscal year 2025, when excluding the GASB 68 and 75 impact, the University's Unrestricted Net Position decreased by \$5,609,694 to a total of \$17,123,259.

Following is the University's net position with the GASB 68 and 75 impact reported discretely.

NET POSITION	2023	2024	2025	Increase/ (Decrease)
Net Investment in Capital Assets	\$ 65,585,012	66,449,795	66,455,931	6,136
Restricted for Nonexpendable	499,628	499,628	499,628	-
Restricted for Expendable	2,213,502	2,126,668	1,779,163	(347,505)
Unrestricted (exclusive of GASB 68 and 75)	35,020,317	22,732,953	17,123,259	(5,609,694)
Unrestricted (GASB 68 and 75 portion)	(179,208,503)	(171,801,218)	(159,351,899)	12,449,319
Total Net Position	\$ (75,890,044)	(79,992,174)	(73,493,918)	6,498,256

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 this statement is to present the revenues received by the University, both operating and nonoperating, the expenses paid by the University, operating and non-operating, and any other revenues, expenses, gains, and losses received or spent by the University. Operating revenues are those that are earned in exchange for goods or services provided while carrying out the mission of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues. Nonoperating revenues are revenues received for which goods and services are not provided. For example, state appropriations are reported as nonoperating because they are provided by the legislature to the University without the legislature directly receiving commensurate goods and services for those revenues.

The Statement of Revenues, Expenses and Changes in Net Position is prepared on the accrual basis of accounting. Accrual accounting records the financial effects of transactions on an entity in the period in which those transactions occur rather than in the period in which cash is received or paid. Revenues are recognized when services or goods are provided. Expenses are recognized when resources are utilized in order to produce goods or services.

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2023	2024	2025	Increase/ (Decrease)
Operating Revenues	\$ 84,330,730	82,488,191	85,119,365	2,631,174
Operating Expenses	128,867,619	149,494,119	147,579,877	(1,914,242)
Operating Loss	(44,536,889)	(67,005,928)	(62,460,512)	4,545,416
Nonoperating Revenues (Expenses)	39,729,291	50,195,508	54,851,660	4,656,152
Gain before Other Revenues, Expenses, Gains, or Losses	(4,807,598)	(16,810,420)	(7,608,852)	9,201,568
Other Revenues, Expenses, Gains, or Losses	3,391,863	12,708,290	14,107,108	1,398,818
Increase/(Decrease) in Net Position	(1,415,735)	(4,102,130)	6,498,256	10,600,386

The Statement of Revenues, Expenses and Changes in Net Position reflects an increase in net position for the year. Some highlights of the information presented on the Statement of Revenues, Expenses and Changes in Net Position are as follows:

- Operating Revenues increased overall by \$2,631,174.
 - Net Student Tuition and Fees revenue decreased by \$3,036,392. Gross tuition increased by approximately \$1.35 million. However, the required calculation of “Scholarship Discounts and Allowances”, which reclassifies Student Tuition and Fees Revenue to Scholarships and Fellowships Expense, increased by \$4,389,194 compared to last year.
 - Grants and Contracts increased by \$1,158,021.
 - Operating revenues from Sales and Services of Auxiliary Enterprise Activities increased by \$3,858,506 primarily due to increased housing occupancy.
- Operating Expenses decreased by 1,914,242, which is 1.28% less than operating expenses from last year.
- Nonoperating Revenues (Expenses) increased by \$4,656,152, primarily due to:
 - State Appropriation revenues increased by \$3,652,377.
 - Federal Grants and Contracts increased by \$1,889,882.
- As a result of the changes in revenues and expenses, the University's overall Net Position increased by \$6,498,256 in fiscal year 2025.

Capital Asset and Debt Activity

On March 19, 2025, the University purchased a 406-bed student housing facility known as “The Courtyard at Winthrop” from WUREF, a related party. The University issued \$9,755,000 of Higher Education Facilities Revenue Bonds to support his purchase. The bond bears a coupon rate of 4.060 percent with the final payment due April 1, 2033.

During fiscal year 2025, the University entered into a 3-year real estate financing lease to provide additional student housing. Annual payments are \$2,726,400 with imputed interest of 8.0%.

In fiscal year 2025, the University remained in full compliance with all debt covenants.

A handwritten signature in black ink, appearing to read "Kevin Butler", written over a horizontal line.

Kevin Butler
CFO and Vice President for Finance and Business Affairs

WINTHROP UNIVERSITY

Statement of Net Position

June 30, 2025

ASSETS**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 23,236,085
Accounts Receivable, Net	6,844,565
Inventories	290,907
Accrued Interest Receivable	190,705
Prepayments	1,639,624
Total Current Assets	<u>32,201,886</u>

NONCURRENT ASSETS

Cash and Cash Equivalents	
Restricted	21,522,444
Endowment	866,116
Capital Assets, Net	82,659,140
Lease and SBITA Assets, Net	7,192,179
Total Noncurrent Assets	<u>112,239,879</u>
Total Assets	<u>144,441,765</u>

DEFERRED OUTFLOWS OF RESOURCES34,960,278

Total Assets and Deferred Outflows of Resources

179,402,043**LIABILITIES****CURRENT LIABILITIES**

Accounts Payable and Accrued Liabilities	17,773,369
Unearned Revenue	14,317,366
Compensated Absences	2,518,851
Current Portion of Long-Term Debt	3,464,248
Current Portion of Lease and SBITA Liabilities	3,246,405
Total Current Liabilities	<u>41,320,239</u>

NONCURRENT LIABILITIES

Bond Premium on Long-Term Debt	232,906
Long-Term Debt	12,696,822
Lease and SBITA Liabilities	4,114,924
Net Pension Liability	73,197,327
Net OPEB Liability	68,496,717
Total Noncurrent Liabilities	<u>158,738,696</u>
Total Liabilities	<u>200,058,935</u>

DEFERRED INFLOWS OF RESOURCES52,837,026

Total Liabilities and Deferred Inflows of Resources

252,895,961**NET POSITION**

Net Investment in Capital Assets	66,455,931
Restricted For:	
Nonexpendable:	
Scholarships and Fellowships	499,628
Expendable:	
Scholarships and Fellowships	133,689
Grants	314,959
Loans	36,377
Debt Service	1,294,138
Unrestricted	(142,228,640)
Total Net Position	<u>\$ (73,493,918)</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

WINTHROP UNIVERSITY
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

REVENUES

OPERATING REVENUES

Student Tuition and Fees	\$ 27,894,673
(Net of Scholarship Discounts and Allowances of \$41,580,500)	
Grants and Contracts	31,546,219
Sales and Services of Educational Activities	2,948,017
Sales and Services of Athletic Activities	2,054,678
Sales and Services of Auxiliary Enterprise Activities	18,969,662
Other Fees	1,516,877
Other Operating Revenues	<u>189,239</u>
Total Operating Revenues	<u>85,119,365</u>

EXPENSES

Personnel Costs	56,702,718
Fringe Benefits	11,431,244
Service and Supplies	57,253,450
Utilities	4,029,951
Scholarships and Fellowships	10,951,406
Depreciation and Amortization	<u>7,211,108</u>
Total Operating Expenses	<u>147,579,877</u>
Operating Loss	<u>(62,460,512)</u>

NONOPERATING REVENUES (EXPENSES)

State Appropriations	37,728,673
Federal Grants and Contracts	11,801,275
Gifts	4,604,391
Investment Income/(Loss)	1,923,258
Interest Expense	(1,264,008)
Other Nonoperating Revenues	<u>58,071</u>
Net Nonoperating Revenues	<u>54,851,660</u>
Gain/(Loss) Before Other Revenues, Expenses, Gains or Losses	(7,608,852)
Capital Appropriations	<u>14,107,108</u>
Increase/(Decrease) in Net Position	6,498,256

NET POSITION

Net Position - Beginning of Year	<u>(79,992,174)</u>
Net Position - End of Year	<u><u>\$ (73,493,918)</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

WINTHROP UNIVERSITY
Statement of Cash Flows
For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

CASH RECEIVED FROM

Student Tuition and Fees (Net of Scholarship Discounts and Allowances)	\$ 27,046,502
Grants and Contracts	31,620,571
Sales and Services of Educational Activities	2,968,652
Sales and Services of Athletic Activities	2,054,678
Sales and Services of Auxiliary Enterprise Activities	18,969,662
Other Fees	1,602,800
Receipts of Funds Held for Others	867,426
Inflows from Federal Direct Lending Loans to Students	30,498,489
Other Receipts (Payments)	189,239

CASH PAID FOR

Personnel Costs	(57,449,061)
Fringe Benefits	(23,402,348)
Service and Supplies	(60,026,599)
Utilities	(4,029,951)
Students	(10,951,406)
Payments of Funds Held for Others	(30,736)
Outflows from Federal Direct Lending Loans to Students	(30,510,940)
Net Cash Used by Operating Activities	<u>(70,583,022)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Appropriations	37,728,673
Gifts and Grants	4,604,391
Federal Grants and Contracts	11,801,275
Commissions	394,820
Other Sources	(336,750)
Principal Paid on Noncapital Debt and Lease	(3,417,857)
Interest Paid on Noncapital Debt and Lease	(1,421,041)
Net Cash Provided by Noncapital Financing Activities	<u>49,353,511</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

State Capital Appropriations	14,107,108
Proceeds from Issuance of Bonds	9,755,000
Purchases of Capital Assets	(13,131,155)
Principal Paid on Capital Asset Related Debt	(1,878,940)
Interest Paid on Capital Asset Related Debt	(344,172)
Net Cash Provided by Capital and Related Financing Activities	<u>8,507,841</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Income	<u>1,939,885</u>
Net Cash Provided by Investing Activities	<u>1,939,885</u>
Net Change in Cash and Cash Equivalents	(10,781,785)
Cash and Cash Equivalents - Beginning of Year	<u>56,406,430</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 45,624,645</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

WINTHROP UNIVERSITY
Statement of Cash Flows, Continued
For the Year Ended June 30, 2025

**Reconciliation of Operating Loss to Net Cash
Used by Operating Activities:**

Operating Loss	\$ (62,460,512)
Adjustments to Reconcile Operating Loss to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization Expense	7,211,108
Change in Assets and Liabilities:	
Accounts Receivable, Net	764,007
Inventories	20,634
Prepayments	(345,887)
Accounts Payable and Accrued Liabilities	(1,918,174)
Accrued Salaries and Related Expenses	(12,717,446)
Unearned Revenue	(1,136,752)
	<u>(70,583,022)</u>
Net Cash Used by Operating Activities	<u><u>(70,583,022)</u></u>

Reconciliation of Cash and Cash Equivalents to the Statement of Net Position

Cash and Cash Equivalents Classified as Current	23,236,085
Cash and Cash Equivalents Classified as Noncurrent Restricted	21,522,444
Cash and Cash Equivalents Classified as Noncurrent Endowment	866,116
	<u>45,624,645</u>

Non-Cash Transactions:

Loss Disposal of Capital Assets, Net	(252,430)
	<u>\$ (252,430)</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

WINTHROP UNIVERSITY
COMPONENT UNIT - THE WINTHROP UNIVERSITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

Assets	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Cash and Equivalents	\$ 1,936,255	-	1,936,255
Pledge Receivables	216,278	1,337,915	1,554,193
Less: Present Value Discount	(41,159)	(100,486)	(141,645)
Less: Allowance for Doubtful Accounts	(2,609)	(139,737)	(142,346)
Pooled Investments, at Fair Value	85,968,515	-	85,968,515
Split Interest Investments, at Fair Value	-	1,983,566	1,983,566
Cash Value of Life Insurance	-	55,366	55,366
Property Held for Resale	2,000	5,000	7,000
Prepaid Expenses	43,184	-	43,184
Security deposits	13,587	-	13,587
Property and Equipment, at Cost	128,279	-	128,279
Less: Accumulated Depreciation	(110,479)	-	(110,479)
Operating right of use asset, at Cost	1,357,988	-	1,357,988
Less: Accumulated Amortization	(22,633)	-	(22,633)
Due (From)/To Other Funds	(82,695,894)	82,695,894	-
Total Assets	6,793,312	85,837,518	92,630,830
Liabilities and Net Assets			
Liabilities:			
Accounts Payable	27,380	315,992	343,372
Payroll Liabilities	18,804	-	18,804
Actuarial Liability of Annuities Payable	-	1,079,392	1,079,392
Guaranteed Lease Liability	191,000	-	191,000
Operating Lease Liability	1,336,167	-	1,336,167
Total Liabilities	1,573,351	1,395,384	2,968,735
Net Assets:			
Without Donor Restrictions			
Board Designated	3,765,509	-	3,765,509
Agency	544,742	-	544,742
Undesignated	909,710	-	909,710
With Donor Restrictions			
Restricted for time and purpose	-	6,678,123	6,678,123
Held in Perpetuity	-	77,764,011	77,764,011
Total Net Assets	5,219,961	84,442,134	89,662,095
Total Liabilities and Net Assets	\$ 6,793,312	85,837,518	92,630,830

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

WINTHROP UNIVERSITY
COMPONENT UNIT - THE WINTHROP UNIVERSITY FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Contributions	\$ 1,199,427	3,970,704	5,170,131
Provision for Doubtful Accounts	8,326	(4,350)	3,976
Provision for Pledge Discounts	(38,950)	41,523	2,573
Gifts in-kind	19,591	-	19,591
Investment Earnings	1,219,811	7,944,603	9,164,414
Change in Value of Split-Interest Trusts	-	(43,131)	(43,131)
Change in Cash Surrender Value	-	(227)	(227)
Program Income	-	66,132	66,132
Other Revenue	-	103,725	103,725
Total	2,408,205	12,078,979	14,487,184
Net Assets Released From Restrictions	4,713,141	(4,713,141)	-
TOTAL	7,121,346	7,365,838	14,487,184
EXPENSES			
Management and General Operating:			
Salaries and Benefits	150,289	-	150,289
Professional Fees	22,653	-	22,653
Office Expenses, Postage and Printing	45,826	-	45,826
Software	28,855	-	28,855
Rent, Utilities & Overhead	13,323	-	13,323
Professional Development	1,671	-	1,671
Dues and Fees	-	-	-
Credit Card and Bank Fees	14,548	-	14,548
Insurance	5,754	-	5,754
Travel and Meetings	2,769	-	2,769
Stewardship & Recognition	278	-	278
Director's Expenses	21,533	-	21,533
Total Operating	307,499	-	307,499
Fund Raising:			
Salaries and Benefits	17,892	-	17,892
Salary Reimbursements - Advancement Support	214,784	-	214,784
Professional Fees	16,478	-	16,478
Office Expenses, Postage and Printing	87,338	-	87,338
Software	33,748	-	33,748
Rent, Utilities & Overhead	1,083	-	1,083
Stewardship & Recognition	23,524	-	23,524
Travel and Meetings	28,051	-	28,051
Total Fund Raising	422,898	-	422,898
Program:			
Salaries and Benefits	189,651	-	189,651
President's Salary Supplement and Benefits	210,174	-	210,174
Rent, Utilities & Overhead	21,609	-	21,609
Professional Development	6,005	-	6,005
Dues and Fees	315	-	315
Travel and Meetings	7,003	-	7,003
Donated Goods	19,591	-	19,591
General Scholarships	160,000	-	160,000
Restricted Scholarships and Other University Support	4,754,549	-	4,754,549
Alumni Association Support	29,000	-	29,000
President and Vice President's Discretionary Support	93,778	-	93,778
Total Program	5,491,675	-	5,491,675
TOTAL	6,222,072	-	6,222,072
CHANGE IN NET ASSETS BEFORE TRANSFERS AND ADJUSTMENTS	899,274	7,365,838	8,265,112
Transfers and Adjustments			
Management Fee	1,132,277	(1,132,277)	-
Other Transfers	13,663	(13,663)	-
Total Transfers and Adjustments	1,145,940	(1,145,940)	-
NET ASSETS, BEGINNING	3,174,747	78,222,236	81,396,983
NET ASSETS, ENDING	\$ 5,219,961	84,442,134	89,662,095

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

WINTHROP UNIVERSITY
COMPONENT UNIT
WINTHROP UNIVERSITY REAL ESTATE FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Assets
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 1,793,540	-	1,793,540
Trustee cash reserved for operations	375,497	-	375,497
Accounts receivable		-	-
Prepaid expenses	53,683	-	53,683
Total current assets	2,222,720	-	2,222,720
Noncurrent assets:			
Bond closing costs, net	69,405	-	69,405
Trustee cash reserved for debt service	1,047,766	-	1,047,766
Trustee cash reserved for repairs	1,940,394	-	1,940,394
Trustee cash reserved for operating contingencies	248,011	-	248,011
Property and equipment, net	9,483,552	-	9,483,552
Total noncurrent assets	12,789,128	-	12,789,128
Total assets	15,011,848	-	15,011,848
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable	345,838	-	345,838
Current portion of long-term debt	850,000	-	850,000
Total current liabilities	1,195,838	-	1,195,838
Noncurrent liabilities:			
Long-term debt	8,730,000	-	8,730,000
Notes payable	-	-	-
Total noncurrent liabilities	8,730,000	-	8,730,000
Total liabilities	9,925,838	-	9,925,838
Net Assets:			
Without donor restrictions			
Designated by the Board of Directors	102,342	-	102,342
Undesignated	4,983,668	-	4,983,668
With donor restrictions			
Purpose restricted	-	-	-
Total net assets	5,086,010	-	5,086,010
Total liabilities and net assets	\$ 15,011,848	-	15,011,848

The accompanying notes are an integral part of these financial statements.

WINTHROP UNIVERSITY
COMPONENT UNIT
WINTHROP UNIVERSITY REAL ESTATE FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Program revenues	\$ 5,086,570	-	5,086,570
Net assets released from restrictions			
Satisfaction of program restrictions	-	-	-
Total revenues, gains, and other support	5,086,570	-	5,086,570
Expenses and losses:			
Program services	4,837,201	-	4,837,201
Management and general	15,670	-	15,670
Mission gifts to related parties	-	-	-
Total expenses and losses	4,852,871	-	4,852,871
Change in net assets	233,699	-	233,699
Net assets, December 31, 2023	4,852,311	-	4,852,311
Net assets, December 31, 2024	\$ 5,086,010	-	5,086,010

The accompanying notes are an integral part of these financial statements.

WINTHROP UNIVERSITY
Notes to the Financial Statements
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Winthrop University (the “University”) is a State-supported, coeducational institution of higher education. The University’s primary mission is to provide personalized and challenging undergraduate, graduate and continuing professional education programs of national caliber within a context dedicated to public service to the State of South Carolina. All eligible bachelor, master and specialist degrees in the liberal arts and sciences, education, business and the visual and performing arts are nationally accredited.

Reporting Entity: Historically, the University has been treated as a part of the primary government of the State of South Carolina, and its funds were previously reported in the state’s higher education enterprise funds in the Annual Comprehensive Financial Report of the State of South Carolina. During fiscal year 2012-13, the State of South Carolina implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* an amendment of GASB Statements No. 14 and No. 34. As a result of this implementation, the University is now reported as a discretely presented component unit on the State of South Carolina’s Annual Comprehensive Financial Report. Discrete presentation entails reporting component unit financial data in one or more columns separate from the financial data of the primary government instead of blending the University’s financial information into the State’s financial information.

The financial reporting entity, as defined by GASB Statement No. 14, *The Financial Reporting Entity*, and amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. The University has determined that the financial reporting entity consists of the primary government, Winthrop University, as well as its’ component units, Winthrop University Foundation (the “Foundation”) and Winthrop University Real Estate Foundation, Inc. (“WUREF, Inc.”).

The Foundation, a legally separate component unit of Winthrop University, is an independent not-for-profit tax exempt public charity incorporated under the laws of South Carolina on November 8, 1973, and organized to foster, cooperate, and assist in the growth, development, and advancement of the University. The Foundation is governed by an independent Board of Directors, and is exclusively a charitable and educational corporation within the meaning of section 501(c) (3) of the IRS Code of 1954.

In March 2018, the Foundation formed a wholly owned subsidiary, Winthrop University Foundation Land and Real Estate Subsidiary, LLC (the “LLC”). The purpose of the LLC is to hold donated real estate for the benefit of the University. It is the Foundation’s intent to liquidate held assets and transfer proceeds to the Foundation.

Due to common control, the Foundation’s consolidated financial statements include the activities of both entities. All significant inter-company accounts and transactions have been eliminated. The concept of consolidation for financial statement purposes ignores the legal concept of separate entities.

Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, 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 component unit of the University.

The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below, and because their financial year ends on December 31. Complete financial statements for the Foundation may be obtained by calling 803-323-2229.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Reporting Entity: Continued

WUREF, Inc., also a legally separate component unit of Winthrop University, is a nonprofit corporation organized under the laws of the State of South Carolina in August 1999. WUREF, Inc. was formed for the benefit of the University and their stated purpose is to encourage gifts of real estate and to develop, own, manage, lease and sell real property for the University.

In fulfilling this purpose, WUREF, Inc. has formed two separate, wholly owned subsidiaries. In December 2001, WUREF Development, LLC (the "WUREF, LLC") was created in order to construct a new student housing opportunity for the University. The Courtyard at Winthrop (the "Courtyard"), a 406-bed, townhouse-style housing facility was completed and opened for occupancy in January 2003. The Courtyard was sold to the University in March 2025. WUREF, LLC's charge is to ensure the continued viability of the Courtyard through maximum occupancy percentages and fiscal responsibility.

In November 2003, WUREF, Inc. also formed Winthrop Real Estate, LLC ("WRE, LLC"). WRE, LLC was created in order to develop, own, manage, lease and sell real property for the University.

All financial activities of the two separate organizations have been consolidated in the financial statements of WUREF, Inc.

The majority of resources, or income thereon, that WUREF, Inc. holds and invests are restricted to the activities of the University. Because these restricted resources held by WUREF, Inc. can only be used by, or for the benefit of, the University, WUREF, Inc. is considered a component unit of the University.

WUREF, Inc. is reported in separate financial statements because of the difference in its reporting model, as further described below, and because their financial year ends on December 31. Complete financial statements for WUREF, Inc. can be obtained by calling 803-323-2205.

The Foundation and WUREF, Inc. report their financial results in accordance with Financial Accounting Standard Board (FASB) Statements. Most significant to their operations and reporting models are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-for-Profit-Organizations*. 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 either the Foundation or WUREF, Inc.'s financial information in the University's financial reporting entity for these differences, however significant note disclosures (See Note 18) to the Foundation and WUREF Inc.'s financial statements have been incorporated into the University's Notes to the Financial Statements.

Basis of Presentation: Effective July 1, 2001, the financial statement presentation for the University has been prepared to meet the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The University also meets the requirements of GASB Statements 36, 37, and 38 that were issued to amend Statements 34 and 35. The financial statement presentation provides a comprehensive, entity-wide perspective of the University's net assets, revenues, expenses and changes in net assets and cash flows that replaces the fund-group perspective previously required.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation: Continued

Effective for the fiscal year ending June 30, 2022, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Adoption of this statement resulted in no material impact to the University.

Effective for the fiscal year ended June 30, 2023, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement defines subscription-based information technology arrangements (SBITA's) and provides guidance for consistent accounting and financial reporting of these types of arrangements for governments. Under this statement, a government reports an intangible subscription asset and subscription liability. Adoption of this statement resulted in no material impact to the University.

Effective for the fiscal year ended June 30, 2023, the University adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment (PPP) Arrangements*. The standard enhances financial reporting by addressing issues related to situations where a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Adoption of this statement resulted in no material impact to the University.

Effective for the fiscal year ended June 30, 2025, the University adopted GASB Statement No. 101, *Compensated Absences*. The University did extensive analysis and there is no compelling evidence that employees are more likely than not to use sick leave hours already earned. Consequently, the University has recorded no compensated sick leave liability as of June 30, 2025.

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 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-institutional transactions have been eliminated.

The University has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and Cash Equivalents: For purposes of the statement of cash flows, the University 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 considered cash equivalents.

Accounts Receivable: Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students. 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.

Inventories: Inventories are carried at cost determined by using the first in first out method for all inventories except Printing Services whose inventory is based on "last price paid" and the Health Center inventory of pharmaceutical drugs and miscellaneous items which is based on last in first out.

Prepayments: Prepayments arise when the University pays for goods or services in advance. Such transactions typically occur for insurance and travel. The policy is to record as a prepayment any transaction over \$10,000 for which payment had been made prior to June 30, 2025 but for which the goods or services would not be received until after July 1, 2025.

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 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 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 and a useful life in excess of two years and depreciable land improvements, buildings and improvements and intangible assets costing in excess of \$100,000. 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.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The University has selected a useful life of 25 to 50 years for buildings, renovations and land improvements. The useful life for machinery, equipment and vehicles varies between 2 and 25 years depending on the asset. A full year of depreciation is taken the year the asset is placed in service and no depreciation is taken in the year of disposition. Effective July 1, 2011, all new purchases of capital assets are depreciated based on the prorated number of days in service in the year acquired. In the year the asset is disposed, depreciation is calculated for the prorated number of days in service until the asset is removed from service.

Interest cost incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed net of interest earned on the invested proceeds over the same period.

Deferred Outflows of Resources and Deferred Inflows of Resources: Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined these elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively.

Deferred outflows of resources includes the deferred amount on a bond refunding which is being recognized as a component of interest expense in a systematic manner over the life of the debt. Deferred inflows of resources represents resources received on voluntary nonexchange transactions relating to a future period.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Deferred Outflows of Resources and Deferred Inflows of Resources, Continued

Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources. See Note 10 for further details.

Changes in net OPEB liability not included in OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net OPEB liability are reported as deferred outflows of resources. See Note 11 for further details.

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

Other types of unearned revenues represent admissions prepayments and other miscellaneous deposits. Student deposits are recognized as revenue during the semester for which the fee is applicable and earned when the deposit is nonrefundable to the student under the forfeit terms of the agreement.

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 compensated absences in the Statement of Net Position, and as a component of personnel costs in the Statement of Revenues, Expenses and Changes in Net Position.

Net Position: The University's net position is classified as follows:

Net investment in capital assets: This 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.

Restricted net position - nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted net position - expendable: Restricted expendable net position includes resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted net position: Unrestricted net position 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 for applying expenses that can use both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources and then to unrestricted resources.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Classification of Revenues: The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues: Operating revenues 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, health services and other related services to students; (2) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the University; and (3) grants and contracts that are essentially the same as contracts for services that finance programs the University would not otherwise undertake. Certain indentures require the University to pledge various revenues to meet debt payments. The University has disclosed those revenues pledged on the face of the Statement of Revenues, Expenses and Changes in Net Position.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions. These revenues include gifts and contributions, appropriations, interest income and any grants and contracts that are not classified as operating revenues or restricted by the grantor to be used exclusively for capital purposes.

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 nongovernmental programs, are recorded as either operating or nonoperating 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.

Sales and Services of Educational 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 public service activities.

Sales and Services of Athletic Activities: Revenues from sales and services of athletic activities generally consist of amounts received from athletic event ticket sales, advertising sales and participatory fees received from opposing teams.

Sales and Services of Auxiliary Enterprises Activities: Auxiliary enterprise revenues primarily represent revenues generated by housing, cafeterias, health services, vending and bookstore. Internal services of auxiliary enterprise activities and the related expenditures of University departments have been eliminated.

Use of Estimates in Accounting: The University has used estimates in certain situations to enable it to properly prepare the financial statements. Estimates are used to determine the useful life of long-lived assets such as buildings and equipment. The University has used estimates as provided by the South Carolina Comptroller General's Office in developing the estimates of useful lives. In addition, the University has estimated the percentage of accounts receivable that may not be collected, typically known as the allowance for doubtful accounts. The University uses an aging analysis to estimate this allowance - the longer the accounts receivable has gone unpaid, the greater the possibility the amount will not be collected.

Income Taxes: Winthrop University, as a political subdivision of the State of South Carolina, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended.

Component Units: See Note 18.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 2 - CASH AND CASH EQUIVALENTS, OTHER DEPOSITS AND INVESTMENTS

All deposits of the University are under the control of the State Treasurer, who by State law has sole authority for investing State funds.

The following schedule reconciles deposits to the Statement of Net Position amounts:

STATEMENT OF NET POSITION:

Cash and Cash Equivalents - Current	\$ 23,236,085
Cash and Cash Equivalents - Restricted	
Debt Service	1,407,239
Capital Project	11,518,675
Student Loan	6,943,313
Grants and Contracts	1,653,217
Cash and Cash Equivalents - Endowment	866,116
Total	<u>45,624,645</u>

DEPOSITS:

Cash on Hand	34,980
Deposits Held by State Treasurer	<u>45,589,665</u>
Total	<u>\$ 45,624,645</u>

Deposits Held by 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. At June 30, 2025, the University had \$45,589,665 in Deposits Held by State Treasurer. Net unrealized gain at June 30, 2025, was \$177,124. This amount is included in the Investment Income/ (Loss) in the Statement of Revenues, Expenses and Changes in Net Position. Information pertaining to the reported amounts, fair values, and credit risk of the State Treasurer's deposits is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina.

With respect to investments in the State's internal cash management pool, all 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, and credit risk of the State Treasurer's investments is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 2 - CASH AND CASH EQUIVALENTS, OTHER DEPOSITS AND INVESTMENTS, Continued

Concentration of Credit Risk and Market Risk - Non Governmental Discretely Presented Component Unit

The Winthrop University Foundation

The Foundation's concentration of potential credit and market risk lies primarily with its investments. This exposure is limited by the Foundation's investment objectives and policies that require the investment portfolio be adequately diversified among types, issuers, industries, and geographic regions and utilizes multiple investment managers. The Foundation also holds cash for operating needs and disbursements in a commercial banking institution. These deposits are in a high credit, quality institution, and to date, there have been no losses associated with these accounts. At December 31, 2024, the Foundation's operating bank balances exceeded the FDIC insurance limit by \$113,545.

Concentration of Credit Risk - Non Governmental Discretely Presented Component Unit

Winthrop University Real Estate Foundation, Inc.

WUREF, Inc. maintains bank accounts at various banks. The Federal Deposit Insurance Corporation (FDIC) insures accounts at an individual institution up to \$250,000. The amounts on deposit at each bank, at times during the year, may have exceeded the federally insured limit. The amount on deposit in excess of the federally insured limit at December 31, 2024 was \$4,863,204.

Cash and Cash Equivalents - Non Governmental Discretely Presented Component Unit

Winthrop University Foundation

The Foundation considers all interest-bearing money market accounts and short-term investments with an initial maturity of three months or less at the date of purchase to be cash equivalents. The Foundation places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation provides coverage for certain qualifying and participating non-interest-bearing transaction accounts up to an aggregate of \$250,000 per taxpayer.

As of December 31, 2024, the cash balances in a commercial banking institution exceeded the FDIC insurance limit by \$113,545 for the operating account, in addition to a money market account which had a year-end balance of \$131,655. The balance was over limit due to a large sum of outstanding payables at year end and influx of incoming gifts.

Cash and Cash Equivalents - Non Governmental Discretely Presented Component Unit

Winthrop University Real Estate Foundation, Inc.

Cash and cash equivalents at December 31, 2024, were as follows:

Unrestricted	\$	1,793,540
Restricted		-
Total cash and cash equivalents	\$	<u>1,793,540</u>

Restricted cash is generated by real estate gifts and must be transferred to The Winthrop University Foundation (a related party) when the related real estate gifts are sold in the future.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 2 - CASH AND CASH EQUIVALENTS, OTHER DEPOSITS AND INVESTMENTS, Continued

Trustee Cash - Non Governmental Discretely Presented Component Unit

Winthrop University Real Estate Foundation, Inc.

WUREF, LLC has funds related to the issuance of bonds for the purposes of The Courtyard; these funds are held by the Trustee. The funds were obtained either from the proceeds of the issuance of the bonds or were allocated from operations to the reserve accounts in compliance with covenants agreed upon in the bond issuance. The trustee cash accounts at December 31, 2024, are as follows:

Trustee cash reserved for operations	\$ 375,497
Trustee cash reserved for debt service	1,047,766
Trustee cash reserved for repairs	1,940,394
Trustee cash reserved for operating contingencies	<u>248,011</u>
Total trustee cash	<u><u>\$ 3,611,668</u></u>

Availability of Assets - Non Governmental Discretely Presented Component Unit

Winthrop University Real Estate Foundation, Inc.

Financial assets as of December 31, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date are as follows:

Financial assets at year-end:	
Cash and cash equivalents	\$ 1,793,540
Trustee cash reserved for operations	375,497
Prepaid expenses	<u>53,683</u>
Total financial assets available	2,222,720
Less: amounts not available to be used within one year:	
Net assets designated by the Board	<u>102,342</u>
Financial assets available to meet general expenditures	
Over the next twelve months	<u><u>\$ 2,120,378</u></u>

Liquidity Management - Non Governmental Discretely Presented Component Unit

Winthrop University Foundation

The Foundation manages the liquidity of both unrestricted net assets for operating expenses and restricted net assets for disbursement of support to the University. The financial assets available within one year of the balance sheet date for expenditures are as follows:

Cash and cash equivalents	\$ 1,936,255
Uncommitted board restricted reserve	1,323,914
Contributions receivable, current net	<u>13,167</u>
Total financial assets	<u><u>\$ 3,273,336</u></u>

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 2 - CASH AND CASH EQUIVALENTS, OTHER DEPOSITS AND INVESTMENTS, Continued

Liquidity Management - Non Governmental Discretely Presented Component Unit, Continued

Winthrop University Foundation

The Foundation strives to maintain cash and short-term investment balances on hand to meet 60 days of ordinary business expenses. Budgeted operating expenses for the coming year are estimated at \$246,231 per 60-day period. The Foundation also receives monthly requests from the University to provide funding for scholarships and other support from its restricted net assets. The two largest requests are when the majority of scholarships are awarded, typically in January and August of each year. In addition to cash on hand in the operating account, the Foundation's Investment Policy Statement requires at least 75% of the portfolio to be allocated to liquid investments with conversion to cash of no more than three days. When support requests are received, the Foundation liquidates investments as needed to supplement cash already available in the operating account.

The Board also maintains a board-restricted reserve fund. At year-end, the reserve account had an uncommitted balance of \$1,323,914 which was derived from market earnings on non-endowed funds. The Foundation does not maintain a line of credit.

Investments - Non Governmental Discretely Presented Component Unit

Winthrop University Foundation

The Foundation's pooled assets were managed by JP Morgan in 2024 after they were awarded the business in fourth quarter of 2022. In addition to the pooled assets, their firm manages the trust accounts, reserve funds, and quasi-endowment assets. Assets had previously been managed by Vanguard since 2016. The pooled investment portfolio is comprised of net assets with donor restrictions. Pooling these assets serves to maximize the earning potential of the funds. A portion of the assets was moved to private investments to maximize earnings potential.

Pooled investments at December 31, 2024, are summarized as follows:

Equity	\$ 59,332,973
Mutual Funds	21,064,819
Alternative Investments	<u>5,570,723</u>
TOTAL	<u><u>\$ 85,968,515</u></u>

The Foundation's brokerage account had a pending stock gift valued at \$283 as of December 31, 2024.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 2 - CASH AND CASH EQUIVALENTS, OTHER DEPOSITS AND INVESTMENTS, Continued

Fair Value Measurements - Non Governmental Discretely Presented Component Unit

Winthrop University Foundation

The Foundation is required to present its financial instruments using a framework that measures fair value under accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. This statement requires fair value measurements to be classified and disclosed in one of the following three categories (Fair Value Hierarchy):

- | | |
|---------|--|
| Level 1 | Financial instruments with unadjusted, quoted prices listed on active market exchanges. |
| Level 2 | Financial instruments valued using inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument. |
| Level 3 | Financial instruments that are not actively traded on a market exchange and require using significant unobservable inputs in determining fair value. |

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Most of the Foundation's investments measured at fair value at December 31, 2024 were all considered Level 1. The following is a description of the valuation methodologies used for the Foundation's assets measured at fair value at December 31, 2024:

EFTs, Mutual Funds, US and Non-US Equity Funds, US Fixed Income Funds:

Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded (Level 1).

Equities: Valued at the closing price reported on the active market on which the individual Securities are traded (Level 1).

Private Investments: Certain inputs for these investments are unobservable and significant to their resulting fair value measurement. Unobservable inputs reflect the Foundation's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date (Level 3).

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 2 - CASH AND CASH EQUIVALENTS, OTHER DEPOSITS AND INVESTMENTS, Continued

Management of Underwater Funds - Non Governmental Discretely Presented Component Unit

Winthrop University Foundation

Per the Foundation's Endowment Spending Policy, the Foundation annually distributes up to 4% of the 5-year average trailing balance of the endowment's total asset value, with the understanding that this spending rate plus inflation will not normally exceed total return on investment. However, the basis for calculating spending is sanctioned by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Under these guidelines, the Foundation is permitted to invade the corpus to the extent that the value of the corpus exceeds 85% of the original gift value, with the stipulation that donors must agree to the invasion of their corpus. In practice, invading the corpus for any amount below 100% of corpus is only done in very rare circumstances where withholding funds might prevent a student from returning to the University. The Investment Committee monitors policies of peer institutions as well as industry best practices. The Investment Policy and spending rule are reviewed on an annual basis.

Additionally, the Foundation reduced its annual endowment management fee to 1.5% in 2020, which aligns with the industry average. Investment management fees are expected to increase slightly as assets are more strategically managed by JP Morgan. From 2016-2022 fees were low, averaging .6% as only half of the portfolio's assets were under active management. At December 31, 2024, none of the Foundation's 520 endowments were underwater.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025, are summarized as follows:

Student Accounts	\$ 4,814,670
Less Allowance for Doubtful Accounts	(1,992,378)
Federal Grants and Contracts	717,944
State Grants and Contracts	122,807
Local Grants and Contracts	24,500
Foundations	371,175
Capital Reserve Funds	1,449,717
Capital Improvement Bond Funds	1,100,000
Other	236,130
Accounts Receivable, Net - Current	<u><u>\$ 6,844,565</u></u>

Allowances for doubtful accounts for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2025, the allowance for uncollectible student accounts is valued at \$1,992,378.

The capital reserve and capital improvement bond funds receivables represent funds held by the State Treasurer that have been expended but not drawn.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 3 – ACCOUNTS RECEIVABLE, Continued

Pledges Receivable - Non Governmental Discretely Presented Component Unit

Winthrop University Foundation

Pledges receivable consist of unconditional promises to give. Management has reviewed its receivables and determined an allowance for doubtful accounts based on historical knowledge of the accounts and current economic conditions. The discount for present value calculation is computed using the Applicable Federal Rate, with discount rates ranging from 4.30 to 4.18 percent.

Pledges are expected to be collected as follows:

2025	\$ 585,145
2026	456,195
2027	213,211
2028	113,178
2029	51,130
2030 and future years	<u>135,334</u>
Total Pledges Receivable	1,554,193
Less:	
Allowance for doubtful accounts	(142,346)
Present value discount	<u>(141,645)</u>
Net Pledges Receivable	<u><u>\$ 1,270,202</u></u>

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 4 – CAPITAL, LEASE AND SBITA ASSETS

Capital asset activity for the year ended June 30, 2025 is summarized as follows:

	Beginning Balance July 1, 2024	Increases	Decreases	Ending Balance June 30, 2025
Capital Assets Not Being Depreciated:				
Land	\$ 4,689,853	500,000	-	5,189,853
Construction in Progress	-	-	-	-
Collections	198,631	-	-	198,631
Total Capital Assets Not Being Depreciated	4,888,484	500,000	-	5,388,484
Other Capital Assets:				
Buildings and Improvements	184,817,978	9,105,265	(3,421,831)	190,501,412
Machinery, Equipment and Other	18,323,239	391,920	(636,234)	18,078,925
Vehicles	373,397	-	-	373,397
Total Other Capital Assets at Historical Cost	203,514,614	9,497,186	(4,058,065)	208,953,735
Less Accumulated Depreciation For:				
Buildings and Improvements	(115,583,234)	(3,210,543)	3,421,831	(115,371,946)
Machinery, Equipment and Other	(16,016,037)	(613,263)	636,234	(15,993,066)
Vehicles	(305,904)	(12,162)	-	(318,066)
Total Accumulated Depreciation	(131,905,175)	(3,835,968)	4,058,065	(131,683,078)
Capital Assets, Net	\$ 76,497,923	6,161,218	-	82,659,140

Lease and SBITA assets activity for the year ended June 30, 2025 is summarized as follows:

	Beginning Balance July 1, 2024	Increases	Decreases	Ending Balance June 30, 2025
Lease and SBITA Assets:				
Buildings	\$ 816,231	7,351,242	-	8,167,473
Vehicles	1,177,012	70,480	(64,963)	1,182,529
Equipment	5,614	375,664	-	381,278
SBITA	3,629,051	263,253	(592,489)	3,299,815
Total Lease and SBITA Assets	5,627,908	8,060,639	(657,452)	13,031,095
Less Accumulated Amortization For:				
Buildings	(163,693)	(2,405,543)	-	(2,569,236)
Vehicles	(1,031,061)	(66,246)	64,963	(1,032,344)
Equipment	(876)	(38,661)	-	(39,537)
SBITA	(1,673,167)	(864,691)	340,059	(2,197,799)
Total Accumulated Amortization	(2,868,797)	(3,375,141)	405,022	(5,838,916)
Lease and SBITA Assets, Net	\$ 2,759,111	4,685,498	(252,430)	7,192,179

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 4 - CAPITAL, LEASE AND SBITA ASSETS, Continued

Net Investment in capital assets of \$66,455,931 as of June 30, 2025 is determined as follows:

Capital, Lease and SBITA Assets, Net	\$ 89,851,319
Less Debt:	
Current Portion of Long-Term Debt	(3,464,248)
Current Portion of Lease and SBITA Liabilities	(3,246,405)
Long-Term Debt	(12,696,822)
Lease and SBITA Liabilities	(4,114,924)
Bond Premium on Long-Term Debt	(232,906)
Advanced Refunding	301,951
Plus Unspent Bond Proceeds	<u>57,966</u>
Total Invested in Capital Assets, Net of Related Debt	<u><u>\$ 66,455,931</u></u>

Equipment - Non Governmental Discretely Presented Component Unit

Winthrop University Foundation

The Foundation shows \$128,729 of property and equipment as of December 31, 2024, consisting of \$92,679 in fully depreciated office furniture and equipment and \$36,050 of leasehold improvements. Depreciation will begin on the leasehold improvements once the Foundation completes the lease renovations and occupies the space.

Property and Equipment - Non Governmental Discretely Presented Component Unit

Winthrop University Real Estate Foundation, Inc.

Account balances as of December 31, 2024 are as follows:

Land	\$ 500,000
Buildings	15,989,063
Furniture and Fixtures	680,414
Machinery and Equipment	<u>108,840</u>
	17,278,317
Less: Accumulated Depreciation	<u>7,794,765</u>
Total property and equipment	<u><u>\$ 9,483,552</u></u>

Depreciation charged to expense during 2024 was \$325,803. This is a non-cash expense.

On March 19, 2025, WUREF sold The Courtyard to Winthrop University. On the day of sale, all WUREF capital assets were transferred to Winthrop University.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 5 – DEFERRED OUTFLOWS OF RESOURCES

As of June 30, 2025, deferred outflows of resources related to pension plans is \$12,619,162 (see Note 9). As of June 30, 2025, the University has deferred outflows of resources related to postemployment benefits other than pensions (OPEB) of \$22,039,165 (see Note 10).

On March 1, 2016, the University issued General Obligation Bonds to refund outstanding General Obligation Bonds (see Note 7). This advanced refunding resulted in a net deferred advance refunding of \$1,759,850. As of June 30, 2025, the University has \$301,951 remaining on this which is being recognized as a component of interest expense on an annual basis over the remaining life of the old bond or the life of the new bond, whichever is shorter.

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts Payable and Accrued Liabilities as of June 30, 2025, are summarized as follows:

CURRENT	
Accrued Payroll and Related Liabilities	\$ 5,590,285
Trade Payables	4,645,894
Accrued Interest Payable	296,862
Funds Held in Trust	7,048,999
Student Deposits and Prepayments	129,403
Construction Contract Retainage	59,827
Other Accrued Liabilities	<u>2,099</u>
Total Accounts Payable	<u><u>\$ 17,773,369</u></u>

Accounts Payable - Non Governmental Discretely Presented Component Unit

Winthrop University Real Estate Foundation, Inc.

At December 31, 2024, accounts payable primarily consisted of \$298,240 in funds owed to the Winthrop University (a related party) in connection with amounts due for management of The Courtyard.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 7 - LONG-TERM DEBT

Long-term debt for the year ended June 30, 2025 is as follows:

	June 30, 2024	Additions	Reductions	June 30, 2025	Due Within One Year
Bonds and Notes					
General Obligation Bonds	\$ 9,800,000	-	(3,410,000)	6,390,000	2,315,000
Unamortized Premium	440,603	-	(207,697)	232,906	96,273
Athletic Facilities Bond	-	-	-	-	-
Higher Education Facilities Bond	-	9,755,000	-	9,755,000	1,045,000
Notes Payable	23,928	-	(7,858)	16,070	7,975
Master Lease Program Notes Payable	312,822	-	(312,822)	-	-
Total Bonds and Notes	10,577,353	9,755,000	(3,938,377)	16,393,976	3,464,248
Other Liabilities					
Perkins Loan Federal Liability	30,736	-	(30,736)	-	-
Total Other Liabilities	30,736	-	(30,736)	-	-
Total Long-Term Liabilities	\$ 10,608,089	9,755,000	(3,969,113)	16,393,976	3,464,248

Bonds Payable

Bonds payable consisted of the following at June 30, 2025:

	Rates	Dates	Balance
General Obligation Bonds			
Series 2013A	3.0% to 5.0%	10/01/2025	315,000
Series 2016B	5.00%	04/01/2029	6,075,000
Total General Obligation Bonds			6,390,000
Higher Education Facilities Revenue Bond Series 2025			9,755,000
Total Bonds Payable			\$ 16,145,000

General Obligation Bonds are backed by the full faith, credit and taxing power of the State of South Carolina. Tuition revenue is pledged up to the amount of annual debt requirements for the payment of principal and interest on General Obligation Bonds. The legal debt margin for General Obligation Bonds is that the maximum amount of annual debt service shall not exceed ninety percent of tuition for the preceding fiscal year. Tuition bond fees for the subsequent year 2026 were \$2,623,475, which results in a legal annual debt service at June 30, 2025 of \$2,914,972.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 7 - LONG-TERM DEBT, Continued

Bonds Payable, Continued

The scheduled maturities of the bonds payable by type are as follows:

		<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
General Obligation Bonds				
2013A	2026	315,000	4,725	319,725
	2027	-	-	-
	2028	-	-	-
	2029	-	-	-
	2030	-	-	-
Total Series 2013A Bonds		<u>\$ 315,000</u>	<u>4,725</u>	<u>319,725</u>
2016B	2026	2,000,000	303,750	2,303,750
	2027	1,620,000	203,750	1,823,750
	2028	2,455,000	159,750	2,614,750
	2029	-	-	-
	2030	-	-	-
Total Series 2016B Bonds		<u>\$ 6,075,000</u>	<u>667,250</u>	<u>6,742,250</u>
2025	2026	1,045,000	409,255	1,454,255
	2027	1,100,000	353,626	1,453,626
	2028	1,145,000	308,966	1,453,966
	2029	1,190,000	262,479	1,452,479
	2030	1,240,000	214,165	1,454,165
	2031	1,290,000	163,821	1,453,821
	2032	1,345,000	111,447	1,456,447
	2033	1,400,000	56,840	1,456,840
Total Series 2025 Revenue Bonds		<u>\$ 9,755,000</u>	<u>1,880,599</u>	<u>11,635,599</u>

On March 1, 2016, the University issued at par \$20,290,000 with a premium of \$5,505,632 in General Obligation Bonds for the purpose of refunding \$23,700,000 of outstanding General Obligation Bonds (Series 2005B, 2006A, 2008B, and 2009A). The 2016B bonds bear an average coupon rate of 5.00 percent with the final payment due April 1, 2029. The refunded bonds carried an average coupon rate of 4.182093 percent with the final payment due April 1, 2029.

This refunding resulted in a difference between the reacquisition price and the net carrying amount of the original debt of \$1,759,850. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being recognized as a component of interest expense annually through the year 2028. As of June 30, 2025, the University has unamortized premium of \$232,906 which is being amortized over the life of the bond.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 7 - LONG-TERM DEBT, Continued

Bonds Payable, Continued

On March 19, 2025, the University was issued a SC Revenue Bond with the purchase price equal to its par value of \$9,755,000. The bond was used to finance the cost of issuance of the bond and the acquisition of a 406-bed student housing facility known as "The Courtyard at Winthrop" from WUREF Development, LLC. The 2025 revenue bond bears a coupon rate of 4.060 percent with the final payment due April 1, 2033.

Bonds Payable - Non Governmental Discretely Presented Component Unit

Winthrop University Real Estate Foundation, Inc.

Bonds payable consists of the following at December 31, 2024:

South Carolina Jobs - Economic Development Authority
variable rate demand Economic Development Revenue
Bonds. Issued December 1, 2011 with an effective
variable interest rate currently at 3.69% net of the
effects of a fixed interest swap agreement. Interest is
payable monthly, and principal is payable in varying
annual installments, maturing July 1, 2033.

Direct Purchase of Series 2011	\$ 9,580,000
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On March 19, 2025, WUREF sold The Courtyard to Winthrop University. Proceeds from the sale were used to pay off the associated SC JEDA bonds. Further, on the day of sale, the remaining bond closing costs were recognized as amortization expense and related trustee cash was released from restriction.

Notes Payable

Notes payable consisted of the following at June 30, 2025:

	Interest Rate	Maturity Date	Balance
State of South Carolina Note Dated 10/24/2017	1.5%	07/01/2026	\$ 16,070
Total Notes Payable			\$ 16,070

During fiscal year 2018, the University received a Public Entity Conserfund Loan from the South Carolina Office of Regulatory Staff in the amount of \$61,505. The proceeds were used to install LED lighting in the four-court indoor gymnasium of the West Center complex. The loan bears an interest rate of 1.5 percent and will be repaid in annual installments over a period of eight years commencing July 1, 2019 and due annually thereafter on the first day of the month, beginning on July 1, 2020 until paid in full. The University's savings in annual energy costs and lighting maintenance is expected to exceed the cost of this loan.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 7 - LONG-TERM DEBT, Continued

Notes Payable, Continued

The note is payable in annual installments. Amounts required to complete payment of the note obligation as of June 30, 2025, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 7,975	241	8,216
2027	8,095	121	8,216
2028	-	-	-
2029	-	-	-
2030	-	-	-
Total Obligations	<u>\$ 16,070</u>	<u>362</u>	<u>16,432</u>

NOTE 8 - LEASE AND SBITA OBLIGATIONS

Lease and SBITA Obligations for the year ended June 30, 2025 is as follows:

	<u>June 30, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2025</u>	<u>Due Within One Year</u>
Leases	\$ 857,767	5,574,336	(216,475)	6,212,628	2,731,653
SBITA	<u>1,883,881</u>	<u>263,252</u>	<u>(998,432)</u>	<u>1,148,701</u>	<u>514,752</u>
Total Lease and SBITA Obligations	<u>2,741,648</u>	<u>5,837,588</u>	<u>(1,214,907)</u>	<u>7,361,329</u>	<u>3,246,405</u>

Lease and SBITA Obligations for the year ended June 30, 2025 are detailed as follows:

<u>Description</u>	<u>Date</u>	<u>Payment Terms in Months</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Lease Liability</u>	<u>Balance as of June 30, 2025</u>	<u>Due Within One Year</u>
Building	Various	Various	\$ Various	Various	\$ 8,167,473	\$ 5,699,729	\$ 2,604,604
Vehicles	Various	Various	Various	Various	1,182,529	164,812	59,401
Equipment	Various	Various	Various	Various	381,278	348,087	67,648
SBITA			Various	Various	<u>3,299,814</u>	<u>1,148,701</u>	<u>514,752</u>
Total Lease and SBITA Obligations					<u>\$ 13,031,094</u>	<u>\$ 7,361,329</u>	<u>\$ 3,246,405</u>

On July 1, 2017, the University entered into a vehicle lease agreement with the State of South Carolina. Vehicles are leased for a 60-month term. The payment amount varies based on the number of vehicles leased and their respective length of lease and the interest rate ranges from 3.5% to 8.5%.

During fiscal year 2024, the University entered into a 5-year real estate financing lease to provide additional space for technology use. Annual payments are \$200,012 with imputed interest of 8.3%.

During fiscal year 2025, the University entered into a 3-year real estate financing lease to provide additional student housing. Annual payments are \$2,726,400 with imputed interest of 8.0%.

During fiscal year 2025, the University entered into an equipment lease agreement for copies and centralized office printers. The recorded value of the financed leased asset was \$375,664, which will be amortized over a 5 year period using an interest rate of 8.0%.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 8 - LEASE AND SBITA OBLIGATIONS, Continued

Annual requirements to amortize long-term obligations for these leases and related interest are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,731,654	438,863	3,170,517
2027	3,032,372	214,562	3,246,934
2028	301,315	25,325	326,640
2029	101,197	8,157	109,354
2030	46,091	1,058	47,149
	<u>\$ 6,212,629</u>	<u>687,965</u>	<u>6,900,594</u>

As mentioned in Note 1, in fiscal year 2023, the University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The University identified seven of these arrangements. The payment terms range from three to six years, the interest rates range from 3.3% to 8.5% and are payable primarily in annual installments.

Annual requirements to amortize long-term obligations for these SBITA's and related interest are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 514,752	72,541	587,293
2027	433,581	41,215	474,796
2028	200,368	15,747	216,115
2029	-	-	-
2030	-	-	-
	<u>\$ 1,148,701</u>	<u>129,503</u>	<u>1,278,204</u>

NOTE 9 - PENSION PLANS

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit 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 custodian, 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.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 9 - PENSION PLANS, Continued

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

Plan Descriptions

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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

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

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for 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 first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 9 - PENSION PLANS, Continued

Membership, Continued

State ORP - As an alternative to membership in SCRS, newly hired state, public school and higher education employees, as well as individuals first elected to the South Carolina General Assembly at or after the general election in November 2012 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 his 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 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. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

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 five 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 eight 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's age and the member's 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 five- or eight-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.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 9 - PENSION PLANS, Continued

Benefits, Continued

PORS - A Class Two member who has separated from service with at least five 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 eight 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 five or eight 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 an 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. Effective July 1, 2017, employee rates were increased and capped at 9 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 9 - PENSION PLANS, Continued

Contributions, Continued

Effective July 1, 2023, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 24.91%. Included in the total SCRS employer contribution rate is a base retirement contribution of 18.41%, 0.15% for the incidental death benefit program and a 6.35% surcharge that will fund retiree health and dental insurance coverage. The University's actual retirement and incidental death benefit program contributions for participating employees and TERI participants to the SCRS for the years ended June 30, 2025, 2024, and 2023 were:

<u>Fiscal Year Ended</u>	<u>Retirement</u>		<u>Incidental Death</u>	
	<u>Rate</u>	<u>Contribution</u>	<u>Rate</u>	<u>Contribution</u>
2025	18.410%	\$ 5,256,365	0.15%	\$ 42,828
2024	18.410%	\$ 4,760,983	0.15%	\$ 38,791
2023	17.410%	\$ 4,644,215	0.15%	\$ 40,013

Effective July 1, 2023, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 27.59%. Included in the total PORS employer contribution rate is a base retirement contribution of 20.84%, 0.20% for the incidental death benefit program, 0.20% for the accidental death program, and a 6.35% surcharge that will fund retiree health and dental insurance coverage. The University's actual retirement, incidental death benefit program and accidental death program contributions to the PORS for the years ended June 30, 2025, 2024, and 2023 were:

<u>Fiscal Year Ended</u>	<u>Retirement</u>		<u>Incidental Death</u>		<u>Accidental Death</u>	
	<u>Rate</u>	<u>Contribution</u>	<u>Rate</u>	<u>Contribution</u>	<u>Rate</u>	<u>Contribution</u>
2025	20.840%	\$ 199,183	0.20%	\$ 1,912	0.20%	\$ 1,912
2024	20.840%	\$ 164,436	0.20%	\$ 1,578	0.20%	\$ 1,578
2023	19.840%	\$ 137,456	0.20%	\$ 1,386	0.20%	\$ 1,386

Employee and employer contributions to the State ORP are at the same rates as SCRS. Employees participating in the State ORP were required to contribute 9.00% of all earnable compensation. In fiscal year 2025, the employer contribution rate for the State ORP was 18.56% plus the retiree surcharge of 6.35% that will fund retiree health and dental insurance coverage. Of the 18.56% employer contribution rate, the employer remits 5.00% directly to the participant's ORP account and the remaining 13.41% retirement contribution and 0.15% incidental death benefit program contribution amounts are remitted to SCRS.

For fiscal year 2025, total contributions requirements to the ORP were \$4,417,838 (excluding the surcharge) from the University as employer and \$2,142,270 from its employees as plan members.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 9 - 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.

The June 30, 2024, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the Systems' consulting actuary, Gabriel Roeder Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024.

	SCRS	PORS
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return ¹	7%	7%
Projected Salary Increases	3.0% to 11% (varies by service) ¹	3.5% to 10.5% (varies by service) ¹
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

¹ Includes inflation at 2.25%

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

Assumptions used in the determination of the June 30, 2024, TPL are as follows:

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 9 - PENSION PLANS, Continued

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that system's fiduciary net position. NPL totals, as of June 30, 2024, for SCRS and PORS are presented below.

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 61,369,806,968	37,919,492,371	23,450,314,597	61.8%
PORS	10,177,904,231	7,178,118,865	2,999,785,366	70.5%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 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 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

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

At June 30, 2025, the University reported liabilities of \$71,997,337 and \$1,199,990 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2024. The University's proportion of the net pension liability was based on the University's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2024, the University's SCRS and PORS proportion was 0.307021% and 0.040003%, respectively.

For the year ended June 30, 2025, the University recognized net pension expenses of \$1,585,039 and \$150,361 for SCRS and PORS, respectively.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 9 - PENSION PLANS, Continued

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

At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SCRS</u>	<u>PORS</u>
Deferred Outflows of Resources		
Difference between Expected and Actual Experience	\$ 2,366,087	112,695
Changes of Assumptions	1,269,300	26,126
Net difference between Projected and Actual Earnings on Pension Plan Investments	-	-
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	-	115,068
University Contributions Subsequent to the Measurement Date	<u>8,526,880</u>	<u>203,006</u>
TOTAL	<u>\$ 12,162,267</u>	<u>456,895</u>
Deferred Inflows of Resources		
Difference between Expected and Actual Experience	\$ 89,353	6,880
Changes of Assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	2,774,077	67,276
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	<u>8,655,246</u>	<u>10,829</u>
TOTAL	<u>\$ 11,518,676</u>	<u>84,985</u>

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 9 - PENSION PLANS, Continued

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

The \$8,526,880 and \$203,006 reported as deferred outflows of resources related to pensions resulting from the University contributions subsequent to the measurement date for SCRS and PORS, respectively, during the year ended June 30, 2025 will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>SCRS</u>	<u>PORS</u>
2025	\$ (5,480,558)	60,606
2026	(237,349)	113,448
2027	(1,436,883)	12,638
2028	(728,499)	(17,788)
2029	-	-
Thereafter	-	-
	<u>(7,883,289)</u>	<u>168,904</u>

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.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 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 table on the following page. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 9 - PENSION PLANS, Continued

Long-Term Expected Rate of Return, Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Allocation/Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private Equity ¹	9.0%	9.60%	0.86%
Private Debt ¹	7.0%	6.90%	0.48%
Real Assets	12.0%		
Real Estate ¹	9.0%	4.30%	0.39%
Infrastructure ¹	3.0%	7.30%	0.22%
 Total Expected Return ²	 <u>100.0%</u>		 5.49%
 Inflation for Actuarial Purposes			 2.25%
			 <u>7.74%</u>

¹ RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

² Portable Alpha Strategies, which utilize Hedge Funds and are not included in the Policy Target, will be capped at 15% of total assets.

Discount Rate

The discount rate used to measure the TPL was 7 percent. 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 Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the 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 TPL.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 9 - PENSION PLANS, Continued

Sensitivity Analysis

The following table presents the University's proportionate share of the SCRS and PORS net pension liability calculated using the discount rate of 7 percent, as well as what the University's respective NPL would be if it were calculated using a discount rate of 1.00 percent lower (6 percent) or 1.00 percent higher (8 percent) than the current rate.

<u>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</u>			
<u>Plan</u>	<u>1% Decrease 6%</u>	<u>Current Discount Rate 7%</u>	<u>1% Increase 8%</u>
SCRS	\$ 93,300,413	71,997,337	52,378,890
PORS	1,738,556	1,199,900	758,877

Additional Financial and Actuarial Information

Information contained in this note was compiled from the Systems' audited financial statements for the fiscal year ending June 30, 2024, and the accounting valuation report as of June 30, 2024. Additional financial information supporting the preparation of the Schedules of Pension Amounts by Employers (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' Annual Comprehensive Financial Report.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

As discussed in Note 9, 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 postemployment benefits (OPEB).

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), Continued

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.

Plan Descriptions

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

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

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

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), Continued

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.

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, 2024 was 6.35 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. The University paid approximately \$3,385,214 and \$3,107,568 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2025 and 2024, respectively. 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 consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. The SCRHITF is also funded through investment income.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA – Insurance Benefits bills and collects premiums charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2024. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income. The University recorded employer contributions expenses applicable to these insurance benefits for active employees in the amount of \$27,274 and \$27,565 for the years ended June 30, 2025 and 2024, respectively.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2024 totaled \$732,799,781. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of \$2,577,195.

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 the year ended June 30, 2025, the University recognized non-employer contributions of \$10,084 in Operating Revenues, Grants and Contracts on the Statement of Revenues, Expenses and Changes in Net Position.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), Continued

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.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2023
Actuarial Cost Method:	Individual Entry - Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.97% as of June 30, 2024
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender – distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rate:	Initial trend starting at 6.50% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for Partial Funded Premiums 20% participation for retirees who are eligible for Non-Funded Premiums
Notes:	The discount rate changed from 3.86% as of June 30, 2023 to 3.97% as of June 30, 2024.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), Continued

Actuarial Assumptions and Methods, Continued

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2023
Actuarial Cost Method:	Individual Entry - Age Normal
Inflation:	2.25%
Investment Rate of Return:	3.00%, net of Plan investment expense; including inflation
Single Discount Rate:	3.68% as of June 30, 2024
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Disability Incidence:	The disability incidence rates used in the valuation are 165% of the rates developed for the South Carolina Retirement Systems pension plans
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 93% were assumed to recover after the first two years
Offsets:	45% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses:	Third party administrative expenses were included in the benefit projections
Notes:	The discount rate changed from 3.57% as of June 30, 2023 to 3.68% as of June 30, 2024.

Net OPEB Liability

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, 2024:

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	\$ 17,894,389,610	\$ 1,772,587,512	\$ 16,121,802,098	9.91%
SCLTDITF	49,010,702	31,771,665	17,239,037	64.83%

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.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), Continued

OPEB Expense

Components of collective OPEB expense reported in the Schedule of OPEB Amounts by Employer for the fiscal year ended June 30, 2024 are presented below.

Description	SCRHITF	SCLTDITF	Winthrop University's Proportionate Share	
			SCRHITF	SCLTDITF
Service Cost	\$ 487,751,534	8,547,520	\$ 2,070,676	26,786
Interest on the Total OPEB Liability	566,382,641	1,690,809	2,404,493	5,299
Projected Earnings on Plan Investments	(46,238,326)	(950,093)	(196,298)	(2,977)
OPEB Plan Administrative Expense	1,031,566	89,771	4,379	281
Recognition of Outflow (Inflow) of Resources Due to Liabilities	(194,560,521)	324,376	(825,978)	1,017
Recognition of Outflow (Inflow) of Resources Due to Assets	31,125,195	1,027,371	132,137	3,220
Total Aggregate OPEB Expense	<u>\$ 845,492,089</u>	<u>10,729,754</u>	<u>\$ 3,589,409</u>	<u>33,626</u>

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.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At June 30, 2025, the University reported liabilities of \$68,442,693 and \$54,024 for its proportionate share of the net OPEB liabilities of the SCRHITF and the SCLTDITF, respectively. The net OPEB liability was measured as of June 30, 2024. The University's proportion of the net OPEB liability was based on the University's share of contributions to the OPEB Trust Funds relative to the contributions of all participating employers. At June 30, 2024, the University's proportion of the SCRHITF and the SCLTDITF was 0.424535% and 0.313383%, respectively.

For the year ended June 30, 2025, the University recognized net OPEB expenses of (\$1,319,111) and \$32,941 for the SCRHITF and the SCLTDITF, respectively.

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.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), Continued

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans, Continued

At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SCRHITF</u>	<u>SCLTDITF</u>
Deferred Outflows of Resources		
Difference between Expected and Actual Experience	\$ 3,557,820	13,018
Changes of Assumptions	14,658,698	5,342
Net Difference between Projected and Actual Earnings		
On OPEB Plan Investments	333,839	9,955
Change in Proportion and Difference Between Employer		
Contributions and Proportionate Share of		
Plan Contributions	48,005	-
University Contributions Subsequent to the		
Measurement Date	3,385,214	27,274
TOTAL	<u>\$ 21,983,576</u>	<u>55,589</u>
Deferred Inflows of Resources		
Difference between Expected and Actual Experience	\$ 10,129,978	4,689
Changes of Assumptions	14,053,442	5,293
Net Difference between Projected and Actual Earnings		
On OPEB Plan Investments	-	-
Change in Proportion and Difference Between Employer		
Contributions and Proportionate Share of		
Plan Contributions	16,990,426	4,523
TOTAL	<u>\$ 41,173,846</u>	<u>14,505</u>

The \$3,385,214 and \$27,274 reported as deferred outflows of resources related to OPEB resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. The \$2,925,946 represents the University contribution for the covered payroll surcharge of \$3,385,214 plus the implicit subsidy of (\$459,268) for the year ending June 30, 2025.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB outstanding at June 30, 2024 will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	<u>SCRHITF</u>	<u>SCLTDITF</u>
2025	(4,904,024)	5,423
2026	(4,430,227)	4,525
2027	(5,864,149)	1,098
2028	(6,012,547)	488
2029	(1,602,738)	642
Thereafter	238,201	1,634
	<u>(22,575,484)</u>	<u>13,810</u>

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), 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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Allocation-Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash Equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

South Carolina Long-Term Disability Insurance Trust Fund

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Allocation-Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash Equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			3.00%

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), Continued

Single Discount Rate

The Single Discount Rate of 3.97% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.68% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 3.00% and a municipal bond rate of 3.97%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain at \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2033. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2033, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity Analysis

The following table presents the University's proportionate share of the SCRHITF's and the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.97% and 3.68% respectively, as well as what the University's proportionate share of the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

<u>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</u>			
<u>Plan</u>	<u>1% Decrease</u> 2.97	<u>Current Discount Rate</u> 3.97%	<u>1% Increase</u> 4.97
SCRHITF	\$ 81,246,683	68,442,693	58,193,254

<u>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</u>			
<u>Plan</u>	<u>1% Decrease</u> 2.68	<u>Current Discount Rate</u> 3.68%	<u>1% Increase</u> 4.68
SCLTDITF	\$ 59,974	54,024	48,287

Regarding the sensitivity of the University's proportionate share 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 the plan's net OPEB liability, calculated using the assumed trend rates as well as what the University's proportionate share of the plan's net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher:

<u>Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate</u>			
<u>Plan</u>	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
SCRHITF	\$ 56,281,237	68,442,693	84,216,743

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.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), Continued

Additional Financial and Actuarial Information

Information contained in this note was compiled from the OPEB Trust Funds audited financial statements for the fiscal year ended June 30, 2024, and the accounting and financial reporting actuarial valuations as of June 30, 2024. 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.

NOTE 11 – DEFERRED INFLOWS OF RESOURCES

As of June 30, 2025, deferred inflows of resources related to pension plans is \$11,603,661 (see Note 9). As of June 30, 2025, the University has deferred inflows of resources related to postemployment benefits other than pensions (OPEB) of \$41,188,351 (see Note 10). The remaining amount of deferred inflows of resources represents \$45,014 of voluntary nonexchange transactions relating to a future period.

NOTE 12 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS

The University is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of University management, there are no material claims or lawsuits against the University that are not covered by insurance or whose settlement would materially affect the University's financial position.

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.

The University had outstanding commitments under construction contracts of \$12,145,355 at June 30, 2025 of which \$0 was attributable to capital projects and the remaining \$12,145,355 was attributable to repairs and maintenance. The University anticipates funding these projects out of current resources, current and future bond issues, private gifts, student fees and state capital improvement bond proceeds. The State has issued capital improvement bonds to fund improvements and expansion of State facilities. The University is not obligated to repay these funds to the State. Authorized funds can be requested as needed once State authorities have given approval to begin specific projects and project expenditures have been incurred.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 12 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS, Continued

Contingencies / Commitments - Non Governmental Discretely Presented Component Unit, Continued

The Winthrop University Foundation

Due to the nature of the Foundation's normal activities, it is routinely subject to a variety of claims and demands by various individuals and entities. Loss contingencies are situations involving uncertainties as to possible loss. The uncertainties are resolved when certain events occur or fail to occur. Loss contingencies may result in litigation, claims, audit disallowances, threatened property loss, or uncollectible receivables. Such situations are loss contingencies if the related liability has not been recorded, yet a loss is reasonably possible. Guarantees of others' debts are loss contingencies, however, even if the probability of loss is remote. The Foundation maintains insurance against certain loss contingencies with liability policies and physical damage coverage.

The Foundation has a binding contract with a construction company that was agreed to in November 2024. This binding contract relates to leasehold improvements for the Foundation's Thread lease. The committed contract amount is \$658,777 as of December 31, 2024. Construction began in early 2025.

NOTE 13 - RELATED PARTIES

The Alumni Association of the University is a separately chartered legal entity whose activities are primarily to provide financial assistance and other support to the University and its educational program. The Alumni Association is an eleemosynary corporation. The Association exists to promote the growth, progress and general welfare of the University and to foster among its former students a sentiment of regard for one another and a continuing attachment to their Alma Mater. Financial statements for this entity are audited by independent auditors and retained by the Association.

NOTE 14 - DONOR RESTRICTED ENDOWMENTS

At June 30, 2025, the University held \$499,628 in permanent endowed and \$238,733 in quasi endowed funds. If a donor has not provided specific instructions, State law permits the Board of Trustees to authorize for expenditure the net appreciation (realized and unrealized) of the endowment funds.

The income earned on endowments is spent for the purposes for which the endowments were established. At June 30, 2025, the income available to be spent is \$138,845 of which \$82,055 is restricted to specific purposes.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 15 - 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. Settlement claims have not exceeded this coverage in any of the past three years.

The State of South Carolina 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 the risk for the following claims of covered employees:

- Unemployment compensation benefits
- Worker's compensation benefits for job-related illnesses or injuries
- Health and dental insurance benefits
- Long-term disability and group-life insurance benefits

Employees elect health insurance coverage through either a health maintenance organization or through the State's self-insured plan.

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

- Theft, damage to, or destruction of assets
- Real property, its contents, and other equipment
- Motor vehicles and watercraft
- Torts
- Natural disasters
- Medical malpractice claims against the Infirmary

The IRF is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The IRF's rates are determined actuarially.

The University obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 16 - OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2025, are summarized as follows:

	Compensation and Benefits	Supplies and Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Total
Instruction	\$ 32,985,773	3,200,700	-	-	-	36,186,473
Research	1,088,403	1,280,489	-	-	-	2,368,892
Public Service	2,323,353	9,253,677	-	-	-	11,577,030
Academic Support	5,792,398	1,881,461	-	-	-	7,673,859
Student Services	9,264,598	7,498,747	-	-	-	16,763,345
Institutional Support	9,230,096	3,414,344	-	-	-	12,644,440
Operation and Maintenance of Plant	3,349,924	22,525,354	3,403,106	-	-	29,278,384
Scholarships and Fellowships	-	-	-	10,951,406	-	10,951,406
Auxiliary Enterprises	4,099,417	8,198,678	626,845	-	-	12,924,940
Depreciation and Amortization	-	-	-	-	7,211,108	7,211,108
Total Operating Expenses	<u>\$ 68,133,962</u>	<u>57,253,450</u>	<u>4,029,951</u>	<u>10,951,406</u>	<u>7,211,108</u>	<u>147,579,877</u>

NOTE 17 – NONOPERATING FEDERAL GRANTS AND CONTRACTS

Nonoperating Federal grants and contracts for the year ended June 30, 2025, are summarized as follows:

Federal Pell Grant Program - 2024	150,450
Federal Pell Grant Program - 2025	11,324,324
Education Stabilization Fund	326,501
Total	<u>\$ 11,801,275</u>

Funds received for the Federal Pell program are recorded as nonoperating Federal grants and contracts in the accompanying Statement of Revenues, Expenses and Changes in Net Position.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 18 - COMPONENT UNITS

The Foundation and WUREF, Inc. maintain their accounts in accordance with generally accepted accounting principles in the United States. They are required to report information regarding their financial position and activities according to two classes of net assets:

Net assets without donor restrictions – Net assets that represent expendable funds available for the operations of the Foundation or WUREF, Inc. which are not otherwise limited by donor restrictions. Designated net assets represent amounts designated by the Board of Directors for purposes other than operations.

Net assets with donor restrictions – Net assets consisting of funds stipulated by donors for specific operating purposes or programs, those with time restrictions, or those not currently available for use until commitments regarding their use have been fulfilled. When donor-imposed time restrictions expire, or a donor-imposed purpose restriction is fulfilled, the net assets with donor restrictions are released to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation and WUREF, Inc. are also included as a component of net assets with donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designed for future periods or restricted by donor for specific purposes are reported as net assets with donor restriction support.

Contributions are recorded as revenue when unconditional promises (pledges) to give are received. Pledges to give that are due in the next year are recorded at their net realizable value. Pledges to give that are due in subsequent years are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. Amortization of discounts is reported as additional contribution revenue according to donor-imposed restrictions if any.

The Winthrop University Foundation

The Foundation is a separately chartered corporation organized exclusively to receive and manage private funds for the exclusive benefit and support of the University. The Foundation's activities are governed by its Board of Directors.

The University recorded Non-Governmental gifts receipts of \$4,115,642 from the Foundation in nonoperating revenues for the fiscal year ending June 30, 2025. These funds were used to support University programs, such as scholarships and fellowships, and capital projects. The Foundation reimburses the University for any purchases made by the University on behalf of the Foundation.

Component unit receivables as of June 30, 2025, are \$274,675 due from the Foundation.

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 18 - COMPONENT UNITS, Continued

The Winthrop University Foundation, Continued

Net Assets Without Donor Restrictions

The Foundation's net assets without donor restrictions are comprised of both undesignated and designated net assets. Undesignated net assets include cash available for operations and property and equipment.

Designated net assets include a board designated reserve account, a board designated quasi-endowment, and other funds designated by the board. The board reserve is maintained in an investment account separate from the pooled investments and can be used for any purpose deemed appropriate by the Foundation board, typically requests to meet University priority needs. The balance of the board reserve was \$1,323,914 at December 31, 2024. According to a board resolution adopted in 2019, investment earnings on non-endowed funds are added to the reserve account at year end.

The quasi-endowment assets are also held in an account separate from pooled investments. The balance of the quasi-endowment was \$2,441,595 at December 31, 2024. Investment income may be appropriated for general expenditures and amounts from its corpus can be made available with board approval. In 2024, investment income in the amount of \$86,465 was allocated to the Alumni Association of Winthrop University to assist in funding an agency endowment per an agreement between the Association and Foundation. The final payment of \$22,302 will be made in 2025 utilizing a portion of the available earnings. The balance of the Alumni Association Agency Endowment at December 31, 2024, was \$544,742.

Going forward, through 2025, earnings from the quasi-endowment are committed to funding a 10-year lease for space at the Thread for the University's use.

Net Assets With Donor Restrictions

The Foundation's net assets with donor restrictions include amounts that are restricted for specified times and/or purposes and those that are restricted for an indefinite period of time.

Temporary in Nature

Net assets with donor restrictions that are temporary in nature in the amount of \$6,678,123 are available for use by the University for student scholarships, academic support or physical facilities. During the year ended December 31, 2024, \$2,299,539 in net assets with donor restrictions that were temporary in nature were released from restriction for expenses satisfying the restricted purpose of the donors.

Perpetual in Nature

Split Interest Agreements

Net assets with donor restrictions that are to be held in perpetuity in the form of split-interest agreements are planned gifts in the form of charitable gift annuities, charitable remainder trusts and beneficial interests in trusts held by others. When realized, these remainder gifts will be available for use by the University for student scholarships, academic support, and physical facilities. At December 31, 2024, the estimated available value of these remainder gifts is \$1,160,194. Net assets released in 2024 for payments to donors was \$128,229.

Fair value of securities held	\$ 1,983,566
Less annuity obligations	<u>(1,079,392)</u>
Net Assets with donor restrictions from Split Interest Agreements	<u><u>\$ 904,174</u></u>

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 18 - COMPONENT UNITS, Continued

The Winthrop University Foundation, Continued

Cash Value of Life Insurance

Proceeds from life insurance policies are to be held in perpetuity in accordance with the donor's specifications. The cash value of these policies as of December 31, 2024 was \$55,366 and is reflected as net assets with donor restrictions to be held in perpetuity in the Foundation's financial statements.

Endowment Funds

The Foundation's net assets classification adheres to regulations under the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA). The Foundation's spending and investment policies are designed to maintain the historical cost of all endowment gifts as permanent net assets and to appreciate those assets at a rate above inflation over the long-term for preservation of capital value. As of December 31, 2024, the Foundation had \$76,804,471 in net assets with donor restrictions, of which \$2,756,270 was available for spending in accordance with the Foundation's spending policy. During the year ended December 31, 2024, \$2,285,373 in spendable funds were released from restriction, satisfying their restricted purposes.

Winthrop University Real Estate Foundation, Inc.

In 2002, WUREF Development, LLC, a separately wholly owned organization of WUREF, Inc., spent approximately \$19 million to construct a 406 bed resident student housing facility. The University has entered into an agreement with WUREF Development, LLC to provide management services for assigning students to rooms and collecting required fees. For the period July 1, 2024 thru June 30, 2025, the fee for management services amounted to \$242,059. WUREF Development, LLC reimburses the University for any purchases made by the University on behalf of the Foundation.

In addition, the University recorded Non-Governmental gifts receipts of \$0 from WUREF Development, LLC in nonoperating revenues for the fiscal year ending June 30, 2025. These funds would primarily be used to support student scholarships for the University.

Component unit receivables as of June 30, 2025 are \$298,240 due from WUREF, Inc.

Net Assets without donor restrictions designated by the Board of Directors

At December 31, 2024, net assets without donor restrictions designated by the Board of Directors was \$102,342. In accordance with the Operations Reserve Funds Policy of WUREF, Inc., the Board of Directors (the "Board") reviews the Surplus Funds available from WUREF Development LLC for the previous audited year. The Board then allocates those funds to the ongoing operations of its subsidiaries, to the University (a related party) to further the University's mission, and to other uses determined by the Board.

Net assets without donor restrictions are designated by the Board for the following purposes:

Winthrop University	79,236
WUREF Development, LLC for bond renewal	10,000
WUREF, Inc. and WRE, LLC	13,106
Total net assets designated by the Board	<u>\$ 102,342</u>

WINTHROP UNIVERSITY
Notes to the Financial Statements, Continued
June 30, 2025

NOTE 18 - COMPONENT UNITS, Continued

Subsequent Events - Non Governmental Discretely Presented Component Units

The Winthrop University Foundation

There were no subsequent events from the date of the consolidated statement of financial position through the date of the independent auditor's report which would adversely affect the Foundation's financial position. The Executive Director announced their retirement date of June 30, 2025. The Executive Director held the position for ten years and served as Finance Director for three years prior. The search for a new Executive Director was in progress at the date of the independent auditors' report.

Subsequent Events - Non Governmental Discretely Presented Component Units

Winthrop University Real Estate Foundation, Inc.

Management has evaluated events subsequent to the date of the statement of financial position through June 3, 2025; the date the financial statements were available to be issued. No items have been identified that would have a material effect on the carrying amounts of assets and liabilities, including estimates.

NOTE 19 – SUBSEQUENT EVENTS

Management has, through September 30, 2025, the date the financial statements were available to be issued, considered whether events have occurred, or circumstances exist subsequent to the date of the financial statements, June 30, 2025, that would have materially significant effect on the carrying amounts of assets or liabilities, including estimates, and no such items have been identified .

OTHER FINANCIAL INFORMATION

WINTHROP UNIVERSITY
Schedule Reconciling State Appropriation Per the Financial Statements
To State Appropriation Recorded in State Accounting Records
For the Year Ended June 30, 2025

The University is granted an annual appropriation for operating purposes as authorized by the General Assembly of the State of South Carolina. State appropriations are recognized as nonoperating revenue when received and available. Amounts that are not expended by fiscal year-end lapse and are required to be returned to the General Fund of the State unless the University receives authorization from the General Assembly to carry the funds over to the next year.

The original appropriation is the University's base budget amount presented in the General Funds column of Section 5L of Part IA of the 2022-2023 Appropriation Act. The following is a reconciliation of the original appropriation as enacted by the General Assembly to state appropriations revenue reported in the financial statements for the fiscal year ended June 30, 2025:

Non-Capital Appropriations

Non-Capital Appropriations per 2024-2025 Appropriations Act	\$	36,241,942
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State Budget and Control Board Allocations:

State Budget and Control Board Approved		
Allocation for 3% Pay Increase	741,283	
Allocation for Health Plan	346,402	
Allocation for SCRS and PORS 1.00% Rate Increase	-	
Allocation for Bonus Pay	-	
From SC Education Lottery Fund - Technology Program	389,413	
From Commission on Higher Education -		
Academic Endowment Incentive Match	9,633	
Revised Non-Capital Appropriations - Legal Basis	37,728,673	
Total Non-Capital Appropriations Recorded		
As Current Year Revenue	\$ 37,728,673	

Capital Appropriations

Proceeds drawn during the current fiscal year	\$	5,126,143
Plus: Expenses incurred but not drawn during the current fiscal year		1,385,965
Plus: Expenses incurred in current year for appropriations from prior year		7,595,000
Total Capital Appropriations Recorded as Current Year Revenue	\$	14,107,108

REQUIRED SUPPLEMENTARY INFORMATION

WINTHROP UNIVERSITY
Required Supplemental Information
For the Year Ended June 30, 2025

SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)

Schedule of Winthrop University's Proportionate Share of the Net Pension Liability

Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.307021%	\$ 71,997,337	\$ 25,860,851	278.40%	61.80%
2024	0.340874%	82,414,523	26,667,068	309.05%	58.60%
2023	0.355060%	86,074,242	26,453,680	325.38%	57.10%
2022	0.384329%	83,173,769	27,299,460	304.67%	60.70%
2021	0.392603%	100,317,139	27,467,916	365.22%	50.70%
2020	0.387175%	88,408,091	25,848,572	342.02%	54.40%
2019	0.411364%	92,173,454	27,603,452	333.92%	54.10%
2018	0.417993%	94,096,947	28,359,664	331.80%	53.30%
2017	0.399163%	85,260,628	26,327,792	323.84%	52.90%
2016	0.437758%	83,022,915	29,052,225	285.77%	57.00%

Schedule of Winthrop University's Contributions

Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency / (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 8,526,880	\$ 8,526,880	\$ -	\$ 28,551,686	29.86%
2024	7,353,425	7,353,425	-	25,860,851	28.43%
2023	7,111,110	7,111,110	-	26,675,562	26.66%
2022	6,533,531	6,533,531	-	26,453,680	24.70%
2021	6,290,370	6,290,370	-	27,299,460	23.04%
2020	6,347,596	6,347,596	-	27,467,916	23.11%
2019	5,486,050	5,486,050	-	25,848,572	21.22%
2018	5,280,158	5,280,158	-	27,603,452	19.13%
2017	4,876,141	4,876,141	-	28,359,664	17.19%
2016	4,275,085	4,275,085	-	26,327,792	16.24%

WINTHROP UNIVERSITY
Required Supplemental Information
For the Year Ended June 30, 2025

POLICE OFFICERS RETIREMENT SYSTEM (PORS)

Schedule of Winthrop University's Proportionate Share of the Net Pension Liability

Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.040003%	\$ 1,199,990	\$ 789,040	152.08%	70.50%
2024	0.039420%	1,199,973	692,822	173.20%	67.80%
2023	0.034315%	1,029,090	543,063	189.50%	66.40%
2022	0.028949%	744,831	435,302	171.11%	70.40%
2021	0.040885%	1,355,843	616,523	219.92%	58.80%
2020	0.042699%	1,223,731	619,333	197.59%	62.70%
2019	0.043433%	1,230,690	601,177	204.71%	61.70%
2018	0.055700%	1,526,053	745,378	204.74%	60.90%
2017	0.054940%	1,393,412	700,344	198.96%	60.40%
2016	0.055760%	1,215,309	690,800	175.93%	64.60%

Schedule of Winthrop University's Contributions

Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency / (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 203,006	\$ 203,006	\$ -	\$ 955,772	21.24%
2024	160,392	160,392	-	789,040	20.33%
2023	133,027	133,027	-	692,822	19.20%
2022	97,285	97,285	-	543,063	17.91%
2021	72,199	72,199	-	435,302	16.59%
2020	105,253	105,253	-	616,523	17.07%
2019	99,573	99,573	-	619,333	16.08%
2018	90,438	90,438	-	601,177	15.04%
2017	106,142	106,142	-	745,378	14.24%
2016	96,228	96,228	-	700,344	13.74%

WINTHROP UNIVERSITY
Required Supplemental Information
For the Year Ended June 30, 2025

SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND (SCRHITF)

Schedule of Winthrop University's Proportionate Share of the Net OPEB Liability

<u>Year</u>	<u>Proportion of the OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
2025	0.424535%	\$ 68,442,693	\$ 48,938,079	139.86%	9.91%
2024	0.480260%	62,873,172	50,421,814	124.69%	11.24%
2023	0.504524%	76,747,390	49,674,576	154.50%	9.64%
2022	0.522561%	108,813,823	51,515,035	211.23%	7.48%
2021	0.565843%	102,142,846	52,158,471	195.83%	8.39%
2020	0.564699%	85,391,098	49,387,650	172.90%	8.44%
2019	0.603339%	85,496,666	51,979,351	164.48%	7.91%
2018	0.633964%	85,869,385	53,461,195	160.62%	7.60%

Schedule of Winthrop University's OPEB Contributions

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency / (Excess)</u>	<u>University's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2025	\$ 3,385,124	\$ 3,385,124	\$ -	\$ 53,310,462	6.35%
2024	3,123,133	3,123,133	-	48,938,079	6.38%
2023	3,170,430	3,170,430	-	50,421,814	6.29%
2022	3,121,597	3,121,597	-	49,674,576	6.28%
2021	3,162,810	3,162,810	-	51,515,035	6.14%
2020	3,037,310	3,037,310	-	52,158,471	5.82%
2019	2,978,485	2,978,485	-	49,387,650	6.03%
2018	2,790,604	2,790,604	-	51,979,351	5.37%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

WINTHROP UNIVERSITY
Required Supplemental Information
For the Year Ended June 30, 2025

SOUTH CAROLINA LONG-TERM DISABILITY INSURANCE TRUST FUND (SCLTDITF)

Schedule of Winthrop University's Proportionate Share of the Net OPEB Liability

<u>Year</u>	<u>Proportion of the OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
2025	0.313383%	\$ 54,024	64.83%
2024	0.322807%	49,425	68.01%
2023	0.358053%	41,482	75.04%
2022	0.394099%	12,523	92.84%
2021	0.409680%	1,242	99.29%
2020	0.418155%	8,230	95.17%
2019	0.428761%	13,125	92.20%
2018	0.427446%	7,749	95.29%

Schedule of Winthrop University's OPEB Contributions

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to the Contractually Required Contribution</u>	<u>Contributions Deficiency / (Excess)</u>
2025	\$ 27,274	\$ 27,274	\$ -
2024	27,565	27,565	-
2023	27,338	27,338	-
2022	29,803	29,803	-
2021	32,586	32,586	-
2020	34,036	34,036	-
2019	33,878	33,878	-
2018	34,132	34,132	-

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

SINGLE AUDIT SECTION



KBBA

Kochenower Blake
Blake Arango & Co., PA

Ben D. Kochenower, CPA, CVA, CICA, CGMA • Timothy S. Blake, CPA/PFS • Brandon A. Blake, CPA • Laura S. Arango, CPA

Independent Auditors' 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*

The Board of Trustees of
Winthrop University
Rock Hill, South Carolina

We have audited, in accordance with the 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 the aggregate discretely presented component units of Winthrop University (the "University"), a discretely presented component unit of the State of South Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise University's basic financial statements, and have issued our report thereon dated September 30, 2025. Our report includes a reference to other auditors who audited the financial statements of The Winthrop University Foundation and Winthrop University Real Estate Foundation, Inc., as described in our report on the University's financial statements. The financial statements of these foundations 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 these foundations.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing 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.

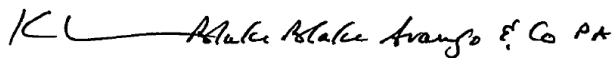
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gaffney, SC
September 30, 2025

WINTHROP UNIVERSITY
Schedule of Expenditures of Federal Awards
as of June 30, 2025

FEDERAL GRANTOR Pass-Through Entity Program Title	CFDA Number	Grant or Contract Number	Federal (Direct and Pass- Through) Expenditures	Pass-through to Subrecipient Expenditures
Department of Agriculture, Food and Nutrition Service				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561			
SC DSS MSW Tuition Assistant Program		4400032844	141	-
TOTAL DEPARTMENT OF AGRICULTURE, FOOD AND NUTRITION SERVICE			\$ 141	\$ -
Department of Commerce, Economic Development Administration				
Investments for Public Works and Economic Development Facilities	11.300			
High Voltage Electric Substation and Upgrade		04-79-07326	237,560	-
TOTAL DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION			\$ 237,560	\$ -
US Department of Defense, Department of Army				
Basic Scientific Research	12.431			
SBIR_Phase 2: Low-Latency			21,326	-
TOTAL US DEPARTMENT OF DEFENSE			\$ 21,326	\$ -
National Science Foundation				
Research & Development				
Mathematical and Physical Sciences	47.049			
Collaborative Research: RUI: An in-depth characterization of divalent cadmium binding to human cardiac troponin C and the impact on subsequent protein interactions		2203467 & CHE2400166	52,671	-
Subtotal 47.049			\$ 52,671	\$ -
Geosciences	47.050			
RUI: CSI Devonian - testing Late Devonian ocean anoxia proxies across different paleoenvironments		ERA-2044224	2,678	-
Subtotal 47.050			\$ 2,678	\$ -
Social, Behavioral and Economic Sciences	47.075			
NSF - Kohut: Relship Ag-Socl Chng			29,259	-
Subtotal 47.075			\$ 29,259	\$ -
STEM Education	47.076			
WISE - II		DUE-1540690	11,911	-
NSF TPR2		DUE-2050103	22,712	-
NSF Wiegand - Using Coevolutionary		DUE-2038406	21,255	-
NSF WISERRR		DUE-2345156	70,232	-
S-STEM: TIPS Scholars		DUE-2424522	45,971	-
Subtotal 47.076			\$ 172,083	\$ -
Pass-Through Clemson University				
Office of Integrative Activities	47.083			
NSF - ADAPT in SC		2212812	96,759	-
Pass-Through the University of South Carolina				
Office of Integrative Activities				
NSF Winthrop Materials Science Edu		OIA-1655740	2,226	-
Subtotal 47.083			\$ 98,985	\$ -
TOTAL NATIONAL SCIENCE FOUNDATION			\$ 355,677	\$ -
US Department of Health and Human Services				
National Institute of Health				
Research & Development				
NIH Determining Mechanisms of RYBP	93.853	1R16NS141721-01	113,680	9,076
Subtotal 93.853			\$ 113,680	\$ 9,076
Pass-Through the University of South Carolina				
Biomedical Research and Research Training	93.859			
SC INBRE-DRP: Nucleic acid aptamers		5P20GM103499-23 & -22	69,631	-
NIH - Role and Regulation of Ring1		5P20GM103499-21	23,485	-
Molecular Biomedical Research Initiative (INBRE IV)		2P20GM103499-20	155,181	-
Pass-Through the University of Kentucky				
OSP SEED Grant CY24-25		3U24GM146576-03S1	27,654	-
Subtotal 93.859			\$ 275,952	\$ -
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES (R&D only)			\$ 389,632	\$ 9,076
Subtotal - Research & Development Cluster			745,308	9,076

WINTHROP UNIVERSITY
Schedule of Expenditures of Federal Awards
as of June 30, 2025

FEDERAL GRANTOR Pass-Through Entity Program Title	CFDA Number	Grant or Contract Number		Federal (Direct and Pass- Through) Expenditures	Pass-through to Subrecipient Expenditures
Small Business Administration					
Pass-Through the University of South Carolina	59.037				
Small Business Development Centers		SBAHQ24B0061		284,093	-
Small Business Development Centers		SBAOEDSB230031		153,391	-
TOTAL SMALL BUSINESS ADMINISTRATION				\$ 437,484	\$ -
DEPARTMENT OF EDUCATION					
Offices of Federal Student Aid & Postsecondary Education					
Student Financial Assistance					
Federal Supplemental Education Opportunities Grant	84.007	PO07A243816	SFA	240,635	-
Subtotal 84.007				\$ 240,635	\$ -
Federal Work Study Program	84.033	P033A243816	SFA	248,071	-
Subtotal 84.033				\$ 248,071	\$ -
Federal Perkins Loan Program	84.038	P038A063816	SFA	1,127	-
Subtotal 84.038				\$ 1,127	\$ -
Federal PELL Grant Program	84.063	PO063P230379	SFA	150,450	-
Federal PELL Grant Program		PO063P240379	SFA	11,324,324	-
Subtotal 84.063				\$ 11,474,774	\$ -
Federal Direct Student Loan Program FY24	84.268	P268K240379	SFA	21,458	-
Federal Direct Student Loan Program FY25		P268K250379	SFA	30,518,433	-
Subtotal 84.268				\$ 30,539,891	\$ -
Teacher Education Assistance for College and Higher Education Grants	84.379	P379T240379	SFA	183,153	-
Subtotal 84.379				\$ 183,153	\$ -
Subtotal - Student Financial Aid Cluster				\$ 42,687,651	\$ -
Office of Special Education and Rehabilitative Services					
Special Education Grants to States					
SC CREATE	84.027A	H027A200081		37,225	-
Subtotal - 84.027A				\$ 37,225	\$ -
TRIO Cluster					
TRIO - Student Support Services	84.042	PO42A200283		282,713	-
Subtotal 84.042				\$ 282,713	\$ -
TRIO - McNair Post Baccalaureate Achievement	84.217	P217A230073		258,816	-
Subtotal 84.217				\$ 258,816	\$ -
Subtotal - TRIO Cluster				\$ 541,528	\$ -
Office of Discretionary Grants and Support Services					
Teacher Quality Partnership Grant Program					
Network for Sustained Educational Residencies that Value Equity (NetSERVE)	84.336S	U336S190012		359,929	-
Subtotal 84.336S				\$ 359,929	\$ -
Office of Innovation and Improvement					
Arts in Education					
CARE: Community Access to the Arts in Rural Education	84.351	S351A210069		686,477	-
Subtotal 84.351				\$ 686,477	\$ -
Office of Special Elementary and Secondary Education					
SC Palmetto					
Subtotal 84.365	84.365	T365Z210033		452,700	-
SC Rise	84.411C	SC411C240077		452,700	-
Subtotal 84.411C				228,940	-
Subtotal OSE				228,940	\$ -
				\$ 681,640	\$ -
COVID-19 Education Stabilization Fund (ESF)					
Pass-Through South Carolina Department of Education					
CERRA Grad & Pre-Collegiate	84.425U			19,589	-
CERRA Service Program	84.425U			981	-
CERRA ESSER FY22	84.425U	H63010497523		306,362	-
Pass-Through South Carolina Arts Commission					
Arts Grow SC	84.425U	FY22-SPE-006		(431)	-
COVID-19 Subtotal 84.425				\$ 326,501	\$ -
TOTAL US DEPARTMENT OF EDUCATION				\$ 45,320,951	\$ -

WINTHROP UNIVERSITY
Schedule of Expenditures of Federal Awards
FEDERAL GRANTOR

FEDERAL GRANTOR	CFDA Number	Grant or Contract Number	Federal (Direct and Pass- Through) Expenditures	Pass-through to Subrecipient Expenditures
Pass-Through Entity Program Title				
US Department of Health and Human Services				
National Institute of Health				
Pass-Through the Medical University of South Carolina				
National Center for Advancing Translational Sciences	93.350			
Cultivating Health and Success in Youth and Young Adults		3200003706-21-182	3,976	-
Subtotal 93.350			\$ 3,976	\$ -
Pass Through SC Department of Social Services				
Temporary Assistance for Needy Families - MSW Tuition Assistance	93.558	4400032844	171,181	-
Subtotal - 93.558			\$ 171,181	\$ -
Child Care and Development Block Grant	93.575	XNUZB1HE, EPQW003092	130,289	-
Subtotal - 93.575			\$ 130,289	\$ -
Bingocize - SC	93.636A	2021-04-SC-0901	286,884	-
Subtotal - 93.636A			\$ 286,884	\$ -
Foster Care Title IV-E - MSW Tuition Assistance Program	93.658	4400032844	10,168	-
Subtotal - 93.658			\$ 10,168	\$ -
Social Services Block Grant - MSW Tuition Assistance Program	93.667	4400032844	14,610	-
Subtotal - 93.667			\$ 14,610	\$ -
Adoption Assistance - MSW Tuition Assistance Program	93.659	4400032844	4,070	-
Subtotal - 93.659			\$ 4,070	\$ -
Subtotal - 93.558, 93.575, 93.636A, 93.658, 93.667 and 93.659			\$ 617,201	\$ -
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES (excluding R&D)			\$ 621,177	\$ -
TOTAL ALL FEDERAL FUNDS			\$ 47,383,948	\$ 9,076

WINTHROP UNIVERSITY
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Winthrop University. The reporting entity is defined in Note 1 of the University's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

The University has not elected to use the 10% de minimis cost rate.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 of the University's financial statements.

3. LOAN PROGRAMS

The University has students who have approved loans which were received by those students during the current year. The University is not the lender, it only processes them for the lender the student chooses. The totals and types of loans received for the current fiscal year are:

Federal Direct Loans	<u>\$ 30,539,891</u>
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