



A Component Unit of the State of South Carolina

# Financial Report

**(In Accordance with the Requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)**

**June 30, 2025**

# Lander University

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## Independent Auditor's Report

The Board of Trustees  
Lander University  
Greenwood, South Carolina

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Lander University (the "University"), a component unit of the State of South Carolina, which comprise the statement of net position as of June 30, 2025, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

#### *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 within one year after the date that the financial statements are available to be issued.

#### *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 opinion. 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, the Schedule of the University's Contributions – Pension Plan, the Schedule of Changes in the University's Net OPEB Liability and Related Ratios, and the Schedule of University Contributions – OPEB Plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Schedule Reconciling State Appropriations per the Financial Statements to State Appropriations Recorded in State Accounting Records and the Schedule of Tuition and Fees are presented for purposes of additional analysis as required by the State of South Carolina Office of the Comptroller General but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2026, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
March 23, 2026

## **Lander University**

### **Management's Discussion and Analysis**

Management's Discussion and Analysis provides an overview and analysis of Lander University's financial activities for the fiscal year ended June 30, 2025, with comparative information for the fiscal year ended June 30, 2024. Management has prepared the discussion and analysis to be read in conjunction with the financial statements and accompanying notes to the financial statements. The financial reporting entity for the financial statements is comprised of the University and its component units. The emphasis of discussions about these statements will be on current year data and will not include the discretely presented component units. The University's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes standards for external financial reporting for public colleges and universities. These statements are presented on a consolidated basis to focus on the University as a whole. The full scope of the University's activities is a single business-type activity and accordingly, reports within a single column in the basic financial statements. The University's financial report includes five financial statements and related notes:

1. The Statement of Net Position for Lander University
2. The Statement of Revenues, Expenses and Changes in Net Position for Lander University
3. The Statement of Cash Flows for Lander University
4. The Consolidated Statement of Financial Position for the Nongovernmental Component Units
5. The Consolidated Statement of Activities for the Nongovernmental Component Units

After the component unit financial statements are the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the statements, including the details, the risks, and the underlying assumptions associated with the amounts in the financial statements. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the University's proportionate share and contributions to South Carolina's multi-employer pension and other postemployment benefit plans.

### **Introduction**

Lander University was founded in 1872 and on July 1, 1973, became a state-supported higher education institution incorporated by an act of the South Carolina General Assembly and signed into law by then Governor John C. West.



Lander University is a state-assisted, co-educational, comprehensive regional institution located in Greenwood, South Carolina. The University offers a diverse range of high-demand and market-driven programs within a rich liberal arts environment, designed to produce graduates who are both highly qualified and marketable. Lander's mission is to cultivate well-rounded individuals who are prepared to pursue further education or successfully launch their careers.

The University offers baccalaureate, master's, and professional degrees across more than 80 areas of study. With a student body of approximately 4,300, Lander University provides exceptional educational opportunities through its traditional liberal arts and sciences programs, as well as its professional programs in art, business, design, education, nursing, mass communications, and K-12 teaching. Below is a comparison of student headcount and student full-time equivalent numbers.

	<u>Student (Headcount)</u>	<u>Student (FTE)</u>
Fiscal Year 2025	4387	3777
Fiscal Year 2024	4365	3767
Fiscal Year 2023	4170	3686



### Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net position of the University as of the end of the fiscal year. The purpose of the Statement of Net Position is to present a fiscal snapshot of Lander University. It provides data that identifies the assets available to continue the operations of the University, as well as how much the University owes vendors and lending institutions. The Statement of Net Position presents end-of-year data concerning assets (property owned by the University and debts owed by others to the University), liabilities (debts owed to others and funds collected from others prior to the University providing service/goods), and net position (assets minus liabilities) and their availability for expenditure by the institution. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to the University, regardless of when cash is exchanged.

Net position is divided into three major categories. The first category, invested in capital assets, net of debt, provides the institution's equity in property, plant, and equipment owned by the institution. The next asset category is expendable restricted net position. Expendable restricted net position is available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted assets are available to the institution for any lawful purpose of the institution. Although unrestricted net position is not subject to externally imposed stipulations, substantially all the University's unrestricted net position has been designated for various academic programs and initiatives. Unrestricted net position is negative because of the adoption of GASB 68 and GASB 75. For additional information, see Notes 6 and 7 in the accompanying notes to the financial statements.

### Statement of Net Position, Condensed

	2025	2024 (restated)	Increase/ (Decrease)
<b>Assets:</b>			
Current assets	\$ 62,565,587	\$ 53,439,559	\$ 9,126,028
Capital assets, net	66,723,566	62,582,005	4,141,561
Other assets	-	7,264	(7,264)
<b>Total Assets</b>	<b>129,289,153</b>	<b>116,028,828</b>	<b>13,260,325</b>
<b>Deferred Outflow of Resources</b>	<b>23,432,159</b>	<b>22,095,056</b>	<b>1,337,103</b>
<b>Liabilities:</b>			
Current Liabilities	14,736,062	12,358,485	2,377,577
Noncurrent Liabilities	106,837,929	109,664,015	(2,826,086)
<b>Total Liabilities</b>	<b>121,573,991</b>	<b>122,022,500</b>	<b>(448,509)</b>
<b>Deferred Inflows of Resources</b>	<b>24,387,576</b>	<b>22,948,084</b>	<b>1,439,492</b>
<b>Net Position:</b>			
Invested in capital assets, net of debt	48,568,403	43,923,451	4,644,952
Restricted-expendable	36,601,997	35,986,718	615,279
Unrestricted	(78,410,655)	(86,756,869)	8,346,214
<b>Total Net Position, As Restated</b>	<b>\$ 6,759,745</b>	<b>\$ (6,846,700)</b>	<b>\$ 13,606,445</b>

#### Total Assets:

As of June 30, 2025, the University's total assets, excluding deferred outflows, were \$129,289,153, an increase of approximately 11% compared to the prior fiscal year. This growth was largely driven by a 17% increase in current assets, attributable to unspent state capital appropriations, a capital investment agreement with Aramark Food Services, and a Federal Health Resources and Services Administration (HRSA) grant, the University's ongoing effort to build its operational maintenance and reserve fund, and the reclassification of unspent state capital appropriations into capital operating funds.

Over the past four fiscal years, the University has received more than \$31 million in State Supplemental Appropriations and State Capital Reserve funds. In fiscal year 2025, the State Capital Reserve Fund appropriated \$5,000,000 for maintenance, renovation, and replacement projects. Of this appropriation, \$4,228,900 remains in accounts receivable at year-end and will be utilized in fiscal year 2026 for phase II of the Graduate Online School upgrade, ongoing paving projects, and renovations to the Health and Wellness Center. In addition, prior-year state capital appropriations totaling \$17,570,151 remain in accounts receivable, designated for significant campus initiatives including the Nursing Clinical Simulation Center, the new Information Commons, and the repurposing of the Jackson Library.



The Aramark Investment Fund continues to provide resources for campus dining improvements, with \$1,075,310 in receivables available for future renovations. In fiscal year 2025, the University was also awarded a \$2,400,000 HRSA grant to support the purchase of moveable equipment for the Nursing Clinical Simulation Center, which is scheduled for completion in 2025.

Other factors contributing to the overall increase in total assets include a 9% growth in capital assets, net of accumulated depreciation, compared to the prior year. The University also completed the official closeout of the Perkins Loan Program during fiscal year 2025, returning excess funds to the federal government.

During fiscal year 2025, management identified and corrected an overstatement of lease assets reported in the prior year. This correction resulted in a decrease of \$2,475,830 to lease assets, net of accumulated amortization, an increase of \$4,767 to lease liabilities, and a corresponding decrease to beginning net position of \$2,480,597 as of July 1, 2024.

#### **Total Deferred Outflows:**

Deferred outflows of resources increased due to the actuarial determinations for GASB 68 and GASB 75. The liability expense and contributions after the measurement date for the University's net pension liability and OPEB liability are reported in deferred outflows of resources. The University's deferred outflows were \$23,432,159 as of June 30, 2025. These outflows of resources will be amortized in subsequent periods. Please see Notes 6 and 7 for more information.

#### **Total Liabilities:**

As of June 30, 2025, the University reported total liabilities of \$121,573,991, representing a marginal decrease compared to the prior fiscal year, as restated. The decrease was primarily attributable to a reduction in non-current liabilities of 2.58%, while current liabilities increased from the prior fiscal years due to deferred revenue of the HRSA grant cost reimbursement basis.

The decrease in non-current liabilities was influenced in part by the implementation of GASB Statement No. 101, *Compensated Absences*, effective June 30, 2024. Adoption of this standard required a restatement of beginning net position to recognize the liability associated with compensated absences. As of June 30, 2024, the calculation of the compensated absences liability resulted in an increase of \$483,694 to accrued compensated absences, with a corresponding decrease in the beginning net position of the same amount.

Additional factors contributing to the decline in non-current liabilities during fiscal year 2025 included the recognition of \$500,000 in revenue from the Aramark food service investment and a reduction in outstanding debt service obligations compared to the prior year, as restated.

### Total Deferred Inflows:

In addition, the University's proportionate share of the pension liability amount related to its defined benefit plans is provided by the South Carolina Public Employee Benefit Authority's (PEBA's) consulting actuary and reported in accordance with the requirements of GASB 68. Deferred inflows of resources had an increase of \$1.4 million, due to actuarially determined changes in GASB 68 and GASB 75. This amount is the amount reported by PEBA's consulting actuary as the investment and liability experience not included in the current liability portions of GASB 68 and GASB 75 and is reported as deferred inflows of resources. These inflows will be amortized in subsequent periods.

### Impacts of GASB 68, GASB 75

The GASB 68 and GASB 75 standards create an accounting liability rather than a legal liability. Pursuant to the accounting standards, the University must report its proportionate share of the state's pension and OPEB liabilities of the defined benefit plans. The University has no legal requirement to fund or pay out that share of the liability. Internally, the University's management must continue to ensure that the University's financial position is sound. In fiscal year 2025, without the GASB 68 and 75 impact, the University's unrestricted net position had an increase of \$13 million. Following is the University's net position with the GASB 68 and 75 impact reported discretely.

<b>Net Position</b>	<b>2025</b>	<b>2024</b>	<b>Increase/ Decrease</b>
Invested in capital assets, net of debt	\$ 48,568,403	\$ 43,923,451	\$ 4,644,952
Restricted-expendable	36,601,997	35,986,718	615,279
Unrestricted (exclusive GASB 68/75)	13,723,962	5,015,039	8,708,923
Unrestricted (GASB 75 portion)	(46,735,311)	(45,782,268)	(953,043)
Unrestricted (GASB 68 portion)	(45,399,306)	(45,989,640)	590,334
Total Net Position, As Restated	\$ 6,759,745	\$ (6,846,700)	\$ 13,606,445

### Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and non-operating, and the expenses paid by the University, operating and non-operating, and any other revenues, expenses, gains, and losses received or spent by the University. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Non-operating revenues are revenues received for which goods and services are not provided. State appropriations are non-operating because they are provided by the General Assembly to the University without the General Assembly directly receiving any goods and services for those revenues.



### Statement of Revenues, Expenses and Changes in Net Position, Condensed

	2025	2024	Increase/ (Decrease)
<b>Operating Revenues:</b>			
Student tuition and fees*	\$ 11,461,388	\$ 13,016,557	\$ (1,555,169)
Sales and services	22,389,112	20,883,098	1,506,014
Grants and contracts	14,460,159	14,586,731	(126,572)
Other operating revenues	788,939	802,863	(13,924)
<b>Total operating revenues</b>	<b>49,099,598</b>	<b>49,289,249</b>	<b>(189,651)</b>
<b>Operating Expenses:</b>			
Compensation and Benefits	49,167,716	51,392,475	(2,224,759)
Supplies and Services	21,973,309	21,594,038	379,271
Scholarships and Fellowships	1,900,392	2,475,562	(575,170)
Depreciation	6,577,640	6,742,604	(164,964)
<b>Total operating expenses</b>	<b>79,619,057</b>	<b>82,204,679</b>	<b>(2,585,622)</b>
<b>Operating loss</b>	<b>(30,519,459)</b>	<b>(32,915,430)</b>	<b>2,395,971</b>
<b>Nonoperating Revenues (Expenses):</b>			
State Appropriations	24,408,889	21,283,050	3,125,839
Federal Grants and Contracts	10,846,159	8,897,631	1,948,528
Gifts	1,107,284	1,177,981	(70,697)
Investment income (loss)	504,577	(16,401)	520,978
Gain (loss) on disposal of assets	(274,176)	14,550	(288,726)
Interest expense	(466,829)	(440,434)	(26,395)
<b>Total nonoperating revenues (expenses)</b>	<b>36,125,904</b>	<b>30,916,377</b>	<b>5,209,527</b>
<b>Income before other revenues and expenses</b>	<b>5,606,445</b>	<b>(1,999,053)</b>	<b>7,605,498</b>
<b>Other Revenues:</b>			
State Capital Appropriations	8,000,000	7,500,000	500,000
<b>Change in Net Position</b>	<b>13,606,445</b>	<b>5,500,947</b>	<b>8,105,498</b>
<b>Net Position, Beginning of Year, as restated</b>	<b>(6,846,700)</b>	<b>(12,347,647)</b>	<b>5,500,947</b>
<b>Net Position, End of Year</b>	<b>\$ 6,759,745</b>	<b>\$ (6,846,700)</b>	<b>\$13,606,445</b>

\*Net of scholarship discounts and allowances

### Operating Revenues:

Total operating revenues remained unchanged at \$49 million in fiscal year 2025. Within this total, student tuition and fees, net of scholarship allowances, declined by nearly 12% compared to the prior year. Although total enrollment increased by approximately 2%, the decrease in net tuition and fees reflects the continuing growth in scholarship discounts and allowances, which rose to \$33 million in fiscal year 2025, up from \$31 million in fiscal year 2024. It is noteworthy that tuition rates have remained unchanged for nine consecutive years, underscoring the University's commitment to affordability.

Sales and service revenues, including auxiliary revenues, continued to strengthen. With residence halls operating at 96% occupancy and the opening of a new multimillion-dollar dining facility, sales and services revenue increased by more than 7% (\$1.5 million) over the prior year. Modest rate increases of just over 3% for housing and nearly 6% for dining services also contributed to this growth.



Grants and contracts revenue increased by more than 7% during fiscal year 2025, driven in part by the growth in total student enrollment, which expanded the University's state-supported student aid programs, including the Need-Based Grant, Palmetto Fellows, LIFE, and HOPE scholarships.

By contrast, other operating revenues experienced a slight decline of approximately 2% compared to the prior year.

### Operating Expenditures:

Total operating expenditures decreased by approximately \$2.5 million, or 3%, compared to the prior fiscal year. Compensation and benefits declined by 4%, even with the adoption of GASB Statement No. 101, *Compensated Absences*, effective June 30, 2024. Implementation of this standard required a restatement of beginning net position, reducing it by \$483,694 as of June 30, 2024, to reflect the recognition of compensated absences liability.

While management continued to emphasize cost containment, supplies and services expenditures increased by nearly 2%. This increase was driven largely by unanticipated costs associated with Hurricane Helene, which struck in September 2024. Despite existing insurance coverage, the University incurred significant out-of-pocket expenses to address storm-related damages. The University is actively engaged with FEMA to pursue reimbursement for these costs.

By contrast, scholarships and fellowships expenditures decreased by more than \$500,000 from the prior year. This reduction reflects the growth in state-supported student aid revenues as well as the results of management's comprehensive review of the auxiliary scholarship program.



### Non-operating revenues:

GASB standards require that state appropriations, gifts, and federal grants and contracts be reported as non-operating revenues, as they are not derived from the University's core operating activities. These funding sources, however, remain essential in supporting the University's mission. State appropriations from the State of South Carolina are a critical resource for educational and general expenditures.

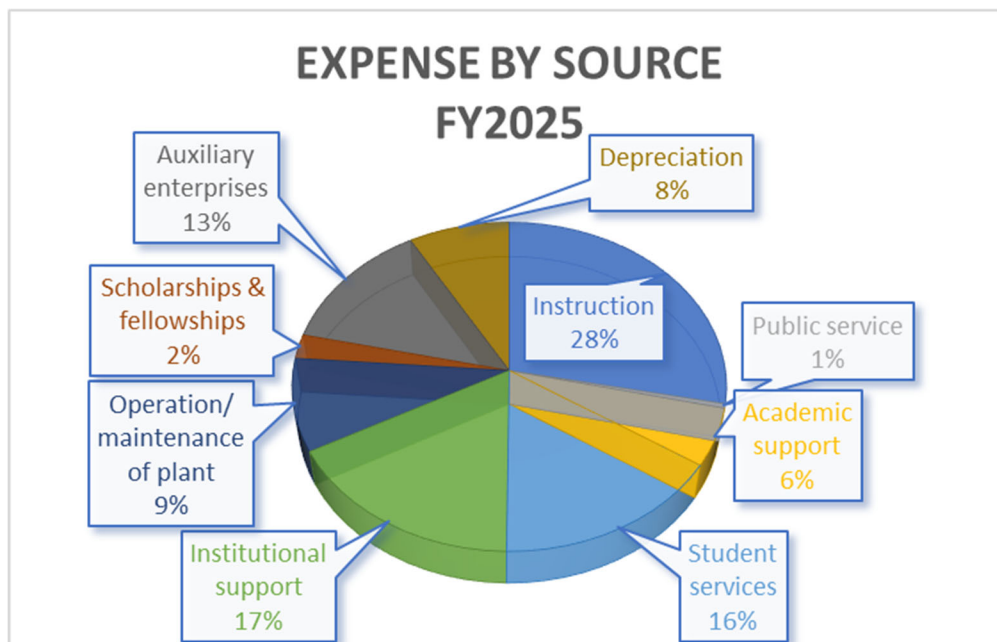
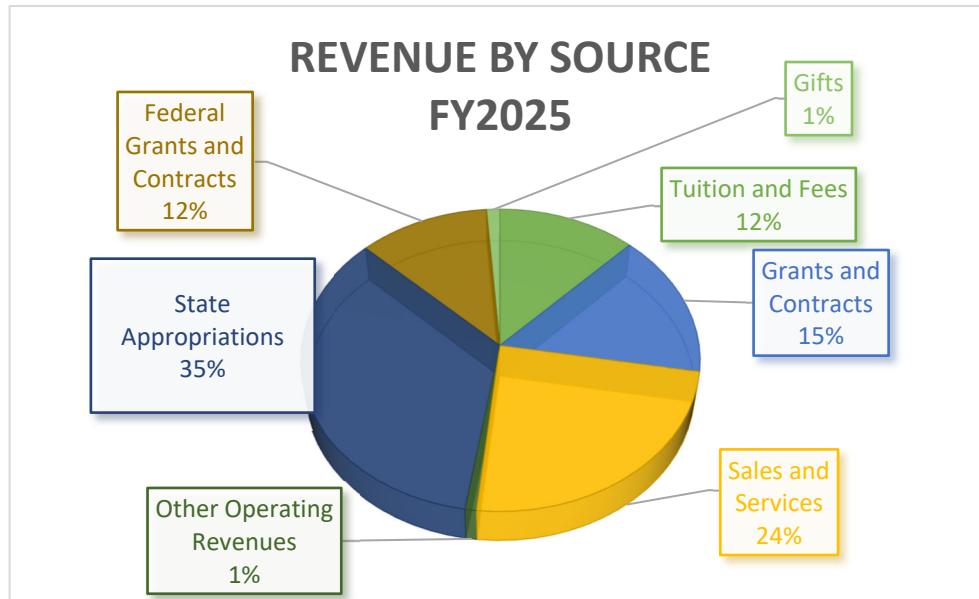
For fiscal year 2025, state appropriation revenues totaled \$32 million, which includes \$8 million in supplemental appropriations and Capital Reserve Funds (CRF). These supplemental funds were designated for Phase II of the Graduate Online School upgrade, an electrical panel replacement at the Grier Student Center, and other vital operational capital improvements.

Federal grants and contracts, which include Pell, SEOG, and Federal Work Study, rose by nearly \$2 million, or 21%, compared to the prior year. This increase was primarily attributable to a greater number of students receiving Pell Grant awards. Conversely, gifts and other non-operating revenues declined by approximately 6% from the previous year.

**Non-operating Expenditures:**

Total nonoperating expenditures decreased by approximately \$315,000, primarily due to the disposal of capital assets. Management continues to evaluate the University's capital asset portfolio with a focus on identifying and removing outdated or unused equipment.

The following charts illustrate the revenues by source and expense by function.



## Statement of Cash Flows

The final statement presented by the University is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the University during the year. Cash flow information can be used to evaluate the financial viability of the University's ability to meet financial obligations as they mature. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the University. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss as reflected on the Statement of Revenues, Expenses and Changes in Net Position.

### Cash Flows for the Years Ended June 30, 2025, and 2024, Condensed

<b>Cash Provided (Used) by:</b>	<b>2025</b>	<b>2024</b>
Operating Activities	\$ (23,265,780)	\$ (23,059,256)
Non-Capital Financing Activities	36,088,156	31,373,212
Capital and Related Financing Activities	(6,166,481)	625,418
Investing Activities	<u>504,577</u>	<u>(16,401)</u>
Net Change in Cash	7,160,472	8,922,973
Cash and Cash Equivalents, Beginning of Year	<u>25,336,660</u>	<u>16,413,687</u>
Cash and Cash Equivalents, End of Year	<u>\$ 32,497,132</u>	<u>\$ 25,336,660</u>



## Capital Assets

Lander University continues to benefit from strong support from the South Carolina General Assembly, which has recognized the institution's strategic growth and infrastructure needs through recurring capital appropriations.

In fiscal year 2024–25, the University received a total of \$8 million in new state funding. This included:

- \$5 million in capital reserve funds to complete phase II of the Graduate School renovation, Cambridge Hall renovation, a health and wellness upgrade, and continuing paving and parking lot maintenance. Details are listed below.
- \$3 million in supplemental appropriations to fund HVAC and Energy Efficiency Upgrades, Electrical and Fire Protection Improvements, and other essential maintenance needs. Details also listed below.



For fiscal year 2025–26, the General Assembly has appropriated \$10 million in capital funding to Lander University, including:

- \$8 million for the renovation of the Marion Carnell Learning Center, which will support the relocation and expansion of academic programs, including the College of Education.
- \$2 million for general maintenance, renovation, and replacement (MRR) needs across campus, allowing the University to address deferred maintenance and improve the condition and functionality of existing facilities.

These investments are part of a broader capital strategy that aligns infrastructure improvements with academic growth and workforce development. The construction of the Nursing Academic Building, the repurposing of the Jackson Library for the College of Business and Technology, and the planned expansion of the College of Education into the Carnell Learning Center reflect a coordinated effort to optimize space utilization and support the University's largest and fastest-growing programs.

By leveraging state and federal funding, Lander is ensuring that its physical infrastructure evolves in step with its strategic priorities, enrollment growth, and the needs of South Carolina's workforce.

## Ongoing Major Projects

Lander University continues to make significant capital investments to support its strategic goals in academic excellence, student experience, and operational sustainability. In fiscal year 2025, several major projects advanced into construction or final design, while others were initiated to address infrastructure modernization and long-term campus needs.

## Major Academic and Student-Focused Facilities

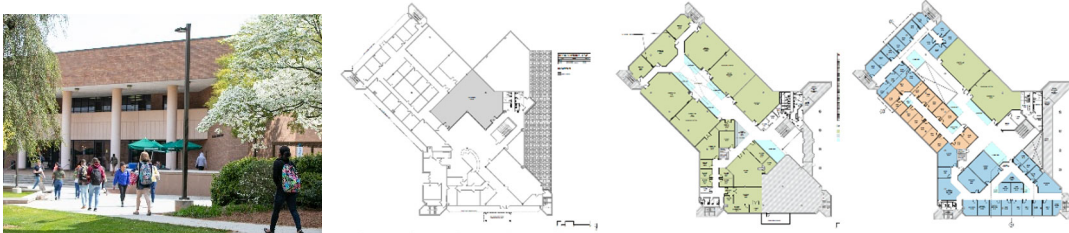
- **Library Information Commons**

The University is preparing to break ground on a 15,755 sq. ft. Library Information Commons, which will serve as a technology-rich hub for research, collaboration, and digital learning. The facility will house advanced IT infrastructure, collaborative study areas, and small group classrooms. Although initial bids exceeded the construction budget, the University secured an additional \$1.9 million in funding and anticipates construction to begin in November 2025, with a 380-day construction timeline extending into late 2026.



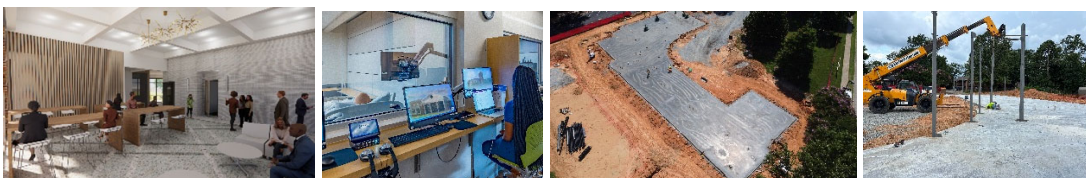
- **Jackson Library Repurposing**

With the transition of library services to the new Information Commons, the existing Jackson Library is being reimaged to support academic and administrative functions. The 65,255 sq. ft. building, originally constructed in 1976, will be reconfigured to include classrooms, dry labs, faculty offices, and student collaboration spaces. The project includes major HVAC and fire protection upgrades, elevator modernization, and interior reconfiguration. Preliminary design work is ongoing, with scope adjustments under consideration to align with budget constraints.



- **Nursing Academic Building**

Construction is underway on a 12,850 sq. ft. simulation laboratory facility for the School of Nursing. The building will include five simulation labs, two 60-seat classrooms, debriefing rooms, and support spaces. The project is targeting Green Globes certification for energy efficiency. As of August 2025, the building's steel structure is being erected, with substantial completion expected by February 2026.



- **Graduate School Renovation and Site Upgrades**

Following the completion of Phase I repairs to the Graduate and Online Academic Building in Uptown Greenwood, Phase II will renovate the first floor and complete site improvements. Planned work includes HVAC replacement, ADA-compliant restrooms, new lighting and finishes, and exterior accessibility upgrades. The project also includes demolition of outdated structures and landscape improvements. Construction is expected to begin in 2026 following final design and procurement.



- **Greenwood Marketplace**

Lander University is developing a new retail concept known as the Greenwood Marketplace, designed to enhance student convenience and support independent living. Located centrally within the student commons area, the Marketplace will offer a curated selection of grab-and-go food items, household essentials, and meal-prep supplies. The space will function as a hybrid between a campus convenience store and a small-format grocery outlet, providing access to toiletries, cleaning supplies, snacks, beverages, and larger grocery items suitable for apartment-style living. Its proximity to existing dining and retail venues will create a cohesive student services hub, supporting both residential and commuter students with expanded access to daily necessities.



## **Campus Infrastructure and Systems Modernization**

- **Elevator Modernization Projects**

The University is undertaking a multi-phase modernization of aging elevator systems. Centennial Hall's two elevators are scheduled for modernization to improve reliability and enhance user experience, following years of service and increasing maintenance needs, with work scheduled through 2027. Additional upgrades are planned for elevators in the Grier Student Center, Johnston Commons, and the Carnell Learning Center. These projects will improve safety, ADA compliance, and operational reliability.

- **HVAC and Energy Efficiency Upgrades**

Several projects are underway to modernize HVAC systems and improve energy efficiency:

- The **Science Building's 200-ton chiller** is being replaced with a high-efficiency, dual-compressor unit, with installation planned for early 2026.
- The **Carnell Learning Center** will undergo rooftop HVAC system and cooling tower platform repairs, including installation of VFD-controlled pumps to reduce energy consumption.

- The **Science Building Laboratory Ventilation** project is installing smart thermostats, VFDs, and updated controls to improve lab safety and reduce energy waste. Completion is expected by December 2025.
- **Electrical and Fire Protection Improvements**  
The **Grier Student Center and Cultural Center** will receive a new main electrical switchboard and expanded emergency power generation to support critical operations during outages. Fire protection upgrades include sprinkler system repairs, fire alarm panel consolidation, and fire-rated door rehabilitation. These projects are being phased to minimize disruption and are scheduled through 2026.
- **IT Security & Infrastructure Enhancements**  
A \$3.5 million initiative is modernizing the University's IT infrastructure. Upgrades include:
  - Campus-wide fiber conversion to single-mode
  - Replacement of over 70 network switches
  - Installation of 130+ new Wi-Fi access points
  - Expansion of camera systems and creation of a redundant fiber loop
  - Planning for a new data center in the Library Information Commons

#### **General Renovations and Accessibility Projects**

- **Cambridge Hall Renovation**  
This project addresses structural deficiencies, ADA compliance, and HVAC replacement. Design is underway, with construction anticipated to begin in mid-2026.
- **Genesis Hall Health and Wellness Renovation**  
Renovations will expand confidential counseling and health services, replace aging infrastructure, and improve ADA accessibility. The campus post office was relocated to facilitate this expansion.
- **Restroom Renovations**  
Up to ten restrooms across academic and student buildings will be renovated to meet ADA standards, replace aging plumbing, and improve aesthetics. Construction is planned for summer 2026.
- **Genesis Testing Center Upgrades**  
A revised scope includes flooring replacement, restroom updates, and building exterior repairs. Work will be phased to minimize disruption to tutoring and testing services.
- **Campus Asphalt and Site Improvements**  
Summer 2025 saw the completion of multiple paving and repair projects, including work at Bearcat Village, Horne Arena, and Lide Housing. A new entrance to Durst Avenue is intended to better serve the Information Commons Building site. This work is pending environmental approval and will proceed upon clearance.

These projects reflect Lander University's commitment to providing a modern, accessible, and student-centered campus environment. Additional detail and information regarding capital assets can be found in the notes to the financial statements.

## Economic Outlook

Lander University enters fiscal year 2026 with a strong and stable financial position, supported by sustained enrollment growth, strategic capital investment, and a continued commitment to affordability and student success. The University's economic health is closely tied to the vitality of the State of South Carolina, the city of Greenwood, and the broader Lakelands region. Despite national challenges facing higher education, Lander remains well-positioned to meet the evolving needs of students and the workforce.



### Enrollment Growth and Tuition Stability

The 2025–26 academic year began with the highest enrollment in Lander's 153-year history. Total headcount reached 4,589 students, marking a 5.9 percent increase over the prior year and continuing a decade-long trend of growth. This includes the largest-ever cohort of first-time freshmen, with students arriving from 28 states and 12 countries. The incoming class demonstrated strong academic preparation, with an average weighted GPA of 3.9 and nearly 6,800 hours of college credit earned prior to matriculation.

In response to economic pressures and in alignment with its mission of access and affordability, Lander's Board of Trustees voted to freeze tuition for the tenth consecutive year. In-state undergraduate tuition remains at \$5,350 per semester (\$10,700 annually), and general fees continue at \$500 per semester (\$1,000 annually).

This long-standing tuition freeze reflects Lander's commitment to keeping higher education affordable for South Carolina families.

### Strategic Investment in Health and Education

Lander University continues to invest in academic programs that address critical workforce needs. In May 2025, the University broke ground on a new 13,000-square-foot Nursing Academic Building, funded by a \$9 million appropriation from the South Carolina General Assembly. The facility will include simulation laboratories, state-of-the-art classrooms, and collaborative learning spaces. Federal funding allocated in 2024 is being used to outfit the building with interactive classroom technology and advanced simulation equipment.

The University's partnership with Self Regional Healthcare remains a cornerstone of its nursing program. The Self Scholars Program provides prestigious scholarships to high-performing nursing students from the surrounding counties, and 43 percent of Lander's nursing graduates in Spring 2025 accepted positions at Self Regional.

These investments and partnerships are part of a broader effort to address the state's nursing shortage and expand access to high-quality healthcare education.

In the College of Education, Lander received a \$450,000 grant from the South Carolina Commission on Higher Education to establish the Center of Excellence for the Advancement of Reading and Literacy Instruction. The grant, shared with Presbyterian College, supports a collaborative model focused on the

Science of Reading. Lander will receive over \$307,000 of the funding, enabling pre-service teachers to gain hands-on experience in foundational reading instruction across multiple counties.

### **Workforce Readiness in Business and Technology**

In response to the evolving demands of today's workforce, Lander University restructured its academic offerings to form the College of Business and Technology, replacing the former College of Business. This strategic change reflects the growing intersection of business, computing, media, and design in the modern economy. The new college integrates three academic units: the School of Business, the Department of Applied Computing, and the Department of Media and Design. This structure enables interdisciplinary collaboration and prepares students for careers that require both technical proficiency and business acumen.

The College of Business and Technology supports workforce readiness through a variety of experiential learning opportunities, including internships, employer partnerships, and course-embedded projects. Students participate in job-shadowing programs and collaborate with professionals across industries such as operations management, financial services, healthcare administration, and digital media. These experiences provide practical exposure to workplace environments and help students apply their academic knowledge in real-world contexts.

These initiatives, combined with Lander's Career Promise program and AACSB accreditation, position the College as a key contributor to regional economic development. By aligning academic programs with employer expectations and emerging market trends, Lander ensures that graduates are equipped to enter the workforce with relevant skills and a competitive edge.

### **Infrastructure Alignment with Strategic Growth**

Lander University's capital planning and space management efforts are closely aligned with its strategic goals for academic expansion and workforce development. Recent and ongoing projects reflect a deliberate approach to optimizing campus infrastructure in support of the University's largest and fastest-growing programs.

The construction of the new Nursing Academic Building will mark the third dedicated facility for the School of Nursing, allowing for expanded simulation capacity and instructional space to meet growing demand in healthcare education. Simultaneously, the repurpose of the Jackson Library into the new home for the College of Business and Technology provides a centralized and purpose-built environment for Lander's largest academic unit, supporting interdisciplinary collaboration and workforce readiness.

This strategic reshuffling of space also enables the College of Education to expand within the Carnell Learning Center. Once the College of Business and Technology vacates its current location, the College of Education may occupy the entire floor, creating a cohesive and dedicated space for teacher preparation programs. These moves not only enhance the identity and functionality of each college but also free up classrooms, labs, and offices in adjacent buildings, allowing for more efficient allocation of space across academic and administrative units.



Through this coordinated approach to capital investment and space utilization, Lander is ensuring that its physical infrastructure evolves in step with its academic mission and enrollment growth. These efforts support long-term sustainability and position the University to meet the educational and workforce needs of South Carolina and beyond.

**Fiscal Stewardship and Resource Optimization**

While increasing revenue remains a priority, Lander has also focused on optimizing resources to align expenses with available funding. The University has centralized many institutional costs to improve oversight and accountability, placing budget management in the hands of departments with the deepest operational expertise. Revised policies and procedures have been implemented to manage position vacancies and allow for strategic restructuring when opportunities arise.

This mindful approach to resource allocation has led to greater efficiency and cost control, helping to preserve the affordability of a Lander education. The University’s budget office continues to work closely with academic and administrative units to ensure that expenditures support mission-critical activities and student success.

**Responding to National Trends and Student Expectations**

Nationally, higher education institutions face declining enrollment, rising student debt, and increased competition from alternative education pathways. Students are demanding more flexible, inclusive, and technology-enabled learning experiences. Institutions that fail to adapt risk losing relevance in a rapidly changing landscape.

Lander is responding to these trends through academic restructuring, infrastructure modernization, and a renewed focus on career readiness. The formation of the College of Nursing, Human Performance, and Health Sciences reflects a strategic alignment of programs to better serve student interests and workforce needs. The University is also investing in IT infrastructure, data analytics, and student support services to enhance the learning experience and improve outcomes.

As South Carolina continues to invest in higher education through need-based grants, workforce scholarships, and capital appropriations, Lander is leveraging these resources to expand access, improve quality, and prepare students for meaningful careers. The University’s strategic plan, grounded in academic excellence and operational efficiency, provides a clear path forward in a time of transformation.

**More information**

This financial report is designed to provide a general overview of Lander University's finances and demonstrate the institution's accountability for the funds it receives. Any questions about this report or requests for information may be addressed to the Vice President for Finance and Administration, Lander University, 320 Stanley Avenue, Greenwood, South Carolina 29649.



# **Financial Statements**

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**LANDER UNIVERSITY**  
**STATEMENT OF NET POSITION**  
*As of June 30, 2025*

**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 10,607,378
Cash and cash equivalents, restricted	21,889,754
Accounts receivable, net of allowance for doubtful accounts of \$529,765	29,729,757
Due from component unit	108,742
Interest receivable	82,087
Inventories	125,138
Prepaid items	22,731

**Total current assets**

62,565,587

**Non-current assets**

Capital assets, not being depreciated	9,594,104
Capital assets, net of accumulated depreciation/amortization	57,129,462

**Total non-current assets**

66,723,566

**TOTAL ASSETS**

129,289,153

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows - pension	6,940,871
Deferred outflows - OPEB	16,491,288

**TOTAL DEFERRED OUTFLOWS OF RESOURCES**

23,432,159

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

\$ 152,721,312

**LANDER UNIVERSITY**  
**STATEMENT OF NET POSITION**  
*As of June 30, 2025*

**LIABILITIES**

**Current liabilities**

Accounts payable	\$ 328,410
Retainage payable	80,857
Accrued payroll and related liabilities	2,646,018
Accrued compensated absences and related liabilities - current portion	1,364,591
Accrued interest payable	245,962
General obligation bonds payable - current portion	1,865,000
Lease & subscription liability - current portion	1,548,349
Unearned revenue	6,656,875
<b>Total current liabilities</b>	<b>14,736,062</b>

**Non-current liabilities**

Accrued compensated absences, net of current portion	1,162,877
General obligation bonds payable, net of current portion	6,862,314
Lease & subscription liability, net of current portion	7,633,538
Net pension liability	47,758,922
Net OPEB liability	43,420,278
<b>Total non-current liabilities</b>	<b>106,837,929</b>
<b>TOTAL LIABILITIES</b>	<b>121,573,991</b>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows - pension	4,581,255
Deferred inflows - OPEB	19,806,321
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>24,387,576</b>

**NET POSITION**

Net investment in capital assets	48,568,403
Restricted expendable:	
Grants and contracts	19,111,664
Capital projects	15,187,124
Debt service	2,303,209
Unrestricted	(78,410,655)
<b>TOTAL NET POSITION</b>	<b>6,759,745</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 152,721,312</b>

**LANDER UNIVERSITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
*For the year ended June 30, 2025*

**OPERATING REVENUES**

Student tuition and fees, net of scholarship allowances of \$33,077,073	\$ 11,461,388
Federal grants and contracts	488,539
State grants and contracts	13,442,707
Non-governmental grants and contracts	528,913
Sales and services of educational and other activities	1,313,494
Sales and services of auxiliary enterprises, pledged for debt service	21,075,618
Other revenues	788,939
	49,099,598

**Total operating revenues**

**OPERATING EXPENSES**

Compensation	33,852,997
Employee benefits	15,314,719
Supplies and services	21,973,309
Scholarships and fellowships	1,900,392
Depreciation and amortization	6,577,640
	79,619,057
<b>Total operating expenses</b>	<b>79,619,057</b>
<b>Net operating income (loss)</b>	<b>(30,519,459)</b>

**NON-OPERATING REVENUES (EXPENSES)**

State appropriations	24,408,889
Federal grants and contracts	10,846,159
Private gifts	1,107,284
Investment gain (loss)	504,577
Net gain (loss) on disposal of capital assets	(274,176)
Interest expense on capital assets and related debt	(466,829)
	36,125,904
<b>Total non-operating revenues (expenses)</b>	<b>36,125,904</b>
<b>Income before other revenues, expenses, gains &amp; losses</b>	<b>5,606,445</b>
State capital appropriations	8,000,000
	8,000,000
<b>Total other revenues</b>	<b>8,000,000</b>
<b>Change in Net Position</b>	<b>13,606,445</b>

**NET POSITION - BEGINNING - Restated** (6,846,700)

**NET POSITION - ENDING** \$ 6,759,745

**LANDER UNIVERSITY**  
**STATEMENT OF CASH FLOWS**  
For the year ended June 30, 2025

**Cash flows from operating activities**

Student tuition and fees	\$ 8,930,797
Grants and contracts	15,112,898
Sales and services of educational and other activities	1,313,494
Sales and services of auxiliary enterprises	21,075,618
Other operating cash receipts	791,212
Payments to suppliers	(22,291,751)
Payments to employees and for benefits	(48,191,264)
Collections on loans to students	(6,784)
	<u>(23,265,780)</u>
<b>Net cash used for operating activities</b>	<b>(23,265,780)</b>

**Cash flows from non-capital financing activities**

State appropriations	24,408,889
Federal grants and contracts	10,846,159
Private gifts	1,107,284
Other miscellaneous	(274,176)
	<u>36,088,156</u>
<b>Net cash provided by non-capital financing activities</b>	<b>36,088,156</b>

**Cash flows from capital and related financing activities**

Capital appropriations	8,000,000
Purchases of capital assets	(10,719,201)
Payments on bonds and redemption of premiums	(2,040,945)
Payments on lease obligation	(939,506)
Interest paid	(466,829)
	<u>(6,166,481)</u>
<b>Net cash used for capital and related financing activities</b>	<b>(6,166,481)</b>

**Cash flows from investing activities**

Interest on investments	504,577
	<u>504,577</u>
<b>Net cash provided by investing activities</b>	<b>504,577</b>

**Net change in cash and cash equivalents** 7,160,472

**Cash and cash equivalents - beginning** 25,336,660

**Cash and cash equivalents - ending** \$ 32,497,132

**Reconciliation to Statement of Net Position**

Cash and cash equivalents, current portion	\$ 10,607,378
Restricted cash and cash equivalents, current portion	21,889,754
	<u>32,497,132</u>
<b>Total cash and cash equivalents per statement of net position</b>	<b><u><u>\$ 32,497,132</u></u></b>

(Continued)

**LANDER UNIVERSITY**  
**STATEMENT OF CASH FLOWS - CONTINUED**  
**For the year ended June 30, 2025**

**Reconciliation of net operating loss to net cash used for operating activities**

Net operating loss	\$ (30,519,459)
Adjustments to reconcile net operating loss to net cash used for operating activities	
Depreciation	6,577,640
(Increase)/decrease in accounts receivable	(1,881,104)
(Increase)/decrease in inventory	5,656
(Increase)/decrease in prepaid items	(756)
Increase/(decrease) in accounts payable and other liabilities	173,414
Increase/(decrease) in unearned revenues	1,907,228
Increase/(decrease) in deposits	(1,311)
Increase/(decrease) in deferred outflows	(1,375,120)
Increase/(decrease) in deferred inflows	1,477,509
Increase/(decrease) in pension liability	(4,816,780)
Increase/(decrease) in OPEB liability	5,077,100
Increase/(decrease) in Perkins Loan	(6,784)
Increase/(decrease) in compensated absences	116,987
<b>Net cash used for operating activities</b>	<u><u>\$ (23,265,780)</u></u>

**Non-cash transactions**

Amortization of bond premium	\$ <u><u>321,167</u></u>
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# **Non-Governmental Discretely Presented Component Unit**

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**LANDER FOUNDATION**  
**NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*As of June 30, 2025*

**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 2,482,814
Prepaid expenses	9,530
Net unconditional promise to give	70,755
Short-term lease receivable	5,936
	2,569,035

**Non-current assets**

Investments	28,134,710
Investments related to split-interest agreements	478,048
Investments in real estate	572,472
Net unconditional promises to give	3,716,429
Long-term lease receivable	287,438
Other investments	2,000
Cash surrender value of life insurance	1,875
Right of use assets	8,959
Land, buildings, and equipment, net	19,005,880
	52,207,811

**Total non-current assets**

**TOTAL ASSETS**

**\$ 54,776,846**

**LIABILITIES**

**Current liabilities**

Accounts payable	\$ 65,526
Accrued expenses	78,385
Short-term lease liability	8,270
Short-term deferred revenue	24,398
Revenue bonds payable - current portion	415,000
Notes payable - current portion	163,441
	755,020

**Total current liabilities**

**Non-current liabilities**

Revenue bonds payable, net of current portion	7,024,347
Notes payable, net of current portion	199,990
Actuarial liability of annuities payable	27,626
Long-term deferred revenue	468,229
Long-term lease liability	689
	7,720,881

**Total non-current liabilities**

**TOTAL LIABILITIES**

**8,475,901**

**NET ASSETS**

Without donor restrictions	13,160,818
With donor restrictions	33,140,127
	46,300,945
<b>TOTAL NET ASSETS</b>	<b>46,300,945</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 54,776,846</b>

**LANDER FOUNDATION**  
**NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**For the year ended June 30, 2025**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 164,185	\$ 1,140,121	\$ 1,304,306
General revenue	1,535,612	116,235	1,651,847
Event revenue	-	10,390	10,390
In-kind contributions	-	2,474	2,474
In-kind contributions - related party	1,044,499	-	1,044,499
Rental income - related party	2,981,388	-	2,981,388
Bank interest	169	-	169
Investment income-net	23,604	3,415,210	3,438,814
Change in actuarial liability of annuities payable	(119)	11,050	10,931
Trust investment income-net	6,753	-	6,753
Net assets released from restrictions	1,377,160	(1,377,160)	-
<b>Total revenue, support, gains, and other</b>	<b>7,133,251</b>	<b>3,318,320</b>	<b>10,451,571</b>
<b>PROGRAM EXPENSES</b>			
Scholarships	734,007	-	734,007
Awards	5,545	-	5,545
Grants and other approved programs	203,171	-	203,171
University program support	2,611,897	-	2,611,897
In-kind expense	2,474	-	2,474
Interest expense	206,733	-	206,733
Banking fees	6,044	-	6,044
Amortization expense	12,600	-	12,600
Depreciation expense	616,968	-	616,968
<b>Total program expenses</b>	<b>4,399,439</b>	<b>-</b>	<b>4,399,439</b>
<b>SUPPORTING SERVICES</b>			
Fundraising	534,350	-	534,350
Administrative and general	369,136	-	369,136
<b>Total supporting services</b>	<b>903,486</b>	<b>-</b>	<b>903,486</b>
<b>Total program expenses and supporting services</b>	<b>5,302,925</b>	<b>-</b>	<b>5,302,925</b>
<b>Change in net assets</b>	<b>1,830,326</b>	<b>3,318,320</b>	<b>5,148,646</b>
<b>NET ASSETS - BEGINNING - Restated</b>	<b>11,330,492</b>	<b>29,821,807</b>	<b>41,152,299</b>
<b>NET ASSETS - ENDING</b>	<b>\$ 13,160,818</b>	<b>\$ 33,140,127</b>	<b>\$ 46,300,945</b>

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**1. Summary of Significant Accounting Policies**

**a. Nature of Operations**

Lander University (the "University") is a state-supported institution of higher learning. The University is granted an annual appropriation for operating purposes as authorized by the South Carolina General Assembly. The appropriation as enacted becomes the legal operating budget for the University. The Appropriation Act authorizes expenditures from funds appropriated from the General Fund of the State of South Carolina (the "State") and authorizes expenditures of total operating funds. The laws of the State and the policies and procedures specified by the State for State agencies and institutions are applicable to the activities of the University. The University was established as an institution of higher education by Section 59-119-20 of the Code of Laws of South Carolina.

The University's commitment to extending educational opportunities to an array of varying constituencies reflects its belief that citizens of a free society have a right to the enriching benefits of a higher education. The University is a component unit of the State of South Carolina, and its financial statements are included in the Annual Comprehensive Financial Report (ACFR) of the State.

A seventeen-member Board of Trustees governs the University. The Board of Trustees consists of the following:

1. The Governor of the State or his or her designee, who is an ex-officio member,
2. Sixteen members that are elected by the South Carolina General Assembly (at least one member must be from each Congressional district), and
3. One member that is appointed by the Governor.

**b. Reporting Entity**

The accompanying basic financial statements present the statement of net position, statement of revenues, expenses, and changes in net position, and the statement of cash flows of the University. The financial statements also include all funds and accounts of the University and all component units.

As defined by Generally Accepted Accounting Principles (GAAP) established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of the University, as the primary government, and the accounts of its non-governmental discretely presented component unit, the Lander Foundation and Subsidiaries (the "Foundation").

The Foundation is a legally separate, tax-exempt entity, which acts primarily as a fundraising organization to supplement the resources that are available to the University in support of its programs. The Board of Directors of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or incomes thereon, the funds that the Foundation holds and invests are restricted to the activities of the University by the donors.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**1. Summary of Significant Accounting Policies, Continued**

**b. Reporting Entity, Continued**

Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a non-governmental component unit of the University and is discretely presented in the University's financial statements.

The University's inclusion of the Foundation as a component unit is done for the purpose of communicating information about its component unit as required by GAAP, and the entity's relationship with the University. It is not intended to create the perception that the University and these entities are one legal entity. The University does not have legal or financial responsibility for the Foundation.

A complete copy of the component unit's financial statements can be obtained from:

Lander University  
Attn: Foundation Office  
320 Stanley Avenue  
Greenwood, SC 29649

**c. Basis of Accounting**

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and auxiliary enterprise fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship and fellowship expenses. All significant intra-entity transactions have been eliminated.

The Foundation is a private non-profit organization that reports under Financial Accounting Standards Board's Accounting Standards Codification. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial report for these differences.

The financial statement presentation for the University meets requirements of GASB Codification Sections 2100-2900, *Financial Reporting Entity*, and C05, *Colleges and Universities*. The financial statement presentation provides a comprehensive, entity-wide perspective of the University's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position, and cash flows.

In accordance with Section 97.2 of the South Carolina General Appropriations Bill, the Comptroller General's Office (CGO) determines and issues policies that apply to entities within the State's primary government submitting financial statements for incorporation into the statewide ACFR. These policies also apply to component units that meet the GASB 14 (as amended by GASB 39 and GASB 61) criteria for blending.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**1. Summary of Significant Accounting Policies, Continued**

**d. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the University, as well as the Foundation, considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's Office are also considered cash equivalents.

**e. Investments**

Investments of the Foundation are carried at fair value. Gains or losses that result from market fluctuations are reported in the current period.

**f. Receivables and Allowance for Doubtful Accounts**

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also includes 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 receivables are recorded net of estimated uncollectible amounts.

Interest receivable consists of amounts due from the State Treasurer relating to holdings in the State's internal cash management pool and cash invested in various short-term investments by that agency.

**g. Inventories**

Inventories, which consists of bookstore inventories for resale, are carried at the lower of cost or market. The cost of textbooks is reported on a weighted average basis while the cost of merchandise is reported on a first-in, first-out basis.

**h. Prepaid Items**

Expenditures for insurance and similar services paid for in the current or prior fiscal years and benefiting more than one accounting period are allocated among accounting periods. For the University, amounts reported in this asset account consist primarily of advance payments for equipment maintenance and service contracts and prepaid postage.

**i. Capital Assets**

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The University follows capitalization guidelines established by the State. All assets with a useful life in excess of two years are capitalized. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**1. Summary of Significant Accounting Policies, Continued**

**i. Capital Assets, Continued**

Major additions, renovations, and other improvements costing \$100,000 or more that add to usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The University capitalizes movable personal property with a unit value in excess of \$5,000. Routine repairs and maintenance and library materials, except for individual items costing more than \$5,000, are charged to operating expenses in the year incurred.

In accordance with GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, interest cost incurred prior to the completion of a construction project is recognized as an expense in the period in which it is incurred for financial statements prepared using the economic resources measurement focus. As a result, such interest cost is not capitalized as part of the historical cost of a capital asset reported in business-type activities or enterprise funds.

The State's policy is to apply capitalization thresholds to individual items rather than to groups. Accordingly, if several items of the same type are purchased at one time (for example, 5 computer workstations, 25 library books, or 15 pieces of modular furniture (cubicles)), the cost of each individual item must be examined to determine if it should be capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as outlined by the State of South Carolina Office of the Comptroller General Audited Financial Statements Manual. Lives are generally 15 to 40 years for buildings and improvements and land improvements and 5 to 20 years for machinery, equipment, and vehicles. For assets capitalized prior to fiscal year 2012, a full year of depreciation was taken during the year the asset was placed in service, and no depreciation was taken in the year of disposition. Beginning in fiscal year 2012, capital assets are depreciated based on the number of months the asset is in service during the fiscal year. The change in depreciation method was required by the State.

**j. Right to Use Lease Assets**

In accordance with GASB Statement No. 87, *Leases*, right to use lease assets are measured as the sum of:

1. The amount of the initial measurement of the lease liability,
2. Lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term,
3. Initial direct costs that are ancillary charges necessary to place the lease asset into service.

Lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset. An exception is if a lease contains a purchase option that the lessee has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset. If the underlying asset is non-depreciable, such as land, the lease asset is not amortized.

The amortization of lease assets is reported as amortization expense.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**1. Summary of Significant Accounting Policies, Continued**

**k. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The University has two items that meet this criterion – pension and OPEB-related deferrals. In addition to liabilities, the statement of net position can also report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The University has two items that meet this criterion – pension and OPEB-related deferrals.

**l. Lease Liabilities**

Under GASB Statement No. 87, a short-term lease is defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. The University recognizes short-term lease payments as outflows of resources based on the payment provisions of the lease contract.

All other lease liabilities within the scope of the standard are measured at the present value of payments expected to be made during the lease term for all leases that are not defined as short-term leases.

Payments included in the measurement of present value include:

1. Fixed payments,
2. Variable payments that depend on an index or a rate, initially measured using the index or rate as of the commencement of the lease term,
3. Variable payments that are fixed in substance,
4. Amounts that are reasonably certain of being required to be paid by the University under residual value guarantees,
5. The exercise price of a purchase option if it is reasonably certain that the University will exercise that option,
6. Payments for penalties for terminating the lease, if the lease term reflects the University exercising (1) an option to terminate the lease or (2) a fiscal funding or cancellation clause,
7. Any lease incentives receivable from the lessor,
8. Any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**1. Summary of Significant Accounting Policies, Continued**

**l. Lease Liabilities, Continued**

The lease term is defined as the period during which the University has a noncancelable right to use an underlying asset, plus the following periods, if applicable:

1. Periods covered by the University's option to extend the lease if it is reasonably certain, based on all relevant factors, that the University will exercise that option.
2. Periods covered by the University's option to terminate the lease if it is reasonably certain, based on all relevant factors, that the University will not exercise that option.
3. Periods covered by a lessor's option to extend the lease if it is reasonably certain, based on all relevant factors, that the lessor will exercise that option.
4. Periods covered by a lessor's option to terminate the lease if it is reasonably certain, based on all relevant factors, that the lessor will not exercise that option.

**m. Subscription-Based Information Technology Arrangements Asset and Liability**

The University has recorded right-to-use subscription-based information technology arrangements (SBITA) assets and liabilities as a result of implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The SBITA assets are amortized over the subscription term.

**n. Long-Term Obligations**

For advanced refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt and are recognized as deferred outflows or inflows of resources. The University reports bonds payable net of the applicable bond premium.

**o. Compensated Absences**

Employee vacation and sick leave expenses are accrued at year-end for financial statement purposes in accordance with GASB Statement No. 101, *Compensated Absences*. The liability and related expense are recorded as accrued compensated absences in the statement of net position and as a component of compensation and benefit expense in the statement of revenues, expenses, and changes in net position. Generally, all permanent full-time employees and certain part-time employees scheduled to work at least one-half of the University's workweek are entitled to accrue and carry forward at calendar year-end a maximum of 180 days of sick leave and 45 days of annual vacation leave, apart from faculty members who do not accrue annual leave.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**1. Summary of Significant Accounting Policies, Continued**

**o. Compensated Absences, Continued**

Upon termination of employment, employees are entitled to be paid for accumulated unused annual vacation leave up to the maximum but are not entitled to any payment for unused sick leave. In accordance with GASB 101, however, the compensated absences liability includes accrued annual leave, salary-related employee benefits, and sick leave to the extent it is considered a non-vesting, accumulating benefit expected to result in additional payments as employees use the leave.

**p. Non-Current Liabilities**

Non-current liabilities include (1) principle amounts of revenue bonds payable, notes payable, and lease and subscription-based obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

**q. Unearned Revenues and Deposits**

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

**r. Net Pension Liability**

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS) and additions to/deductions from SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by SCRS or PORS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**s. Post-Employment Benefits other Than Pensions**

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, benefits and administrative expenses are recognized when they are due and payable. Investments are reported at fair value. The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less than Trust's fiduciary net position. Changes in net OPEB liability not included in OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions after the measurement date of the net OPEB liability are reported as deferred outflows of resources.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**1. Summary of Significant Accounting Policies, Continued**

**t. Net Position**

The University's net position is classified as follows:

**1. Net Investment in Capital Assets**

Represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

**2. Restricted Net Position – Expendable**

Includes resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

**3. Unrestricted**

Represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

The University's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**u. Income Taxes**

The University, as a political subdivision of the State of South Carolina, is exempt from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The Foundation is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, as amended.

**v. Revenues and Expenses**

**1. Classification**

The University has classified its revenues and expenses as either operating or non-operating revenues according to the following criteria:

**Operating revenues and expenses** – generally result from exchange transactions to provide goods or services related to the University's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services, housing, and other related services to students; (2) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the University; (3) receipts for scholarships; and (4) grants and contracts that are essentially the same as contracts for services that finance programs the University would not otherwise undertake. Operating expenses include all expense transactions incurred other than those related to investing, capital or non-capital financing activities.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**1. Summary of Significant Accounting Policies, Continued**

**v. Revenues and Expenses, Continued**

**1. Classification, Continued**

**Non-operating revenues and expenses** – include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes. Non-operating expenses include interest paid on capital asset related debt, losses on the disposal of capital assets, and refunds to grantors.

**2. Sales and Services of Educational and Other Activities**

Revenues from sales and services of educational and other activities generally consist of amounts received from instructional, laboratory, research, and public service activities that incidentally create goods and services which may be sold to students, faculty, staff, and the general public. The University receives such revenues primarily from tournaments, student-related activities, and workshops.

**3. Sales and Services of Auxiliary Enterprises and Internal Service Activities**

Auxiliary enterprise revenues primarily represent revenues generated by housing, food service, vending, and bookstore. Revenues of internal service and auxiliary enterprise activities and the related expenditures of the University's departments have been eliminated.

**4. Scholarship Discounts and Allowances**

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf.

Certain governmental grants, such as Pell grants, and other federal, state, or non-governmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

**w. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows, deferred outflows, revenues, and expenses and affect disclosure of contingent assets and liabilities at the date of the financial statements. Significant estimates include separation of accrued compensated absences between current and non-current, depreciation expense, accounts receivable allowances, scholarship allowances, and functional expense classifications. Actual results could differ from those estimates.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**1. Summary of Significant Accounting Policies, Continued**

**x. Prior Period Adjustments**

**1. Change in Accounting Principle**

The University monitored and reviewed new GAAP issued by GASB over the fiscal year, in which one had a impact on the University's financial statements for the year ended June 30, 2025. The implementation of GASB Statement No. 101, *Compensated Absences*, effective June 30, 2024, required a restatement of net position as of June 30, 2024. Calculating the compensated absence liability as of June 30, 2024, resulted in a decrease of \$483,694 to net position at June 30, 2024.

**2. Lease Asset Adjustment**

During fiscal year 2025, management determined that certain lease assets were overstated in the prior year. The correction of this reporting error resulted in a decrease of \$2,475,830 to lease assets, net accumulation amortization, an increase of \$4,767 to lease liabilities, and a corresponding decrease to beginning net position of \$2,480,597 as of July 1, 2024.

The following table presents a reconciliation of net position impacted by implementing the new accounting standard:

	Total
Net Position June 30, 2024, as previously reported	\$ (3,882,409)
Change in Accounting Principle (Implementation of GASB 101)	(483,694)
Leased Asset Adjustment	(2,480,597)
Net Position at June 30, 2024, restated	\$ (6,846,700)

**2. Deposits and Investments**

Cash consists of petty cash and deposits and investments of the University that are under control of the State Treasurer, who by law has sole authority for investing State funds.

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

	Cost	Market Value
Cash and cash equivalents – current	\$ 10,607,209	\$ 10,607,378
Restricted cash and cash equivalents – current	21,826,759	21,889,754
Total cash and cash equivalents	\$ 32,433,968	\$ 32,497,132
Notes to the financial statements:		
Cash on hand	\$ 7,665	\$ 7,665
Deposits held by State Treasurer	32,426,303	32,489,467
	\$ 32,433,968	\$ 32,497,132

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**2. Deposits and Investments, Continued**

Current restricted cash and cash equivalents represent funds restricted for capital expenditures.

The University participates in the State's internal cash management pool. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents.

The State Treasurer administers the cash management pool. The pool includes some long-term investments, such as obligations of the United States and certain agencies of the United States, obligations of the State of South Carolina and certain of its political subdivisions, certificates of deposit, collateralized repurchase agreements, and certain corporate bonds.

The State's internal cash management pool consists of a general deposit account and several special deposit accounts. The State records each fund's equity interest in the general deposit account; however, all earnings on that account are credited to the General Fund of the State. The University records and reports its deposits in the general deposit account. Investments held by the pool are recorded at fair value.

Fair value is defined as a 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. In determining fair value, a market-based approach is used which establishes that fair value is based on the "highest and best use." Additionally, in accordance with accounting guidance, the University categorizes its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy as reflected below. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Levels 3).

The levels of the fair value hierarchy are defined as follows:

**Level 1** – Fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities that management has the ability to access at the measurement date.

**Level 2** – Fair values are based on inputs other than quoted prices in Level 1 that are either for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that were observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**Level 3** – Fair values are based on unobservable inputs for the asset or liability where there is little, if any, market activity for the asset or liability at the measurement date.

The investments held by the pool are valued using level 2 inputs and are based on the fair value of the underlying investments, previously noted above, within the investment pool.

Interest earnings are allocated based on the percentage of the University's accumulated daily income receivable to the total income receivable of the pool. Reported interest income includes interest earnings at the stated rate, realized gains/losses, and unrealized gains/losses arising from changes in the fair value of investments held by the pool. Realized gains and losses are allocated daily and are included in the accumulated income receivable. Unrealized gains and losses are allocated at year-end based on the percentage of ownership in the pool.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**2. Deposits and Investments, Continued**

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the University's deposits may not be returned to the University. For deposits held by the State Treasurer, state law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. With respect to investments in the State's internal cash management pool, all of the State Treasurer's investments are insured or registered or are investments for which the securities are held by the State or its agents in the State's name.

Information pertaining to the reported amounts, fair values, credit risk, concentration risk, and interest rate risk, of the State Treasurer's deposits and investments is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina.

The University does not invest funds outside of the accounts it maintains with the State Treasurer.

**3. Accounts Receivable**

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

<b>Description</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Student accounts	\$ 3,026,668	\$ -	\$ 3,026,668
Direct lending	463,276	-	463,276
State capital appropriations	22,299,051	-	22,299,051
Grants and contracts:			
Federal	2,936,610	-	2,936,610
State	149,605	-	149,605
Non-governmental	1,357,860	-	1,357,860
Other	26,452	-	26,452
Less: Allowance for doubtful accounts	(529,765)	-	(529,765)
Accounts Receivable, net	<u>\$ 29,729,757</u>	<u>\$ -</u>	<u>\$ 29,729,757</u>

Allowances for doubtful accounts related to student receivables are established based upon historical collection experience, current economic conditions, and an evaluation of the outstanding account portfolio. The methodology considers both specific accounts deemed uncollectible and a general reserve applied to the overall population of receivables. Management reviews the adequacy of the allowance on a recurring basis and adjusts it as needed to reflect the most current information available. At June 30, 2025, the allowance for uncollectible student accounts was valued at \$529,765.

State capital appropriations receivable consists of amounts authorized by the South Carolina General Assembly and funded through Capital Reserve Funds. These funds are held by the State Treasurer and are available to the institution for drawdown as capital expenditures are incurred in accordance with the approved appropriation. At June 30, 2025, the receivable represents authorized funds not yet requested or expended.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**3. Accounts Receivable, Continued**

Grants and contracts receivable consist of both governmental and non-governmental sources. At June 30, 2025, receivables include a Federal Health Resources and Services Administration (HRSA) Nursing Grant in the amount of \$2,400,000. Non-governmental receivables include an Aramark food service investment of \$1,075,310, representing contractual commitments owed to the institution under the dining services agreement.

**4. Capital Assets**

Activity for the year ended June 30, 2025, was as follows:

	Beginning Balance July 1, 2024, (restated)	Increases	Decreases	Ending Balance June 30, 2025
Capital assets not being depreciated				
Land and improvements	\$ 3,143,961	\$ -	\$ -	\$ 3,143,961
Art and historical collections	84,946	-	-	84,946
Construction in progress	1,086,305	5,428,954	(150,062)	6,365,197
Total capital assets not being depreciated	<u>4,315,212</u>	<u>5,428,954</u>	<u>(150,062)</u>	<u>9,594,104</u>
Capital assets being depreciated/amortized				
Land improvements	9,690,913	656,939	-	10,347,852
Buildings and improvements	111,314,436	3,526,360	(429,013)	114,411,783
Machinery, equipment, and other	6,000,895	90,326	(74,603)	6,016,618
Motor vehicles	1,573,960	39,400	(77,407)	1,535,953
Lease assets - Buildings and improvements	10,849,613	46,689	(248,925)	10,647,377
Lease assets - Machinery, equipment, and other	76,494	200,660	-	277,154
Lease assets - Vehicles	58,696	1,576	-	60,272
Software subscriptions	4,613,964	1,468,747	(355,510)	5,727,201
Intangibles	1,417,757	-	-	1,417,757
Total capital assets being depreciated/amortized	<u>145,596,728</u>	<u>6,030,697</u>	<u>(1,185,458)</u>	<u>150,441,967</u>
Less accumulated depreciation/amortization				
Land improvements	4,727,844	578,588	-	5,306,432
Buildings and improvements	69,906,490	3,259,462	(140,621)	73,025,331
Machinery, equipment, and other	4,142,346	500,685	(74,268)	4,568,763
Motor vehicles	1,316,074	88,051	(77,407)	1,326,718
Lease assets - Buildings and improvements	2,942,222	689,690	(11,094)	3,620,818
Lease assets - Machinery, equipment, and other	181,362	33,717	-	215,079
Lease assets - Vehicles	35,044	1,602	-	36,646
Software subscriptions	2,660,794	1,425,845	(291,678)	3,794,961
Intangibles	1,417,757	-	-	1,417,757
Total accumulated depreciation/amortization	<u>87,329,933</u>	<u>6,577,640</u>	<u>(595,068)</u>	<u>93,312,505</u>
Total capital assets being depreciated/amortized, net	<u>58,266,795</u>	<u>(546,943)</u>	<u>(590,390)</u>	<u>57,129,462</u>
Total capital assets, net	<u>\$ 62,582,007</u>	<u>\$ 4,882,011</u>	<u>\$ (740,452)</u>	<u>\$ 66,723,566</u>

The University leases certain buildings from its Foundation. The net book value of these lease assets is \$6,969,731 at June 30, 2025.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**4. Capital Asset, Continued**

**Prior Period Adjustment**

During fiscal year 2025, management determined that certain lease assets were overstated in the prior year. This correction resulted in a decrease of \$2,475,830 to lease assets, net accumulation amortization, an increase of \$4,767 to lease liabilities, and a corresponding decrease to beginning net position of \$2,480,597 as of July 1, 2024. See Note 1.x.

**5. Unearned Revenue**

Unearned revenue for the year ended June 30, 2025, consists of the following:

	<b>Current</b>	<b>Non-Current</b>	<b>Total</b>
Student fees	\$ 1,266,225	\$ -	\$ 1,266,225
Governmental grants and contracts	2,390,650	-	2,390,650
Nongovernmental grants and contracts	3,000,000	-	3,000,000
	\$ 6,656,875	\$ -	\$ 6,656,875

**6. Pension Plans**

**Description of the Entity**

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various retirement systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with 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.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**6. Pension Plans, Continued**

**Description of the Entity, 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](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, South Carolina 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the Annual Comprehensive financial report of the state.

**Plan Descriptions**

The University is a member of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS).

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System of Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**6. Pension Plans, Continued**

**Membership**

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

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers, and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP – As an alternative to membership in SCRS, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS – to be eligible for PORS membership, an employee must be required by the terms of their employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or to be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

**Benefits**

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the Code of Laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below:

- SCRS – A Class Two member who has separated from service with at least 5 or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least 8 or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member age and the member creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the 5 or 8 year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**6. Pension Plans, Continued**

**Benefits, Continued**

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- PORS – A Class Two member who has separated from service with at least 5 or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least 8 or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with 5 or 8 years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

**Contributions**

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain 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. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**6. Pension Plans, Continued**

**Contributions, Continued**

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

Required employee contribution rates for the fiscal year ended June 30, 2025, are as follows:

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

Required employer contributions for the fiscal year ended June 30, 2025, are as follows:

SCRS (Class II and III)	18.41% of earnable compensation
SCRS Incidental Death Benefit	0.15% of earnable compensation
ORP	18.41% of earnable compensation
ORP Incidental Death Benefit	0.15% of earnable compensation
PORS (Class II and III)	20.84% of earnable compensation
PORS Incidental Death Benefit	0.20% of earnable compensation
PORS Accidental Death Program	0.20% of earnable compensation

**Actuarial Assumptions and Methods**

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019, for first use in the July 1, 2023, actuarial valuation.

The June 30, 2024, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & 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.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**6. Pension Plans, Continued**

**Actuarial Assumptions and Methods, Continued**

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

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11% (varies by service)	3.5% to 10.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 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% 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 and Judges	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%

**Net Pension Liability**

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

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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 total pension liability is calculated by the systems' actuary, and each plan fiduciary net position is reported in the systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 67 in the systems' notes to the financial statements and required supplementary information. Liability calculations performed by the systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**6. Pension Plans, Continued**

**Net Pension Liability, Continued**

At June 30, 2025, the University reported a net pension liability of \$46,597,750 for SCRS and \$1,161,172 for PORS for its proportionate share of the systems' net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating Organizations' actuarially determined. The University's proportions for the years ended June 30, 2024 and June 30, 2025 are presented in the following table:

System	2025	2024
SCRS	0.19871%	0.21219%
PORS	0.03871%	0.04187%

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

For the year ended June 30, 2025, the University recognized pension expense of \$4,497,625 for SCRS and \$147,386 for PORS. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SCRS		PORS	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 1,531,366	\$ 57,831	\$ 109,049	\$ 6,657
Assumption changes	821,510	-	25,281	-
Net difference between projected and actual earnings on pension plan investments		1,795,424	-	65,100
Proportionate share of contributions	612,660	2,537,940	9,643	118,303
Organization contributions subsequent to the measurement date	3,651,606	-	179,755	-
Total	\$ 6,617,142	\$ 4,391,195	\$ 323,728	\$ 190,060

Deferred outflows of resources related to pensions resulting from university contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. These contribution amounts are \$3,651,606 for SCRS and \$179,755 for PORS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	SCRS	PORS
2026	(1,052,011)	(49,290)
2027	690,421	29,738
2028	(592,573)	(9,324)
2029	(471,496)	(17,211)
	\$ (1,425,659)	\$ (46,087)

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**6. Pension Plans, Continued**

**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 actuarial assumptions table below. For actuarial purposes, the 7% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

<b>Allocation/Exposure</b>	<b>Policy Target</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long Term Expected Portfolio Real Rate of Return</b>
Global equity			
Global public equity	46%	6.23%	2.86%
Private equity	9%	9.60%	0.86%
Bonds	26%	2.60%	0.68%
Real assets			
Real estate	9%	4.30%	0.39%
Infrastructure	3%	7.30%	0.22%
Credit			
Private debt	7%	6.90%	0.48%
Total	100.0%		5.49%
Inflation for actuarial purposes			2.25%
Total expected nominal return			7.74%

**Discount Rate**

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**6. Pension Plans, Continued**

**Sensitivity Analysis**

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6%) or one percent higher (8%) than the current rate:

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

<b>System</b>	<b>1% Decrease (6%)</b>	<b>Current Discount Rate (7%)</b>	<b>1% Increase (8%)</b>
SCRS	\$ 60,385,418	\$ 46,597,750	\$ 33,900,398
PORS	1,682,317	1,161,172	734,328
	<u>\$ 62,067,735</u>	<u>\$ 47,758,922</u>	<u>\$ 34,634,726</u>

**Additional Financial and Actuarial Information**

Pension plan information contained in these notes to financial statements was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2024, and the accounting valuation report 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 Systems' ACFR.

**7. Post-Employment Benefits Other Than Pensions**

The South Carolina Public Employee Benefit Authority (PEBA) was created by the South Carolina General Assembly as part of Act No. 278 effective July 1, 2012. PEBA – Insurance Benefits is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts and retirement systems and is part of the State of South Carolina primary government.

The governing board of PEBA is a board of 11 members. The membership composition is three members appointed by the Governor, two members appointed by the President Pro Tempore of the Senate, two members appointed by the Chairman of the Senate Finance Committee, two members appointed by the Speaker of the House of Representatives and two members appointed by the Chairman of the House Ways and Means Committee. Individuals appointed to the PEBA board must possess certain qualifications. Members of the PEBA board serve for terms of two years, and until their successors are appointed and qualify. Terms commence on July 1 of even numbered years. The PEBA board appoints the Executive Director. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the State Fiscal Accountability Authority (SFFA), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and other post-employment benefits (OPEB).

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**7. Post-Employment Benefits Other Than Pensions, Continued**

**Plan Descriptions**

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

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

The OPEB Trusts are cost-sharing multiple-employer defined benefit OPEB plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

**Benefits**

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public-school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008, and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public-school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

**Contributions and Funding Policies**

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 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.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**7. Post-Employment Benefits Other Than Pensions, Continued**

**Contributions and Funding Policies, Continued**

Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premium's structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. 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 statutory required transfer until further notice. It 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 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 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 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](http://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 Annual Comprehensive financial report of the state.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**7. Post-Employment Benefits Other Than Pensions, Continued**

**Contributions and Funding Policies, Continued**

The University paid \$1,649,885 and \$1,928,595 applicable to the surcharge included with the employer contribution for retirement health benefits for the fiscal years ended June 30, 2025, and 2024, respectively. The University recorded employer contributions applicable to the long-term disability insurance benefits for active employees totaling \$16,016 and \$16,940 for the years ended June 30, 2025, and 2024, respectively.

**Actuarial assumptions and methods**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial valuations were performed as of June 30, 2023.

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 Assumptions	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections based on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.
Health Care Trend Rates	Initial trend starting at 6.50% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years
Participation Assumptions	79% participation for retirees eligible for Funded Premiums 59% participation for retirees eligible for Partial-funded Premiums 20% participation for retirees eligible for Non-Funded Premiums
Notes	The discount rate changed from 3.86% as of June 30, 2023 to 3.97% as of June 30, 2024; demographic and salary increases assumptions were updated to reflect the 2020 SCRS experience study and the health care trend rates were reset to better reflect the plan's anticipated experience.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**7. Post-Employment Benefits Other Than Pensions, 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
Expenses	Third party administrative expenses were included in the benefit projections

**Roll Forward Disclosures**

The actuarial valuations were performed as of June 30, 2023. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2024.

**Net OPEB Liability**

At June 30, 2024, the University reported liabilities of \$43,385,220 and \$35,058 for its proportionate share of the SCRHITF and SCLTDITF net OPEB liabilities, respectively. At June 30, 2024, the University's proportionate shares of the SCRHITF and SCLTDITF plans were 0.269109% and 0.203362% respectively. For the year ended June 30, 2025, the University recognized OPEB expense of \$(946,513) and \$6,530 for the SCRHITF and SCLTDITF plans, respectively.

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors. The following table represents the components of the net OPEB liability as of June 30, 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
<b>SCRHITF</b>	\$ 17,894,389,610	\$ 1,772,587,512	\$ 16,121,802,098	9.91%
<b>SCLTDITF</b>	\$ 49,010,702	\$ 31,771,665	\$ 17,239,037	64.83%

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**7. Post-Employment Benefits Other Than Pensions, Continued**

**Net OPEB Liability, Continued**

The TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts' funding requirements.

**Single Discount Rate**

The Single Discount Rate of 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.

**Long-Term Expected Rate of Return**

The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

**South Carolina Retiree Health Insurance Trust Fund (SCRHITF)**

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long Term Expected Portfolio Real Rate of Return</b>
US domestic fixed income	80%	0.95%	0.76%
Cash and short duration	20%	0.35%	0.07%
Total	100.0%		0.83%
Inflation for actuarial purposes			2.25%
Total expected nominal return			3.08%
Investment return assumption			2.75%

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**7. Post-Employment Benefits Other Than Pensions, Continued**

**Long-Term Expected Rate of Return, Continued**

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
US domestic fixed income	80%	0.95%	0.76%
Cash and short duration	20%	0.35%	0.07%
Total	100.0%		0.83%
Inflation for actuarial purposes			2.25%
Total expected nominal return			3.08%
Investment return assumption			3.00%

**Sensitivity Analysis**

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

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

<u>System</u>	<u>1% Decrease (2.97%)</u>	<u>Current Discount Rate (3.97%)</u>	<u>1% Increase (4.97%)</u>
Health	\$ 51,501,557	\$ 43,385,220	\$ 36,888,192

Regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the University's proportionate share of net OPEB liability, calculated using the assumed trend rates as well as what the University's proportionate share of net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher:

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost**

<u>System</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Health	\$ 35,676,181	\$ 43,385,220	\$ 53,384,252

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

<u>System</u>	<u>1% Decrease (2.68%)</u>	<u>Current Discount Rate (3.68%)</u>	<u>1% Increase (4.68%)</u>
LTD	\$ 38,919	\$ 35,058	\$ 31,335

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.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**7. Post-Employment Benefits Other Than Pensions, Continued**

**OPEB Expense**

Components of the University's proportionate share of OPEB expense reported in the Schedule of OPEB Amounts by Employer for the fiscal year ended June 30, 2024, are presented below.

<u>Description</u>	<u>SCRHITF</u>	<u>SCLTDITF</u>
Service Cost	\$ 1,312,583	\$ 180,072
Interest on the Total OPEB Liability	1,524,187	3,438
Projected Earnings on Plan Investments	(124,431)	(1,932)
OPEB Plan Administrative Expenses	2,776	183
Recognition of Outflow (Inflow) of Resources due to Liabilities	(523,580)	660
Recognition of Outflow (Inflow) of Resources due to Assets	83,761	2,089
Total Aggregate OPEB Expense	<u>\$ 2,275,296</u>	<u>\$ 184,510</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.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

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

	<b>Health Plan</b>	
	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between actual and expected experience	\$ 2,255,271	\$ 6,421,304
Assumption changes	9,292,019	8,908,353
Net difference between projected and actual earnings on pension plan investments	258,367	46,749
Proportionate share of contributions	3,000,911	4,421,475
Organization contributions subsequent to the measurement date - (including implicit subsidy)	1,649,885	
Total	<u>\$ 16,456,453</u>	<u>\$ 19,797,881</u>

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**7. Post-Employment Benefits Other Than Pensions, Continued**

**Deferred Outflows of Resources and Deferred Inflows of Resources, Continued**

	<b>LTD</b>	
	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between actual and expected experience	\$ 8,448	\$ 3,043
Assumption changes	3,466	3,434
Net difference between projected and actual earnings on pension plan investments	6,503	43
Proportionate share of contributions	402	1,920
Organization contributions subsequent to the measurement date	16,016	
Total	\$ 34,835	\$ 8,440

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,665,901 (including implicit rate subsidy) resulting from University contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the University's OPEB expense as follows:

**SCRHITF**

<b>Year Ended June 30:</b>	<b>Deferred Outflows (Inflows)</b>
2025	\$ (61,130)
2026	(371,112)
2027	(1,693,139)
2028	(2,715,661)
2029	(549,335)
Thereafter	399,064
	\$ (4,991,313)

**SCLTDITF**

<b>Year Ended June 30:</b>	<b>Deferred Outflows (Inflows)</b>
2025	\$ 3,765
2026	3,183
2027	958
2028	549
2029	622
Thereafter	1,302
	\$ 10,379

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**7. Post-Employment Benefits Other Than Pensions, Continued**

**Deferred Outflows of Resources and Deferred Inflows of Resources, Continued**

As discussed in paragraph 86 of GASB Statement No. 75, differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB plan (active and inactive members) determined as of the beginning of the measurement period.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

**Additional Financial and Actuarial Information**

Information contained in these Notes to the Financial Statements were compiled from the OPEB Trust Funds audited financial statements for the fiscal year ended June 30, 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.

**8. Leases and Subscriptions**

**Lessee Arrangements**

The University has entered into agreements to lease certain equipment with external parties. The lease agreements qualify as other than short-term leases under GASB 87. The University has also entered into agreements to lease certain real property from the Lander Foundation, a component unit of the University. The leases also qualify as long-term leases under GASB 87. The leases expire at various dates through 2039 and some provide for renewal options ranging from one year to five years. In accordance with GASB Statement No. 87, the University records right of use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using an estimated incremental borrowing rate. The University used guidance from the State of South Carolina Comptroller General's Office in determining the interest rate by which expected payments should be discounted when it was not stated in the lease agreement. The University does not have any leases featuring payments tied to an index or market rate. The University also does not have any leases subject to a residual value guarantee. Capital Assets, Note 4, has information on lease assets and associated accumulated amortization.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**8. Leases and Subscriptions, Continued**

Future commitments for leases having remaining terms in excess of one year as of June 30, 2025 were as follows:

<b>Description</b>	<b>Lease Obligations Payable</b>	<b>Interest</b>
Years Ending June 30:		
2026	681,166	192,838
2027	633,403	170,373
2028	459,628	152,608
2029	452,952	141,329
2030	464,406	129,875
2031 through 2039	4,942,516	604,149
Total remaining lease commitments	<u>\$ 7,634,071</u>	<u>\$ 1,391,172</u>

Lease commitments consist of:

<b>Description</b>	<b>Lease Obligations Payable</b>
Agreements between the University and related parties for real estate space payable in monthly and annual installments ranging from \$14,000 - \$700,000, with fixed and implicit interest rates ranging from 1%-3%. The agreements expire in various fiscal years from 2023-2039, with some agreements that offer the option to extend through 2039.	\$ 7,497,617
Agreements between the University and third-party vendors for various types of equipment and vehicles. Payable in monthly and annual installments ranging from \$40 - \$10,000, with fixed and implicit interest rates ranging from 1%-3%. The agreements expire in various fiscal years from 2023-2027, with some agreements that offer the option to extend through 2027.	136,454
Present Value of minimum lease commitments	<u>\$ 7,634,071</u>

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**8. Leases and Subscriptions, Continued**

**Software-Based Information Technology Arrangements**

The University adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) effective July 1, 2022. The University entered into arrangements with external parties for access to information technology for various dates through 2030 and provide for renewal options ranging from one to four years. In accordance with GASB statement No. 96, the University records SBITA assets and liabilities based on the present value of expected payments over the term of the agreement. The expected payments are discounted using the interest rate charged on the agreement, if available, or are otherwise discounted using the University's incremental borrowing rate. Future commitments for subscription assets having remaining terms in excess of one year as of June 30, 2025, were as follows:

<u>SBITA Description</u>	<u>SBITA Payable</u>	<u>Interest</u>
Years Ending June 30:		
2026	\$ 867,183	\$ 66,714
2027	239,353	29,190
2028	246,297	15,492
2029	99,369	6,608
2030	95,614	11,240
Total remaining SBITA commitments	<u>\$ 1,547,816</u>	<u>\$ 129,244</u>

SBITAs consist of academic and administrative software with annual payments ranging from \$5,000 to \$500,000, an imputed interest rate averaging 3% and expiring between December 2025 to July 2030.

Additional information about the intangible right to use subscription asset and subscription liability can be found in Note 4 – Capital Assets and Note 12 – Long-Term Liabilities, respectively.

**9. Deferred Compensation Plans**

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. All University employees may participate in the deferred compensation plans, except those in student employment positions. Certain employees of the University have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are administered by third parties and are not included in the Annual Comprehensive Financial Report of the State of South Carolina. Compensation deferred under the Section 401(k), 457 and 403(b) plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate employment if permitted by the plan. Eligibility rules and penalties may apply. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan. In accordance with IRS regulations effective January 1, 2009, the University adopted a 403(b) plan document. Under the plan, loans and financial hardship distributions are permitted. Fifteen years of service catch-up contributions are not permitted.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**10. Commitments and Contingencies**

The University receives a substantial portion of its support from the United States Department of Education, State of South Carolina appropriations, and South Carolina Commission on Higher Education. While it is anticipated that such funding will continue in the future, a significant reduction in the level of this support, if it were to occur, could have an adverse effect on the University's programs and activities.

The University participates in certain federal grant programs that are subject to financial and compliance audits by the grantor or its representatives. Such audits could result in requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Management believes that any such disallowances, if incurred, would not be material to the financial position of the University.

The Tax Cuts and Jobs Act of 2017 (TCJA) introduced changes potentially affecting unrelated business income for higher education institutions. The University historically has engaged in only one unrelated trade or business; accordingly, no liability has been accrued related to the TCJA, and management does not anticipate any material impact on the University's financial position.

The University is a defendant in various legal matters arising in the normal course of operations. Management does not anticipate that the resolution of these matters will result in material losses to the University.

**Commitments**

GASB requires disclosure of significant commitments. As of June 30, 2025, the University had the following significant outstanding commitments:

**Aramark Food Service Agreement**

The University has entered into a seven-year, \$4,000,000 agreement with Aramark for food service operations. Under the terms of the agreement, Aramark is required to complete certain capital improvements on campus. As of June 30, 2025, the University reported a receivable of approximately \$1,000,000. Revenue associated with the agreement is recognized on a straight-line basis over its term; in the event of early termination, any unamortized portion of the revenue will be refunded to Aramark. During the current fiscal year, \$500,000 of the agreement was recognized as revenue, with the remaining \$3,000,000 recorded as noncurrent unearned revenue.

**Capital Project Commitments**

At June 30, 2025, the University had commitments for capital projects with outstanding balances as follows:

<u>Project</u>	<u>Budget</u>	<u>Outstanding</u>
Nursing Building	\$ 9,000,000	\$ 7,279,373
Information Commons	8,000,000	7,242,455
Jackson Library Repurpose	6,000,000	5,917,081
Elevator Upgrade	2,400,000	2,259,380
Graduate Online School Renovation-Phase II	3,500,000	3,463,120
ITS Infrastructure Upgrade	3,500,000	2,862,822
	<u>\$ 32,400,000</u>	<u>\$ 29,024,231</u>

Management expects these commitments to be funded through a combination of appropriations, auxiliary revenues, grants, and internal resources.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**11. Bonds Payable**

The University has issued debt to finance construction of facilities. At June 30, 2025, bonds payable consisted of the following:

**General Obligation State Institution Bonds:**

Series 2013 B-\$14,125,000 general obligation bonds issued December 2013 and due in annual installments ranging from \$405,000 to \$2,270,000 through 2029, with interest at 3.00 to 5.00 percent \$ 7,980,000

**State Institution Refunding Bonds:**

Series 2016 G -\$8,550,000 general obligation state institution refunding bonds issued October 2016 and due in annual installments ranging from \$425,000 to \$1,150,000 through 2026, with interest at 2.00 to 5.00 percent 430,000

Total \$ 8,410,000

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

	<b>General Obligation Bonds</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	1,865,000	291,925	2,156,925
2027	2,095,000	219,900	2,314,900
2028	2,180,000	134,400	2,314,400
2029	2,270,000	45,400	2,315,400
Total	<u><u>\$ 8,410,000</u></u>	<u><u>\$ 691,625</u></u>	<u><u>\$ 9,101,625</u></u>

At June 30, 2025, there was no arbitrage liability associated with bonds issued by the University. Interest is expensed in the year it is incurred. The principal remaining on the bonds, \$8,410,000, and the remaining unamortized premium, \$317,314, comprise the total liability of \$8,727,314 at year-end. Of that amount, \$1,865,000 is the current portion of the total liability.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**12. Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2025, was as follows:

	<b>Balance Beginning, July 1, 2024, (restated)</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance Ending, June 30, 2025</b>	<b>Due Within One Year</b>
General Obligation:					
General obligation bonds	\$ 10,220,000	\$ -	\$ 1,810,000	\$ 8,410,000	\$ 1,865,000
Unamortized premiums	465,445	-	148,131	317,314	-
Total general obligation	<u>10,685,445</u>	<u>-</u>	<u>1,958,131</u>	<u>8,727,314</u>	<u>1,865,000</u>
Lease & Subscription Liability:					
Lease liability	8,310,862	47,355	724,145	7,634,071	681,166
Software subscription liability	1,815,299	871,654	1,139,138	1,547,816	867,183
Total Lease Liability	<u>10,126,161</u>	<u>919,009</u>	<u>1,863,283</u>	<u>9,181,887</u>	<u>1,548,349</u>
Other Liabilities:					
Compensated absences	2,410,481	116,987 *	-	2,527,468	1,364,591
Net pension liability	52,575,702		4,816,780	47,758,922	-
Net OPEB liability	38,343,178	5,077,100	-	43,420,278	-
Federal Perkins loan	6,784	-	6,784	-	-
Total other liabilities	<u>93,336,145</u>	<u>5,194,087</u>	<u>4,823,564</u>	<u>93,706,668</u>	<u>1,364,591</u>
Total long-term liabilities	<u>\$ 114,147,751</u>	<u>\$ 6,113,096</u>	<u>\$ 8,644,978</u>	<u>\$ 111,615,869</u>	<u>\$ 4,777,940</u>

\*The change in the compensated absence liability is presented as a net change.

**Prior Period Adjustments**

**1. Change in Accounting Principle**

The University monitored and reviewed new GAAP issued by GASB over the fiscal year, in which one had a impact on the University's financial statements for the year ended June 30, 2025. The implementation of GASB Statement No. 101, *Compensated Absences*, effective June 30, 2024, required a restatement of net position as of June 30, 2024. Calculating the compensated absence liability as of June 30, 2024, resulted in a decrease of \$483,694 to net position at June 30, 2024. See Note 1.x.

**2. Lease Asset Adjustment**

During fiscal year 2025, management determined that certain lease assets were overstated in the prior year. The correction of this reporting error resulted in a decrease of \$2,475,830 to lease assets, net accumulation amortization, an increase of \$4,767 to lease liabilities, and a corresponding decrease to beginning net position of \$2,480,597 as of July 1, 2024. See Note 1.x.

**13. Related Parties**

The Lander Alumni Association (the Alumni Association) is a separately chartered legal entity whose activities are related to those of the University and exists primarily to provide financial assistance and other support to the University and its educational programs. The Alumni Association, which has assets of less than \$10,000 was established by alumni to promote academic improvements, to assist in scholarship programs, to further the interests of the University and to promote among its present and former students and friends good fellowship and loyalty. The Alumni Association's financial statements are not presented in these financial statements.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**14. Component Unit**

The Foundation is considered a component unit of Lander University. The Foundation paid \$704,293 to the University for scholarships. The Foundation also paid \$208,977 to the University for various other approved programs related to academics and administration. Accounts payable to the University as of June 30, 2025, was \$65,526. Compensation and benefits for some University employees that provide administrative services for the Foundation are paid by the University and are not reimbursed by the Foundation. The Foundation has recorded a contribution for an estimate of the related compensation and benefits of \$1,044,499.

The Foundation leases certain real property to the University. Rental income from these operating leases is recognized on a straight-line basis in accordance with FASB ASC 842. The activity related to the Foundation's lease receivable and deferred lease revenue is summarized as follows:

	<b>Balance Beginning, July 1, 2024 (restated)</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance Ending, June 30, 2025</b>	<b>Due Within One Year</b>
<b>Lease Receivable</b>					
Lease receivable	\$ 299,601	\$ -	\$ 6,227	\$ 293,374	\$ 5,936
<b>Deferred Lease Revenue</b>					
Deferred lease revenue	\$ 655,819	\$ 69,030	\$ 232,222	\$ 492,627	\$ 24,398

The Foundation also leases certain real property to the University for \$1 per year. The fair value rental for these properties totaled \$1,963,139 for the year ended June 30, 2025, and is included in rental income – related party and University program support expense in the Foundation's consolidated statement of activities.

A summary of the Foundation's investments at June 30, 2025, follows:

<b>Pooled Investments</b>	<b>Fair Market Value</b>
Fixed income securities	\$ 6,418,075
Common stocks and publicly traded partnerships	21,716,635
Total pooled investments	<u>\$ 28,134,710</u>

During the year ended June 30, 2018, the Foundation refinanced the \$1,950,000 promissory note that was secured to construct an Athletic Fieldhouse and other improvements to the RWS Complex. Monthly payments of \$14,700 including interest at 4.5 percent are required through August 2027. There was \$363,431 outstanding on the note payable at June 30, 2025. In connection with the notes payable, the Foundation is required to meet certain covenants including debt service coverage ratios. During the fiscal year ended June 30, 2025, the debt covenants were met by the Foundation. Maturities of the notes payable are as follows:

<b>Maturities of notes payable</b>	
2026	163,441
2027	170,023
2028	29,967
	<u>\$ 363,431</u>

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**14. Component Unit, Continued**

In 2020, the Foundation refunded the South Carolina Jobs-Economic Development Authority Economic Development Revenue Bond, Series 2009 for a Series 2019A Bond for \$9,330,000 and Series 2019B for \$95,000, dated October 18, 2019. Interest is due semiannually on February 1 and August 1, at a base rate of 2.51% for Series A and 1.85% Series B. Principal is due annually on August 1 through August 1, 2034. The balance due at June 30, 2025, was \$7,495,000 combined. Bonds payable are reported on the Foundation's consolidated statement of financial position net of unamortized bond issuance costs of \$55,653. Maturities of bonds payable are as follows:

<u><b>Maturities of bonds payable</b></u>	
2026	415,000
2027	425,000
2028	440,000
2029	450,000
2030	460,000
Thereafter	5,305,000
	<u>\$ 7,495,000</u>

Interest expense on notes and bonds payable for the year ended June 30, 2025, totaled \$206,733. There was no interest cost capitalized during the year ended June 30, 2025.

**Prior Period Adjustments**

During fiscal year 2025, management determined certain leases, for which the Foundation is the lessor, were accounted for incorrectly in a prior year. It was determined that the lease receivable was overstated and related deferred revenue and land, buildings, and equipment, net were understated. The correction of this reporting error resulted in a decrease of \$689,761 to lease receivable, an increase of \$369,379 to deferred revenue, an increase to land, buildings, and equipment, net of \$2,475,830, and an increase to beginning net assets of \$1,416,690 as of July 1, 2024.

It was also determined that contributions of nonfinancial assets received in a prior year had not been recorded resulting in an understatement of land, buildings, and equipment, net. The correction of this reporting error resulted in an increase to land, buildings, and equipment, net and a corresponding increase to beginning net assets of \$42,005.

The following table presents a reconciliation of net assets impacted by the restatement:

Net Assets June 30, 2024, as previously reported	\$ 39,693,604
Lessor accounting adjustment	1,416,690
Unrecorded contributions of nonfinancial assets	42,005
Net Assets at June 30, 2024, restated	<u>\$ 41,152,299</u>

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**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. There were no significant reductions in insurance coverage from coverage in the prior year. The costs of settled claims have not exceeded this coverage in any of the past three years. The University pays insurance premiums to certain other State agencies and commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accord with insurance policy and benefit program limits.

State management believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several State funds accumulate assets and the State itself assumes substantially all risks for the following:

- 1) Claims of State employees for unemployment compensation benefits (South Carolina Department of Employment and Workforce);
- 2) Claims of covered employees for workers' compensation benefits for job-related illnesses or injuries (State Accident Fund);
- 3) Claims of covered public employees for health and dental insurance benefits (South Carolina PEBA); and
- 4) Claims of covered public employees for long-term disability and group-life insurance benefits (South Carolina PEBA).

Employees elect health coverage through either a health maintenance organization or the State's self-insured plan. All of the other coverages listed above are through the applicable State self-insured plan except dependent and optional life premiums are remitted to commercial carriers.

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

- 1) Theft of, damage to, or destruction of assets;
- 2) Real property, its contents, and other equipment;
- 3) Motor vehicles, aircraft, and watercraft (inland marine);
- 4) Torts;
- 5) Business interruptions;
- 6) Natural disasters; and
- 7) Medical malpractice claims against covered infirmaries and employees.

The IRF is a self-insurer and purchases reinsurance to obtain certain services and specialized coverage and to limit losses in the areas of property, boiler and machinery, automobile liability, and medical professional liability insurance. Also, the IRF purchases reinsurance for catastrophic property and medical professional liability insurance. Reinsurance permits partial recovery of losses from reinsurers, but the IRF remains primarily liable. The IRF purchases insurance for aircraft and ocean marine coverage. The IRF's rates are determined actuarially. State agencies and other entities are the primary participants in the State's Health and Disability Insurance Fund and in the IRF.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**15. Risk Management, Continued**

The University obtains coverage through a commercial insurer for employee fidelity bond insurance for losses arising from dishonest or fraudulent acts, limited to \$100,000 for dishonesty, \$50,000 for forgery or alteration, and \$5,000 from theft, disappearance, and destruction. The University also obtains coverage through a commercial insurer for medical insurance covering student athletes. The University has a Directors and Officers policy and a cyber policy.

The University has not transferred the portion of the risk of loss related to insurance policy deductibles, unreported claims, underinsurance, and co-insurance for any covered losses to a state or commercial insurer.

The University has not reported an estimated claims loss expenditure, and the related liability based on the requirements of GASB Statement's No. 10 and No. 30, which state that a liability for claims must be reported only if information prior to issuance of the financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before June 30, 2022, and the amount of the loss is reasonably estimable.

In management's opinion, claims losses in excess of insurance coverage are unlikely and, if incurred, would be insignificant to the University's financial position. Furthermore, there is no evidence of asset impairment or other information to indicate that a loss expenditure and liability should be recorded at year-end. No loss accrual has been recorded.

**16. Transactions with State Entities**

The University received substantial funding from the Commission on Higher Education (the CHE) for scholarships on behalf of students that is accounted for as operating state grants and contracts. The following is a summary of amounts received from the CHE for scholarships, sponsored research, and public service projects for the fiscal year ended June 30, 2025:

LIFE Scholarships	\$ 6,741,784
Palmetto Fellows Scholarship	933,212
Need-Based Grants	3,377,383
Hope Scholarships	844,900
Assistance Program	184,876
SC Teaching Fellows	432,380
Nursing Initiative	289,561
Other	638,611
Total received from the CHE	<u>\$ 13,442,707</u>

Services received at no cost from State agencies include maintenance of certain accounting records by the Comptroller General; banking, bond trustee and investment services from the State Treasurer; legal services from the Attorney General; and grants services from the Governor's Office.

**LANDER UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended June 30, 2025**

**16. Transactions with State Entities, Continued**

Other services received at no cost from various offices of the Department of Administration include pension plan administration, insurance plans administration, audit services, personnel management, assistance in the preparation of the budget, review and approval of certain budget amendments, procurement services and other centralized functions.

The University had financial transactions with various State agencies during the fiscal year. Significant payments were made to divisions of the Department of Administration for pension and insurance plans employee and employer contribution, insurance coverage, office supplies, and interagency mail. Significant payments were also made for unemployment and workers' compensation coverage for employees to the South Carolina Department of Employment and Workforce and State Accident Fund. The amounts of expenditures applicable to related transactions with state entities are not readily available.

**17. Operating Expenses by Function**

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

	<b>Compensation and Benefits</b>	<b>Supplies and Services</b>	<b>Scholarships and Fellowships</b>	<b>Depreciation and Amortization</b>	<b>Total</b>
Instruction	\$ 21,243,020	\$ 1,222,900	\$ -	\$ -	\$ 22,465,920
Research	-	-	-	-	-
Public service	166,488	162,662	-	-	329,150
Academic support	2,581,624	1,895,062	-	-	4,476,686
Student services	9,487,313	3,201,373	-	-	12,688,686
Institutional support	8,302,811	5,185,203	-	-	13,488,014
Operation and maintenance of plant	4,748,085	2,482,669	-	-	7,230,754
Scholarships and fellowships	-	-	1,900,392	-	1,900,392
Auxiliary enterprises	2,638,375	7,823,440	-	-	10,461,815
Depreciation	-	-	-	6,577,640	6,577,640
Total operating expenses	<u>\$ 49,167,716</u>	<u>\$ 21,973,309</u>	<u>\$ 1,900,392</u>	<u>\$ 6,577,640</u>	<u>\$ 79,619,057</u>

**18. Subsequent Events**

The University has evaluated all subsequent events through September 30, 2025, the date the financial statements were available to be issued.



# **Required Supplementary Information**

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

<b>Retiree Health Insurance</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
University's proportion of the net OPEB liability	0.269109%	0.292627%	0.299627%	0.285438%	0.274258%	0.259068%	0.254524%	0.255079%
University's proportionate share of the net OPEB liability	\$ 43,385,220	\$ 38,309,223	\$ 45,578,783	\$ 59,437,271	\$ 49,507,536	\$ 39,175,031	\$ 36,067,540	\$ 34,550,033
Plan fiduciary net position as a percentage of the total OPEB liability	9.91%	11.24%	9.64%	7.48%	8.39%	8.44%	7.91%	7.60%
<b>Long-Term Disability Insurance</b>	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
University's proportion of the net OPEB liability	0.20336%	0.22706%	0.22706%	0.21843%	0.20742%	0.20742%	0.20399%	0.19849%
University's proportionate share of the net OPEB liability	\$ 35,058	\$ 33,955	\$ 26,306	\$ 6,941	\$ 648	\$ 4,082	\$ 6,245	\$ 3,599
Plan fiduciary net position as a percentage of the total OPEB liability	64.83%	68.01%	75.04%	92.84%	99.29%	95.17%	92.20%	95.29%

**This schedule is intended to reflect information for ten years. Additional years will be added as they become available.**

See independent auditor's report and accompanying OPEB plan supplementary information note.

**LANDER UNIVERSITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE UNIVERSITY'S CONTRIBUTIONS - OPEB PLANS**

<b>Retiree Health Insurance</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Statutorily required contribution	\$ 1,649,885	\$ 1,917,272	\$ 1,844,497	\$ 1,663,714	\$ 1,580,043	\$ 1,370,786	\$ 1,207,217	\$ 1,146,507	\$ 1,146,507
Contributions in relation to the Statutorily required contribution	\$ 1,649,885	\$ 1,917,272	\$ 1,844,497	\$ 1,663,714	\$ 1,580,043	\$ 1,370,786	\$ 1,207,217	\$ 1,146,507	\$ 1,146,507
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Long-Term Disability Insurance</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Statutorily required contribution	\$ 16,016	\$ 16,940	\$ 17,192	\$ 16,548	\$ 16,161	\$ 15,285	\$ 14,854	\$ 14,368	\$ 14,368
Contributions in relation to the Statutorily required contribution	\$ 16,016	\$ 16,940	\$ 17,192	\$ 16,548	\$ 16,161	\$ 15,285	\$ 14,854	\$ 14,368	\$ 14,368
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**This schedule is intended to reflect information for ten years. Additional years will be added as they become available.**

See independent auditor's report and accompanying OPEB plan supplementary information note.

**LANDER UNIVERSITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**OPEB PLAN SUPPLEMENTARY INFORMATION NOTE**  
***For the year ended June 30, 2025***

**NOTE 1 - CHANGE OF BENEFIT TERMS**

No changes were made to the benefit terms during the fiscal year ended June 30, 2024 (the measurement year).

**NOTE 2 - CHANGES OF ASSUMPTIONS**

The discount rate for SCRHITF changed from 3.86% as of June 30, 2023 to 3.97% as of June 30, 2024. The discount rate for SCLTDITF changed from 3.57% as of June 30, 2023 to 3.68% as of June 30, 2024.

No other changes were made to the actuarial assumptions utilized during the fiscal year ended June 30, 2024 (the measurement year).

See independent auditor's report.

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

<b>SCRS</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
University's proportion of the net pension liability	0.19871%	0.21219%	0.21448%	0.20153%	0.19480%	0.18274%	0.18025%	0.17792%	0.17229%	0.17359%
University's proportionate share of the net pension liability	<u>\$ 46,597,750</u>	<u>\$ 51,301,140</u>	<u>\$ 51,993,669</u>	<u>\$ 43,613,923</u>	<u>\$ 49,775,645</u>	<u>\$ 41,726,270</u>	<u>\$ 40,387,672</u>	<u>\$ 40,051,528</u>	<u>\$ 36,800,249</u>	<u>\$ 32,922,370</u>
University's covered payroll	<u>\$ 19,674,599</u>	<u>\$ 19,222,320</u>	<u>\$ 18,994,301</u>	<u>\$ 18,003,052</u>	<u>\$ 16,075,454</u>	<u>\$ 15,588,851</u>	<u>\$ 14,142,560</u>	<u>\$ 14,033,582</u>	<u>\$ 13,994,406</u>	<u>\$ 13,106,120</u>
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	236.84218%	266.88318%	273.73299%	242.25850%	309.63757%	267.66739%	285.57540%	285.39776%	262.96399%	251.19845%
Plan fiduciary net position as a percentage of the total pension liability	61.80%	58.60%	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%
<b>PORS</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
University's proportion of the net pension liability	0.03871%	0.04187%	0.04562%	0.04410%	0.04460%	0.04489%	0.04027%	0.04146%	0.04192%	0.04259%
University's proportionate share of the net pension liability	<u>\$ 1,161,172</u>	<u>\$ 1,274,562</u>	<u>\$ 1,368,170</u>	<u>\$ 1,134,584</u>	<u>\$ 1,478,965</u>	<u>\$ 1,286,571</u>	<u>\$ 1,141,113</u>	<u>\$ 1,135,795</u>	<u>\$ 1,063,189</u>	<u>\$ 928,335</u>
University's covered payroll	<u>\$ 846,312</u>	<u>\$ 763,591</u>	<u>\$ 733,601</u>	<u>\$ 721,999</u>	<u>\$ 663,087</u>	<u>\$ 673,720</u>	<u>\$ 651,136</u>	<u>\$ 557,419</u>	<u>\$ 558,323</u>	<u>\$ 534,859</u>
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	137.20377%	166.91683%	186.50056%	157.14482%	223.04238%	190.96524%	175.24956%	203.75965%	190.42543%	173.56630%
Plan fiduciary net position as a percentage of the total pension liability	70.50%	67.80%	66.40%	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%

**This schedule is intended to reflect information for ten years. Additional years will be added as they become available.**

**LANDER UNIVERSITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE UNIVERSITY'S CONTRIBUTIONS - PENSION PLAN**

<b>SCRS</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually required contribution	\$ 3,567,663	\$ 4,704,545	\$ 4,229,275	\$ 4,106,497	\$ 3,544,761	\$ 3,377,938	\$ 2,810,946	\$ 2,532,831	\$ 2,074,180	\$ 1,845,796
Contributions in relation to the contractually required contribution	\$ 3,567,663	\$ 4,704,545	\$ 4,229,275	\$ 4,106,497	\$ 3,544,761	\$ 3,377,938	\$ 2,810,946	\$ 2,532,831	\$ 2,074,180	\$ 1,845,796
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll	\$ 19,674,599	\$ 19,222,320	\$ 18,994,301	\$ 18,003,052	\$ 16,075,454	\$ 15,588,851	\$ 14,142,560	\$ 14,033,582	\$ 13,994,406	\$ 13,106,120
Contributions as a percentage of covered-employee payroll	18.13%	24.47%	22.27%	22.81%	22.05%	21.67%	19.88%	18.05%	14.82%	14.08%
<b>PORS</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually required contribution	\$ 162,187	\$ 148,481	\$ 138,913	\$ 184,036	\$ 120,947	\$ 122,886	\$ 112,256	\$ 90,525	\$ 79,504	\$ 73,489
Contributions in relation to the contractually required contribution	\$ 162,187	\$ 148,481	\$ 138,913	\$ 184,036	\$ 120,947	\$ 122,886	\$ 112,256	\$ 90,525	\$ 79,504	\$ 73,489
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll	\$ 846,312	\$ 763,591	\$ 733,601	\$ 721,999	\$ 663,087	\$ 673,720	\$ 651,136	\$ 557,419	\$ 558,323	\$ 534,859
Contributions as a percentage of covered-employee payroll	19.16%	19.45%	18.94%	25.49%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%

**This schedule is intended to reflect information for ten years. Additional years will be added as they become available.**

**LANDER UNIVERSITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION PLAN SUPPLEMENTARY INFORMATION NOTE**  
*For the year ended June 30, 2025*

**NOTE 1 - CHANGE OF BENEFIT TERMS**

No changes were made to the benefit terms during the fiscal year ended, June 30, 2024 (the measurement year).

**NOTE 2 - CHANGES OF ASSUMPTIONS**

There were no assumption changes since the prior actuarial valuation.

**NOTE 3 - COVERED PAYROLL**

The State's actuary excludes ORP payroll when disclosing funding progress. As a result, the University has elected to follow the calculation performed by the State actuary and has excluded ORP salaries from covered payroll. ORP payroll amounts were as follows for the years ended, June 30:

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
ORP Payroll	\$ 11,538,718	\$ 11,074,200	\$ 10,900,838	\$ 10,786,908	\$ 9,880,873	\$ 9,018,111	\$ 7,863,917	\$ 7,358,393	\$ 6,957,730

See independent auditor's report.

**LANDER UNIVERSITY**  
**SUPPLEMENTARY SCHEDULE REQUIRED BY THE STATE OF SOUTH CAROLINA**  
**OFFICE OF THE COMPTROLLER GENERAL**  
**SCHEDULE RECONCILING STATE APPROPRIATIONS PER THE FINANCIAL STATEMENTS**  
**TO STATE APPROPRIATIONS RECORDED IN STATE ACCOUNTING RECORDS**  
**For the Year Ended June 30, 2025**

The following is a reconciliation of the original base budget amount presented in the General Funds Column of Section 1 of the 2024-2025 Appropriations Bill enacted by the South Carolina General Assembly to State Appropriations revenue reported in the financial statements for the year ended June 30, 2025.

Non-Capital Appropriations	
Appropriation per Annual Appropriations Act	\$ 23,580,250
Supplemental Appropriations:	
Health and Dental Allocation	170,643
Pay Plan	316,319
From Commission of Higher Education:	
SC Education Lottery - Technology Program	341,677
Total Non-Capital Appropriations recorded as current year revenue	24,408,889
Capital Appropriations for Maintenance, Renovation and Replacement	
State Capital Appropriations FY 2025	3,000,000
Capital Reserve Fund FY2025	5,000,000
Total Capital Appropriations recorded as current year revenue	8,000,000
Total Non-Capital and Capital Appropriations	\$ 32,408,889

See independent auditor's report.

**LANDER UNIVERSITY**  
**SUPPLEMENTARY SCHEDULE REQUIRED BY THE STATE OF SOUTH CAROLINA**  
**OFFICE OF THE COMPTROLLER GENERAL**  
**SCHEDULE OF TUITION AND FEES**  
**For the Year Ended June 30, 2025**

South Carolina Code of Laws Section 59-107-90 requires that the maximum amount of annual debt service on state institution bonds for each institution shall not exceed 90 percent of the sums received from tuition and fees (as defined by code Section 59-107-30) for the preceding year.

The applicable amount for the year ended June 30, 2025 is as follows:

Amount of tuition and fees as defined by Code Section 59-107-30 for the year ended June 30, 2024	\$ 13,016,557
Legal annual debt service limit at June 30, 2025	\$ 11,714,901

See independent auditor's report.

# **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees  
Lander University  
Greenwood, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Lander University (the "University"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated September 30, 2025. The financial statements of the discretely presented component unit, the Lander Foundation, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting.

## **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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

## 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*.

## The University's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
September 30, 2025

**Lander University**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2025

Grantor/Program or Cluster Title	Federal Assistance Listing Number	Total Federal Financial Assistance/Loans Advanced
<b>Federal Awards</b>		
<b>U.S. Department of Education</b>		
<b>Student Financial Assistance Cluster</b>		
Federal Work-Study Program	84.033	\$ 101,614
Federal Supplemental Educational Opportunity Grants Program	84.007	141,265
Federal Pell Grant Program	84.263	10,636,304
Federal Direct Student Loans	84.268	17,544,128
Total Student Financial Assistance Cluster		28,423,311
<b>TRIO Cluster</b>		
Student Support Services	84.042A	334,451
<b>Higher Education Emergency Relief Fund (HEERF)</b>		
<b>Passed Through Commission on Higher Education:</b>		
American Rescue Plan Elementary and Secondary School Emergency Relief (ESSER)	84.425U	73,398
<b>Special Education Cluster</b>		
<b>Passed Through South Carolina Department of Education:</b>		
Project CREATE	84.027	427,398
Total U.S. Department of Education		29,258,558
<b>U.S. Department of Health and Human Services:</b>		
Community Project Funding / Congressionally Directed Spending	93.493	9,350
<b>National Aeronautics and Space Administration:</b>		
<b>Passed Through College of Charleston:</b>		
National Space Grant College and Fellowship Program – Education	43.008	392
<b>National Endowment of the Humanities</b>		
<b>Passed Through South Carolina Humanities:</b>		
Lander University Film Festival	45.129	3,463
Total Federal Awards		\$ 29,271,763

**Lander University**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2025**

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**Note 1 – Basis of Presentation**

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The accompanying schedule of expenditures of federal awards includes the federal expenditures of Lander University (the “University”) and is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The University’s major federal programs are as follows:

*Student Financial Aid*

Student Financial Aid includes certain awards to provide financial aid to students, primarily under the Federal Work-Study (FWS), Federal Pell Grant (Pell), and Federal Supplemental Educational Opportunity Grant (FSEOG) programs of the U.S. Department of Education. The University also receives awards to make loans to eligible students under the Federal Direct Loan program.

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**Note 2 – Summary of Significant Accounting Policies for Expenditures of Federal Awards**

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Expenditures for federal student financial aid programs are recognized as incurred and include the federal share of students’ FSEOG program grants and FWS program earnings, certain other federal financial aid for students, and administrative cost allowances, where applicable. Federal Pell Grant awards and Federal Direct Loans are recognized as agency transactions and are not recorded as expenditures in the basic financial statements. The University elected not to use the 10% de minimis indirect cost rate.

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**Note 3 – Federal Direct Loan Program**

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The University is responsible only for the performance of certain administrative duties with respect to its Federal Direct Loan program and, accordingly, these loans are not included in its financial statements. It is not practicable to determine the balance of loans outstanding to students and former students of the University under these programs as of June 30, 2025.



## **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance**

The Board of Trustees  
Lander University  
Greenwood, South Carolina

### **Report on Compliance for Each Major Federal Program**

#### *Opinion on Compliance for Each Major Federal Program*

We have audited Lander University's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lander University's (the "University") major federal programs for the year ended June 30, 2025. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

#### *Basis of Opinion for Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

## *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### *Other Matters*

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## *Report on Internal Control over Compliance*

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the financial statements of the University as of and for the year ended June 30, 2025 and have issued our report dated March 23, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis

and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
March 23, 2026

**Lander University**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2025**

**A – Summary of Auditor’s Results**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP	<u>Unmodified</u>			
Internal control over financial reporting:				
Are any material weaknesses identified?	<u>    X    </u>	Yes	<u>          </u>	No
Significant deficiencies identified that are not considered to be material weaknesses?	<u>          </u>	Yes	<u>    X    </u>	None Reported
Noncompliance material to financial statements noted?	<u>          </u>	Yes	<u>    X    </u>	No

*Federal Awards*

Internal control over major federal programs:				
Material weaknesses identified?	<u>          </u>	Yes	<u>    X    </u>	No
Significant deficiencies identified that are not considered to be material weaknesses?	<u>    X    </u>	Yes	<u>          </u>	None Reported
Noncompliance material to federal awards?	<u>          </u>	Yes	<u>    X    </u>	No
Type of auditor’s report issued on compliance for major federal programs	<u>Unmodified</u>			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>          </u>	Yes	<u>    X    </u>	No

Identification of major federal programs

<b>Assistance Listing Number</b>	<b>Name of Federal Program or Cluster</b>
	<b>Student Financial Assistance Cluster</b>
88.033	Federal Work-Study Program
84.007	Federal Supplemental Educational Opportunity Grants Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$    750,000</u>			
Auditee qualified as low risk auditee?	<u>    X    </u>	Yes	<u>          </u>	No

**Lander University**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2025**

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**B – Findings – Financial Statement Audit**

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*2025-001 – Grant Revenue Recognition (Material Weakness)*

Condition Audit procedures identified a material grant was recognized as revenue before all eligibility requirements established by the grantor had been met.

Criteria The University should have review procedures in place to ensure grant revenue is recognized when earned in accordance with generally accepted accounting principles.

Cause The grant terms and conditions were misinterpreted.

Effect The change in net position was overstated by approximately \$2.4 million.

Repeat finding No

Recommendation A thorough review of all grant terms and conditions should be completed and summarized for reference by the accounting department when determining the timing of recognizing grant revenue. Cost reimbursement grants should be closely monitored with grant revenue being recognized when eligible costs have been incurred and all other eligibility requirements have been met.

Management's response Lander University acknowledges the finding regarding the recognition of grant revenue. Management concurs with the recommendation and is committed to strengthening internal controls over the review and recognition of grant revenue. The University has corrected the overstatement of net position through an adjusting entry at June 30, 2025. This grant represents the University's first award from the Health Resources and Services Administration. The University will also implement enhanced procedures to ensure the grant terms and conditions are thoroughly reviewed and documented prior to recording revenue.

To address this weakness, the University is in the process of creating a Sponsored Programs Office that will oversee all aspects of the grant process. In coordination with the Office of Accounting and Controls, this office will prepare written summaries of eligibility requirements for each new grant award. These summaries will provide the accounting staff with a clear reference to verify compliance prior to recognizing revenue.

Additionally, management will provide targeted training to relevant personnel on the proper application of GAAP and GASB guidance for grant revenue recognition, with particular focus on cost-reimbursement grants. Periodic monitoring procedures will also be established to ensure that revenue is recognized only after eligible costs have been incurred and all grantor requirements have been met.

These corrective actions will be implemented during fiscal year 2026 to ensure compliance and to mitigate the risk of premature revenue recognition in future reporting periods.

**Lander University**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2025**

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**C – Findings and Questioned Costs – Major Federal Award Programs Audit**

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*2025-002– Untimely Return of Title IV Funds (Significant Deficiency)*

Department of Education, SFA Cluster, Special Tests and Provisions

Condition From a population of 40 students that unofficially withdrew during the academic year, we tested four students and noted that all four students required refund calculations. R2T4 calculations were not prepared for three of the four students.

Criteria For a student who withdrawals, without providing notification, from a school that is not required to take attendance, the school must determine the withdrawal date no later than 30 days after the end of the earlier of (1) the payment period or the period of enrollment (as applicable), (2) the academic year, or (3) the student’s educational program. An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution’s determination that the student withdrew (34 CFR Section 668.22(a)(6)(j)(1)).

Cause Controls to ensure timely preparation of Title IV refunds did not function as related to the condition above.

Effect R2T4 calculations were not prepared for three students tested that unofficially withdrew resulting in untimely return of funds to the Department of Education.

Repeat Finding No.

Recommendation We recommend the University review and update its procedures to ensure timely preparation of Title IV refunds for students that unofficial withdrawal.

View of Responsible Officials Lander University acknowledges the finding related to the untimely return of Title IV funds and recognizes the seriousness of this compliance matter. The University has conducted a comprehensive review of its processes related to the identification of unofficial withdrawals and the timely completion of Return of Title IV (R2T4) calculations.

The review determined that the prior process relied on a single point of control within the Financial Aid Office to identify unofficial withdrawals and initiate R2T4 calculations. During the period under review, that control did not function as intended, resulting in certain students not being identified in a timely manner and required R2T4 calculations not being completed within regulatory timeframes.

In response, the University has redesigned the control environment governing unofficial withdrawal identification and R2T4 processing to introduce multiple, independent points of review and verification, and to formalize cross-office responsibilities.

Under the revised process, faculty are required, pursuant to institutional grading policy, to document the student’s last date of academically related activity when assigning grades indicative of non-participation. At the conclusion of each academic term, the Registrar’s Office performs a structured review of students receiving grades associated with non-attendance to identify those who may have unofficially withdrawn from all coursework. The Registrar reviews the documented information for completeness and consistency and records the verified last date of attendance or participation in the student information system.

**Lander University**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2025**

The verified information is then provided to the Financial Aid Office, which completes the required R2T4 calculation within established timelines. The process now includes multiple levels of review, including supervisory and director-level oversight within Financial Aid, to ensure calculations are completed accurately and timely. Relevant information is also communicated to Student Accounts and the Registrar to ensure appropriate billing, notification, and enrollment reporting.

These revised procedures have been implemented and are designed to eliminate reliance on a single control, strengthen accountability across offices, and ensure timely identification of unofficial withdrawals and prompt return of Title IV funds. Through these corrective actions, the University has strengthened its internal controls and is committed to maintaining full compliance with federal Title IV requirements.