



# Comprehensive Annual Financial Report

For the Year Ended June 30, 2020

*A component unit of the State of South Carolina*









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*A component unit of the State of South Carolina*

*For the Year Ended June 30, 2020*

*Prepared by the Controller's Office*









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*Introductory Section*  
(unaudited)







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# *ClemsonForward Strategic Plan*

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**ClemsonForward is built on four key foundations: Research, Engagement, the Academic Core and Living, which spells the acronym REAL. Specific goals and tactics will guide each of those four areas.**

## **RESEARCH**

ClemsonForward sets a new bar for research funding and scholarly work. Clemson's goal is to continuously improve its research quality, quantity and impact; to foster a rich, curiosity-driven intellectual environment; to solve real problems; and to create more opportunities for graduates and alumni. This includes continuing unique public/private partnerships driven by the University's Innovation Campuses, building a culture of innovation and entrepreneurship, and focusing on six strategic innovation areas — advanced materials; cyberinfrastructure and big data science; energy, transportation and advanced manufacturing; human resilience; health innovation; and the sustainable environment.

## **ENGAGEMENT**

Engagement was a cornerstone of the 2020 Road Map and is at the heart of the land-grant mission. ClemsonForward capitalizes on existing strengths and opportunities to emphasize high-impact, evidence-based academic and global engagement. It also emphasizes rigorous assessment so that we are better able to understand and measure the links between these engagement experiences and student learning and success.

## **ACADEMIC CORE**

We will create an optimal path for academic programs — both undergraduate and graduate — to achieve national prominence. ClemsonForward enhances the undergraduate academic core with initiatives in interdisciplinary curricula, a new approach to general education, and enhanced advising. ClemsonForward also extends the focus on quality to the arena of graduate education and contains a greater commitment to graduate education and the graduate student experience at both the main campus and the innovation campuses.

## **LIVING**

ClemsonForward will strengthen the cherished sense of community and connectedness that defines the Clemson Family by creating an environment that is diverse, respectful and inclusive, further enhancing the quality of student life and developing policies, facilities and support systems that will make Clemson a great place to work, study and live.

## **KEY ENABLERS**

Together these pieces will support the real impact, real experience, real intellect, and real family that make up the heart of today's Clemson. The research, engagement, academic and living goals of ClemsonForward plan rest on four critical enablers:

- ***Strategic Revenue Growth*** — Manage enrollment, entrepreneurial activities, development priorities, operational efficiencies and revenue allocation to support ClemsonForward initiatives.
- ***College reorganization*** — Enhance the learning and working environment in the seven academic colleges.
- ***Building Futures*** — Build state-of-the-art new facilities, renovate aging structures and create multi-function spaces that provide a vibrant academic environment.
- ***Accountability and Leadership*** — Prudently manage existing resources. Concentrate metrics on measuring impact rather than activity.









Dear Friends of Clemson:

The second half of Fiscal Year 2020 was unlike anything I have seen in my 31 years in higher education – unlike anything any of us have seen. But Clemson University was very strong before the COVID-19 pandemic hit, and we are well-positioned to come out strong on the other side.

We are blessed with incredible leadership from our Board of Trustees, and I am thankful for my leadership team and our volunteer boards. All have done an outstanding job throughout the crisis.

In face of many operational challenges, Clemson continued to excel. This past year was another record-setting year for Clemson in admissions, enrollment, research, diversity, graduation and retention rates. We were once again ranked among the top public universities by U.S. News & World, and were reaffirmed as a Research 1 University by Carnegie Classification for Institutions of Higher Education. We are also ranked in the Top 10 nationally by Princeton Review in a record-setting nine categories — career services, town-gown relations, students pack the stadium, students play intramural sports, happiest students, best schools for internships, best alumni network, students love their college, and best for future Rotarians and members of the DAR.

The Clemson campus continues to evolve and grow. Construction is well underway for our new child development center and soccer operations complex. We opened the softball stadium, and the Andy Quattlebaum Outdoor Education Center. We have completed construction on the new College of Business building and look forward to its opening in the Fall.

Private gifts to Clemson University and IPTAY this fiscal year once again exceeded our initial goal. In fact, this is the ninth consecutive year that annual fundraising at Clemson has exceeded \$100 million and fourth straight year it topped \$150 million. The money raised will benefit students, faculty, and staff for generations to come, and I am thankful for all of our generous donors and partners.

With the emergence of COVID-19, Clemson quickly activated our Emergency Operations Center, facilitated the return of our study abroad and exchange students, and executed academic continuity plans already in place and tested. This allowed Clemson to quickly move online. For these efforts, Clemson University was mentioned in The Chronicle of Higher Education as a leader in this area.

Clemson University ended FY 2020 strong and focused on returning to on-campus learning and living in the Fall while prioritizing the health and safety of our students, employees and surrounding communities. This complex undertaking is being carried out in a thoughtful and data-driven manner by Clemson's faculty, staff and administrative leadership.

Thank you for supporting Clemson University as we continue work together during uncertain terms as the new fiscal year begins.

Sincerely,

James P. Clements, Ph.D.  
President



## LETTER OF TRANSMITTAL

September 28, 2020

To President Clements,  
Members of the Board of Trustees, and  
Citizens of South Carolina

### Finance and Operations

Clemson University  
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Clemson, SC  
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We are pleased to present to you the Comprehensive Annual Financial Report of Clemson University for the year ended June 30, 2020. The report provides financial information about the University's operations during the year and describes its financial position at the end of the year.

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

State law, federal guidelines, and certain bond covenants require that the University's accounting and financial records be audited each year. For the fiscal year ended June 30, 2020, the University contracted with the independent certified public accounting firm of Elliott Davis, LLC, to perform the University's annual audit. The auditors have issued an unmodified opinion, the most favorable outcome of the audit process. The independent auditor's report is located at the front of the financial section.

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

### Profile of the University

Clemson University was founded in 1889, a legacy of Thomas Green Clemson, who willed his Fort Hill plantation home, its surrounding farmlands and forest, and other property to the state of South Carolina to establish a technical and scientific institution for South Carolina. Clemson opened its doors to 446 students as a military college in 1893.

Today, Clemson is classified by the Carnegie Foundation as a Research/High University, a category attained by approximately 4 percent of all universities in America. Students can choose from more than 80 undergraduate and over 110 graduate degree programs in seven colleges. As the state's land-grant university, Clemson reaches out to citizens, communities, and businesses all over South Carolina through county-based Cooperative Extension offices, five off-campus Research and Education Centers, and critical regulatory responsibilities for plant and animal health.

Clemson University is governed by a board of thirteen members, including seven successor members and six members elected by the State General Assembly. Clemson University operates as a unit of the State of South Carolina (the primary government) as a state assisted institution of higher education.

The State requires the University to submit an annual balanced budget for both its Educational and General and Extension and Public Service components. Each recognized college or budget center of the University is provided with a level of appropriation. This appropriation limits total annual expenditures. Budgetary controls are incorporated into both the University's accounting system and the State's financial management system to ensure that imposed expenditure constraints are observed. Periodic financial reports comparing actual results with budgeted amounts are provided at both the University and State level.



Governmental Accounting Standards Board (GASB) Codification Section 2100: *Defining the Financial Reporting Entity*, and Section 2600: *Reporting Entity and Component Unit Presentation and Disclosure*, provides criteria for whether certain organizations should be reported as component units based on the nature and significance of their relationship to the related entity. Based on this criteria, the University determined that the Clemson University Foundation, the Clemson University Land Stewardship Foundation and IPTAY are indeed component units of the University. Consequently, the financial statements include the accounts of these three entities as discretely presented component units.

### Local Economy

South Carolina's unemployment rate was 8.7% at the end of June 2020 – lower than the national average of 11.1% at that time and 5.2% higher than June 2019. The South Carolina Economic Outlook, published by the South Carolina Department of Commerce, reports a 126,100 decrease of nonfarm jobs, with the most decline in leisure and hospitality, professional and business services, government, and education and health services. The Economic Outlook also reports a 0.8% increase in state personal income and a 0.3% decrease in the South Carolina stock index.

The South Carolina real estate market reflected a general upward trend. Increased median sales price of 7.6%, residential building permits of 30.6% and valuation of residential building permits of 34.8% from June 2019 to present contributed to the upswing while foreclosures and closings decreased by 80.9% and 1.1%, respectively, in the same period. These results are factors of consumer trends, legislative changes and economic growth.

One economic challenge that South Carolina faces is workforce availability. While the SC unemployment rate has increased in the last year, South Carolina Secretary of Commerce, Bobby Hitt states that “to ensure we have a ready workforce for both existing and future industry, we have to think creatively about our approach to workforce solutions.”

South Carolina is ranked 11th among all states in export sales, reporting \$41.5 billion for 2019 with a 19.7% increase over the 2018 total. The increased use of South Carolina ports plays a big part in the economic impact on export sales. “S.C. Ports is a tremendous asset for the state,” SCPA Board Chairman Bill Stern said. “Its role of moving cargo between South Carolina and global markets leads to job creation and industry recruitment. Many of our state's biggest economic development wins would not have come to fruition without the Port. We are deeply proud of the growth SCPA brings to the state and the impact it makes on South Carolinians.”

### COVID-19

In March 2020, in response to the Executive Orders of Governor Henry McMaster and in an effort to minimize the risk of COVID-19, the University transitioned to remote learning, closed residence halls and other campus facilities, and cancelled all activities.

Despite the pandemic, enrollment for the fall 2020 semester grew by approximately three percent over the prior year. The University began the fall 2020 semester with remote instruction and implemented a staggered move-in approach with its first students moving into campus residence halls beginning September 11th. In-person learning began September 21st and includes a hybrid of online and in-person classes for the duration of the fall semester. The University has implemented contingency plans which include preparation of on-campus and off-campus space to be used for quarantine purposes, a robust testing strategy, and expanded healthcare service capacity. The University has also worked with various vendors, such as food service providers, to alter operations to facilitate social distancing and other safety protocols.

The University instituted a variety of cost reduction measures as a result of the pandemic and is poised to enact additional cost reduction measures as necessary during the upcoming fiscal year. The degree of future impacts to the University's operations and finances are extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its duration, severity, ultimate geographic spread, as well as actions by other governmental authorities including limitations on public assemblies and gatherings. The University continues to closely monitor and respond to COVID-19. For additional information, see Note 21 in the notes to the financial statements.



## Major Initiatives

The 2019-20 academic and fiscal year was another productive year for Clemson despite the fact that it was an unusual year due to the challenges presented by a global pandemic.

Clemson once again raised the bar in admissions, enrollment, research, diversity, graduation and retention rates and continues to make significant investments in its facilities.

The University was reaffirmed a Research 1 university by the Carnegie Classification for Institutions of Higher Education. Clemson continues to be recognized as one of the top national public universities, ranked number 29, as recently announced by *U.S. News & World Report*.

President Clements welcomed Dr. Nicholas Vazsonyi as Dean of the College of Architecture, Arts and Humanities, and Rick Petillo as the University's new Chief Financial Officer.

Private gifts to Clemson University and IPTAY this fiscal year once again exceeded the goal set for the FY. In fact, this was the ninth consecutive year that annual fundraising at Clemson exceeded \$100 million, and the fourth straight year it topped \$150 million – raising more than \$158 million this year. Unfortunately, we did not hold our fourth annual Give Day due to operational concerns related to COVID-19. However, the university did form the Committee on Philanthropy and great work has already been accomplished by many in preparing for our next capital campaign.

Clemson University and the City of Clemson, together, revamped the Joint City/University Advisory Board and shared information, accomplishments and priorities at the annual State of Clemson luncheon.

## Highlights, news and major milestones of the year include:

- Ribbon cuttings were held for the McBride Aquatic Garden at the SC Botanical Garden and the much anticipated new softball facility. We also celebrated the opening of the new robotic milking system at the LaMaster Dairy Center, and hosted the grand opening of the Andy Quattlebaum Outdoor Education Center.
- Clemson welcomed several notable visitors including Indian industrialist and philanthropist, Ratan Tata; Convocation keynote speaker, Joe Erwin, entrepreneur and Academic Cornerstone Partner; and the keynote speaker for the President's Forum for Inclusive Excellence, Frank Matthews, publisher and editor of *Diverse: Issues in Higher Education* magazine.
- Clemson hosted the fourth National Men of Color Summit. The two-day event designed to close the achievement gap for African-American and Hispanic males from the cradle to their careers was attended by 2,000 high school and college students, business professionals, educators, government officials and community leaders from around the country. Notable speakers were Alberto Gonzales,

82nd U.S. Attorney General; Akbar Gbaja-Biamila, TV host and former NFL player; Jim Murren, Chairman of MGM Resorts International; and NBA legend, Earvin "Magic" Johnson.

- Clemson received the Higher Education Excellence in Diversity Award for the third year in a row. The School of Architecture was named one of "America's Best Architecture and Design Schools" by *DesignIntelligence*. And the College of Education's Master of Education in Teaching and Learning Program was named the #1 online graduate education program in the nation by *U.S. News & World Report* for the third consecutive year.
- Mary Beth Kurz was awarded the Class of '39 Award for Excellence, and the university awarded the Clemson Medallion – the highest honor bestowed by the Board of Trustees – to two distinguished alumni: Professor Emeritus Beverly "Ben" Skardon and Trustee Emeritus Allen Price Wood.

## Statewide Initiatives

- In a partnership with the Medical University of South Carolina, and with state financial support via appropriations, Clemson introduced the Healthy Me – Healthy SC program to increase health care access and fight health care disparities statewide.
- Clemson University and Duke Energy partnered in a program to take a mobile engineering lab to middle school students across South Carolina. The Explore Mobile Lab provided an innovative approach to educating students about the critical and growing field of engineering.
- Clemson established the College of Business Phyfer Innovation Hub to bring innovation to the workplace and connect entrepreneurs with business mentors.
- In February, Clemson Day at the State House was held in Columbia. The event served as a way to say "thank you" to the members of the General Assembly for their support, but also allowed the contingent from Clemson to highlight budget priorities for Clemson.
- A team from Clemson's Baruch Institute is leading research in the state to evaluate cost-effective infrastructure interventions for mitigating flood risks in coastal locales thanks to collaboration with and funding from the National Oceanic and Atmospheric Administration and the S.C. Sea Grant Consortium.



## Campus Operations and COVID-19 Response

Clemson University remained focused on providing world-class education, research and service even in the face of the unprecedented public health challenge presented by COVID-19.

- Clemson's Emergency Operations Center (EOC) began planning and information-gathering in January 2020 and activated the EOC in late February.
- Clemson then began the process of bringing international study abroad and exchange students back to the U.S.
- The University executed continuity plans already in place and tested. This allowed Clemson to quickly move online and later be mentioned in *The Chronicle of Higher Education* as a leader in this area.
- Clemson moved more than 5,800 course sections completely online. Additionally, 900 Zoom classes and 500 WebEx classes were held daily.
- Clemson Computing & Information Technology (CCIT) distributed nearly 400 wi-fi hotspots and 115 laptops to help get users online.
- Commencement ceremonies scheduled in May and August 2020 were postponed and all summer courses were moved online. Registration and orientation for the Fall were also moved online.
- All summer camps and programs were cancelled.

Clemson University ended FY 2020 focused on returning to on-campus learning and living in the Fall while prioritizing the health and safety of our students, employees and surrounding communities. This complex undertaking has been carried out in a thoughtful and data-driven manner by Clemson's faculty, staff and administrative leadership.

## COVID-related Research

The challenges brought on by COVID-19 provided students and faculty a unique opportunity to innovate and advance their studies and experiences.

- A group of research professors, graduate students and 2020 graduates from the College of Architecture, Arts and Humanities repurposed 18 3D printers in Lee Hall to make face shields. Undergraduates in the Clemson University's Makerspace within the Watt Family Innovation Center also contributed faceshields.
- A student-led group in the College of Engineering, Computing and Applied Sciences designed and built prototypes of a "negative pressure" device to fit over patients' heads to keep the virus from spreading to others in the room.

- Two Clemson freshmen designed a device to be located at super market checkout lanes to disinfect items through exposure to UVC light.
- Clemson researchers from the College of Engineering, Computing and Applied Sciences volunteered their time and resources as part of a statewide effort to develop serologic tests to detect COVID-19 antibodies.
- Clemson faculty and staff from the College of Behavioral, Social, and Health Sciences, in coordination with the United Way and Ten at the Top, created an interactive map that provides information on different food resources across the Upstate.
- The Clemson University Architecture + Community Build program in Charleston provided concepts of portable, accessible, and safe walk-up testing facilities for the Medical University of South Carolina.

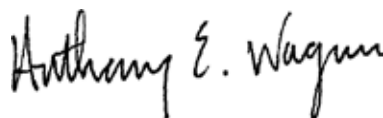
## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Clemson University for its comprehensive annual financial report for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Clemson University has received the Certificate of Achievement annually since the fiscal year ended June 30, 1993. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

The preparation of the Comprehensive Annual Financial Report in a timely manner would not have been possible without the coordinated efforts of the Controller's Office and other University financial staff. Each member has our sincere appreciation for their contributions in the preparation of the report.



Anthony E. Wagner  
Executive Vice President for Finance and Operations





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Clemson University  
South Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2019**

*Christopher P. Morill*

Executive Director/CEO



# CLEMSON UNIVERSITY BOARD OF TRUSTEES

(as of June 30, 2020)

## TRUSTEES

E. Smyth McKissick, III, *Chairman*  
CEO, Alice Manufacturing Company, Inc.

Ronald (Ronnie) D. Lee, *Vice Chairman*  
Ronald D. Lee, DMD, P.C.

David E. Dukes  
Partner, Nelson Mullins Riley & Scarborough LLP

Louis B. Lynn  
President, ENVIRO AgScience, Inc.

Patricia (Patti) H. McAbee  
Consultant

John N. (Nicky) McCarter, Jr.  
President, Defender Services, Inc.

Robert (Bob) L. Peeler  
Manager, Community and Municipal Relations  
Waste Management Inc.

Cheri M. Phyfer  
President, Fortune Brands Global Plumbing Group

Mark S. Richardson  
Owner, MAR Real Estate, LLC

William (Bill) C. Smith, Jr.  
CEO, Red Rock Developments

Joseph (Joe) D. Swann  
President, Retired  
Rockwell Automation Power Systems

Kim Wilkerson  
President, South Carolina Bank of America

David H. Wilkins  
Partner, Nelson Mullins Riley & Scarborough LLP

## TRUSTEE EMERITI

J. J. Britton  
Sumter Family Health Center

Leon (Bill) J. Hendrix, Jr.  
Chairman, Retired  
Remington Arms Company

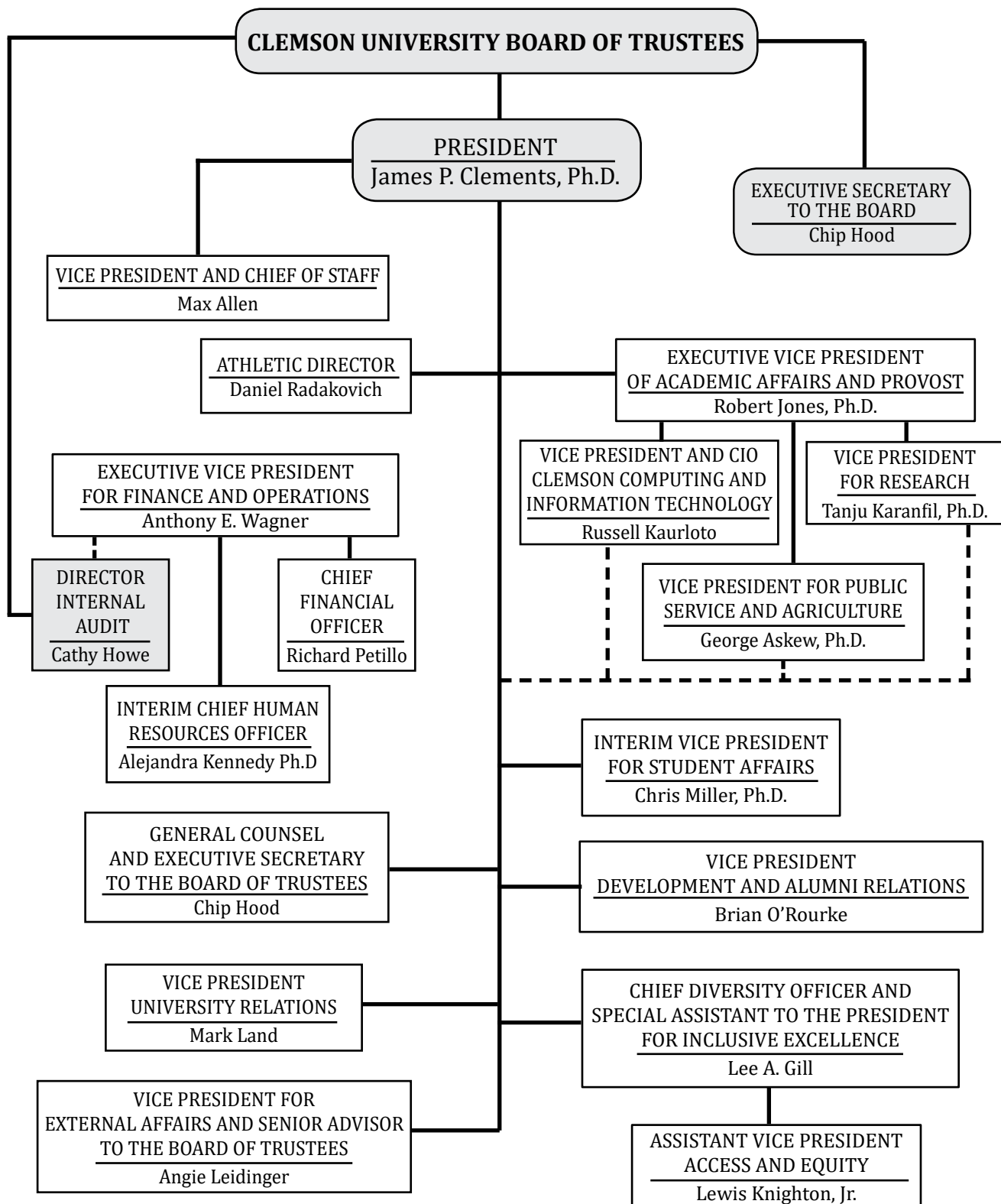
Harold D. (Doug) Kingsmore  
Retired

Thomas (Tom) B. McTeer, Jr.  
President, McTeer Real Estate, Inc.

Allen Wood  
Retired



# CLEMSON UNIVERSITY ORGANIZATION CHART







*Financial Section*









## **Independent Auditor's Report**

Members of the Board of Trustees  
Clemson University  
Clemson, South Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Clemson University (the University), a component unit of the State of South Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Clemson University Foundation (a discretely presented component unit), the Clemson University Land Stewardship Foundation (a discretely presented component unit), and IPTAY (a discretely presented component unit). The Clemson University Foundation, the Clemson University Land Stewardship Foundation, and IPTAY represent 100% of total assets, 100% of net assets or position, and 100% of total revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for these discretely presented components units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Clemson University Foundation, the Clemson University Land Stewardship Foundation and IPTAY were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.



### ***Auditor's Responsibility***

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

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 22-29, Schedule of University's Proportionate Share of Net Pension Liability on page 73, Schedule of University Contributions to Pension Plans on page 74, Schedule of University's Proportionate Share of Net Retiree Health Benefits Liability on page 75, and Schedule of University Contributions to Retiree Health Benefits Plan on page 76 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 response 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 audit evidence to express an opinion or provide any assurance.



### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The Introductory Section, Statistical Section, Schedule of Pledged Net Revenues – Auxiliary Revenue Bonds (Series 2005, 2015 and 2015B), Schedule of Pledged Net Revenues – Athletic Facilities Revenue Bonds (Series 2012, 2014A, 2014B, 2014C, 2015, 2015B and 2018A), Clemson University Reporting Entity – Combined Statement of Net/Financial Position, and Clemson University Reporting Entity – Combined Statement of Revenues, Expenses, Activities and Changes in Net Position, as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2020 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.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Greenville, South Carolina  
September 28, 2020



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Overview of the Financial Statements and Financial Analysis

Clemson University is pleased to present its financial statements for fiscal year 2020. While audited financial statements for fiscal year 2019 are not presented with this report, condensed operations and financial position data will be presented in this section in order to illustrate certain increases and decreases. However, the emphasis of discussions about these statements will be on current year data.

There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and, the Statement of Cash Flows. These statements present financial information in a format similar to that used by private corporations.

This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year.

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

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. All things being equal, a public university's dependency on state aid and gifts will result in operating deficits. The GASB requires state appropriations and gifts to be classified as nonoperating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Changes in total net position as presented on the Statement of Net Position is 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 institution, both operating and nonoperating, and the expenses paid by the institution, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the institution.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the institution. 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 institution. Nonoperating revenues are revenues received for which goods and services are not provided. State capital appropriations and capital grants and gifts are considered neither operating nor nonoperating revenues and are reported after "Income before other revenues, expenses, gains or losses."

The Condensed Statement of Revenues, Expenses and Changes in Net Position reflects a positive year with an increase in Net Position at the end of the year. Some highlights of the information presented on this Statement are as follows:

### Total Revenues – increase of \$40.8 million

- Operating revenues increased \$37.8 million, based on the following:
  - Student tuition and fees increased \$41.6 million as a result of Board-approved mandatory fee increases and growth in enrollment. Undergraduate fees increased by 1% for in-state students and 3.8% for out-of-state students. There was also a 3% increase for certain graduate programs. Overall enrollment increased by 4% over the prior year.
  - Sales and services revenue decreased by \$13.3 million. Sales and services of pledged auxiliaries decreased by \$11.3 million due to housing and dining refunds issued to students as a result of the COVID-19 pandemic and reduced bookstore and vending sales. Information systems development created an upswing in non-pledged auxiliaries revenue of \$2.3 million. Sales and services of educational activities decreased by \$4.3 million, mostly due to the Youth Learning Institute camps being canceled as a result of the COVID-19 pandemic.
  - Grants and contracts revenues increased by \$11.6 million. Federal grants and contracts increased \$5.3 million, as the University received larger sponsored research awards from the Department of Health and Human Services and National Science Foundation. State grants and contracts increased by \$6.7 million due to contributions to the Center for Advanced Manufacturing and CU Health Innovation-Extension Programming as well as lottery funded Palmetto Fellows scholarships. Local grants and contracts increased by \$188,000 due to private universities and research foundations donations offset by a decrease in county program funds. Nongovernmental grants and contracts decreased by \$556,000 primarily due to the reduction in private awards from corporations and firms.
  - Other operating revenues decreased by \$2.2 million. Study abroad and registration fees for various University programs were impacted by the COVID-19 pandemic, causing a decline in revenue.
- Nonoperating revenues increased \$3.0 million, based on the following:
  - State appropriations increased by \$7.8 million. Education & General (E&G) and Public Service (PSA) activities from base appropriations increased \$3.8 million and \$4 million, respectively.
  - Federal appropriations increased by \$2 million. Funding for the University's land-grant Smith Lever, Hatch, and McIntire Stennis increased by \$1.6 million, while food and nutrition education, renewable resources, and animal health increased by \$400,000.
  - Gifts and Grants revenue increased by \$7.8 million. The University received \$13.5 million in federal CARES Act funding, which was passed by Congress for COVID-19 relief. This revenue was offset by the reduction in gifts from various county programs, Clemson University Foundation and IPTAY totaling \$5.7 million.



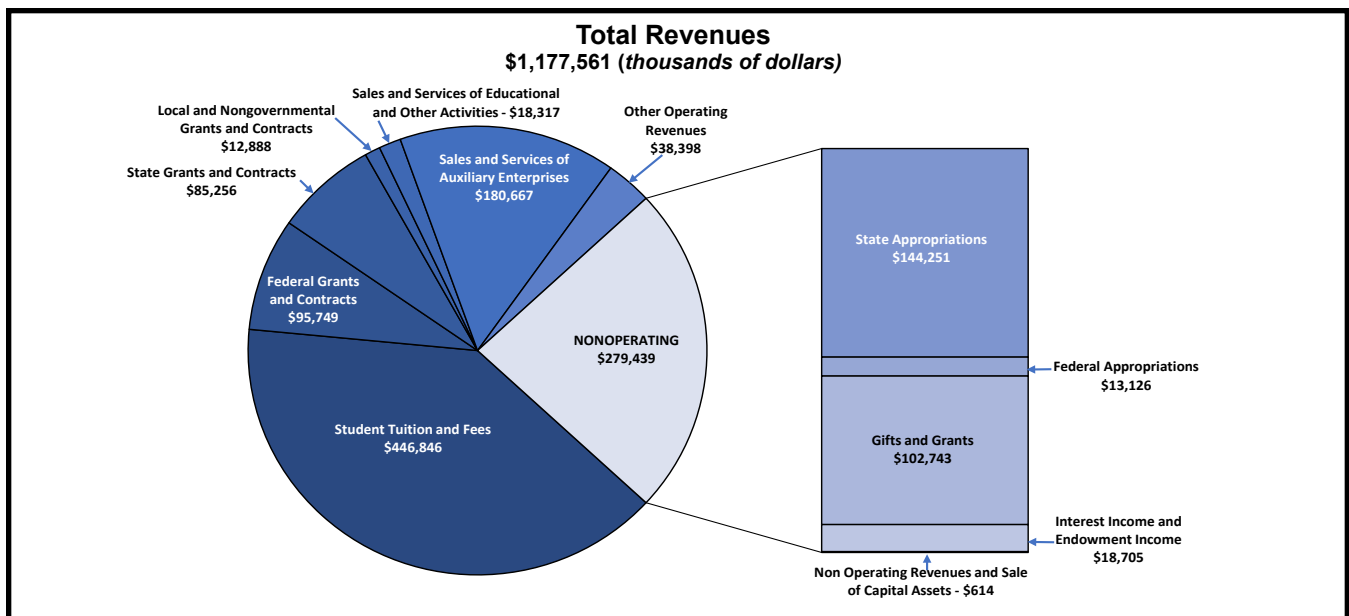
# UNAUDITED

- Investment income decreased by \$9.2 million. Overall earnings on balances held at Wells Fargo and endowment balances held by the Clemson University Foundation were impacted by the market conditions related to the COVID-19 pandemic.
- Other nonoperating revenues decreased by \$4.2 million. This reduction was due to insurance proceeds and other improvement funds received in the prior year.
- Proceeds from the sale of capital assets decreased by \$1.2 million resulting from the University having fewer surplus property sales than in the prior year.

## Condensed Summary of Net Revenues, Expenses and Changes in Net Position (*thousands of dollars*)

Description	2020	2019	Increase/ Decrease	Percent Change
<b>Revenues:</b>				
Student tuition and fees, net	\$466,846	\$425,219	\$41,627	9.79%
Sales and services, net	198,984	212,271	(13,287)	(6.26)%
Grants and contracts	193,894	182,259	11,635	6.38%
Other operating revenues	38,398	40,605	(2,207)	(5.44)%
Total operating revenues	898,122	860,354	37,768	4.39%
State appropriations	144,251	136,487	7,764	5.69%
Federal appropriations	13,126	11,115	2,011	18.09%
Gifts and grants	102,743	94,905	7,838	8.26%
Investment income	18,705	27,909	(9,204)	(32.98)%
Other nonoperating revenues	500	4,665	(4,165)	(89.28)%
Proceeds from the sale of capital assets	114	1,283	(1,169)	(91.11)%
Total nonoperating revenues	279,439	276,364	3,075	1.11%
Total revenues	1,177,561	1,136,718	40,843	3.59%
<b>Expenses:</b>				
Compensation and employee benefits	709,455	632,151	77,304	12.23%
Services and supplies	316,186	319,566	(3,380)	(1.06)%
Utilities	16,656	20,548	(3,892)	(18.94)%
Depreciation	66,648	59,346	7,302	12.30%
Scholarships and fellowships	47,700	33,579	14,121	42.05%
Total operating expenses	1,156,645	1,065,190	91,455	8.59%
Interest on capital asset related debt	22,523	23,416	(893)	(3.81)%
Loss on disposal of capital assets	1,655	1,540	115	7.47%
Refunds to grantors	491	499	(8)	(1.60)%
Facilities and administrative remittances to the State	269	280	(11)	(3.93)%
Total nonoperating expenses	24,938	25,735	(797)	(3.10)%
Total expenses	1,181,583	1,090,925	90,658	8.31%
Loss before other revenues, expenses, gains or losses	(4,022)	45,793	(49,815)	(108.78)%
State capital appropriations	10,900	9,850	1,050	10.66%
Capital grants and gifts	19,619	24,094	(4,475)	(18.57)%
Additions to permanent endowments	90	38	52	136.84%
Change in net position	26,587	79,775	(53,188)	(66.67)%
Net position, beginning of year	300,014	220,239	79,775	36.22%
<b>Net position, end of year</b>	<b>\$326,601</b>	<b>\$300,014</b>	<b>\$26,587</b>	<b>8.86%</b>





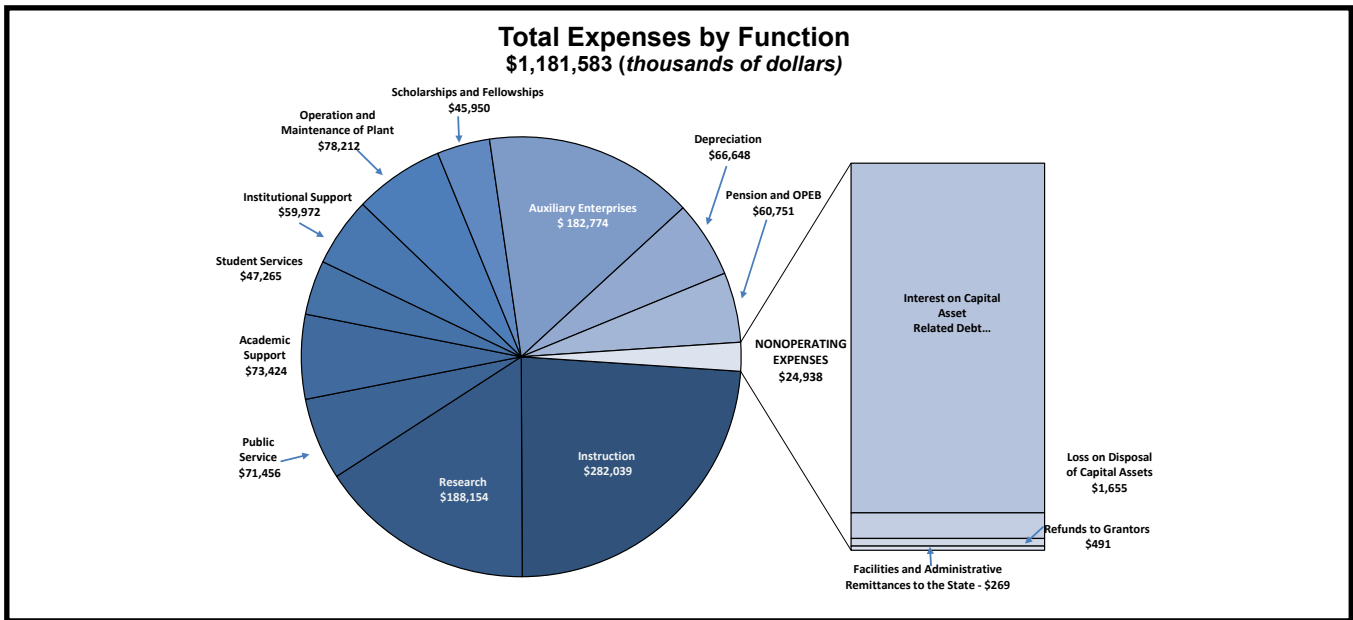
### Total Expenses – increase of \$90.7 million

- Operating expenses increased \$91.5 million, based on the following:
  - Compensation and employee benefits increased by \$77.3 million, of which \$24.6 million was related to State-mandated one-time bonuses for eligible employees, a Board-approved performance recognition compensation plan, and State-mandated two percent cost of living adjustment. Fringe benefit expenses increased \$22.4 million. Graduate assistant and other student-related compensation increased \$5.5 million. Pension and retiree health benefit expenses related to the amortization of the University's proportionate share of the state's net pension liability and net retiree health benefit liability increased by \$20.8 million. The pension and retiree health expenses include a cash and non-cash component. The cash component is comprised of contributions submitted to PEBA. The cash impact of the pension and retiree health expense totaled \$49.1 million and \$24.9 million, respectively. The non-cash component reflects the University's proportionate share of the plan's expenses. The non-cash impact of the pension and retiree health expense totaled \$41 million and \$18.2 million, respectively.
  - Services and supplies expenses decreased \$3.4 million. Instruction costs decreased by \$4.2 million across all areas, with the largest declines in study abroad fees, the School of Architecture, online and distance education, and Parks Recreation & Tourism Management. Research costs decreased \$1.4 million related to federal awards with the National Science Foundation and Department of Agriculture offset by an increase with awards from the Department of Health and Human Services. Public

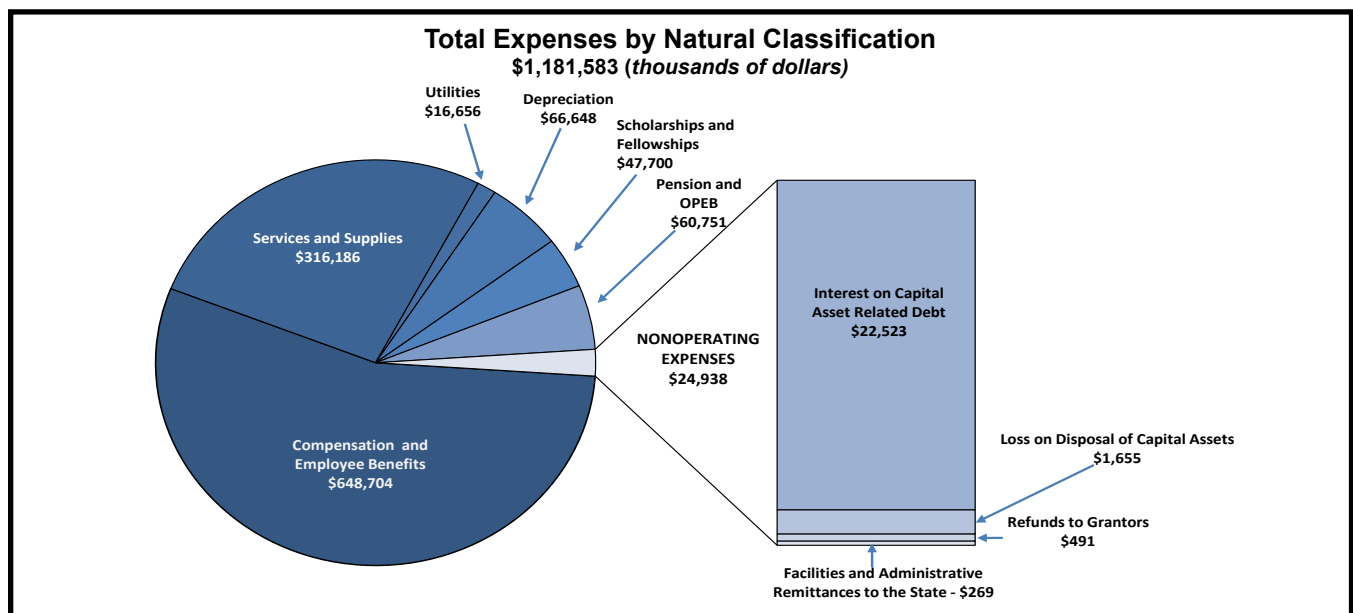
service costs decreased \$1.6 million related to beef and dairy farm costs and transportation training. Academic support costs increased \$5.3 million, primarily due to the reorganization of telecommunications as an academic support function instead of an auxiliary service. The offset of this reorganization is reflected as a decrease in auxiliary services expenses. Student service expenses decreased \$1.7 million due to reduced campus recreation, student organization, and orientation costs. The institutional support increase of \$2.2 million is the result of strategic planning and advisory expenses, costs associated with the COVID-19 pandemic, and additional liability insurance. Operation and maintenance of plant costs increased by \$6.7 million, resulting from non-capitalized repairs and renovations which included projects related to Daniel Hall, Sirrine Hall, and enhancements to the safety and security infrastructure. Auxiliary services expenses decreased \$8.7 million due to the closure of campus housing and dining facilities as well as the reorganization of telecommunications.

- Utility expenses decreased \$3.9 million as a result of decreased telephone expenses and recoveries of telecommunications expenses for capital projects.
- Depreciation expense increased \$7.3 million, mostly due to the capitalization of major construction projects including the Snow Family Outdoor Fitness and Wellness Complex, the softball stadium and IPTAY office.
- Scholarship and fellowship expenses increased \$14.1 million due to CARES Act funded emergency student aid grant disbursements and State-funded Palmetto Fellows scholarships.





- Nonoperating expenses decreased \$797,000 based on the following:
  - Interest expense decreased \$893,000, as the University continued to make debt service payments and had smaller outstanding principal balances on bonds.
  - Losses on disposal of capital assets increased \$115,000 due to demolition of the IPTAY building.
  - Refunds to grantors decreased \$8,000 due to fixed payment amounts that had to be returned to sponsors when the cost of work performed was less than amounts previously received.
  - Facilities and administrative costs remitted to the State decreased \$11,000. The State requires such costs collected for non-research sponsored projects in excess of \$200,000 to be remitted.
- State capital appropriations increased by \$1.1 million, resulting from the Water Research facility renovations of \$5 million and the Safety and Security infrastructure improvements of \$5.9 million. This amount was offset by prior year receipts of \$6.8 million in lottery funds received for the Garrison Arena construction and \$3 million in capital reserve funding for infrastructure and renovation of the Research Education Center.
- Capital grants and gifts decreased \$4.5 million. Prior year private contributions funding the construction of the Samuel J. Cadden Chapel, the Reeves Football Ops Center Renovations, and federal equipment purchases were offset by new gifts for the College of Business.
- A \$52,000 increase in additions to permanent endowments was the result of individual donor gifts.





### Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of Clemson University. The Statement of Net Position presents end-of-year data concerning Assets (property that we own and what we are owed by others), Deferred Outflows of Resources (consumption of net position by the University that is applicable to a future reporting period), Liabilities (what we owe to others and have collected from others before we have provided the service), Deferred Inflows of Resources (acquisition of net position by the University that is applicable to a future reporting period), and Net Position (Assets and Deferred Outflows of Resources, minus Liabilities and Deferred Inflows of Resources). It is prepared under the accrual basis of accounting, where revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to us, regardless of when cash is exchanged.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the institution. They are also able to determine how much the institution owes vendors, investors, and lending institutions. Finally, the Statement of Net Position provides a picture of the net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) and their availability for expenditure by the institution.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the institution's equity in property, plant, and equipment owned by the institution. The next category is restricted net position, which is divided into two categories, nonexpendable and expendable. Restricted nonexpendable net position consists solely of the University's permanent endowment funds and is only available for investment purposes. 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 net position is available to the institution for any lawful purpose of the institution. Although unrestricted net position is not subject to externally imposed stipulations, substantially all of the University's unrestricted net position has been designated for various academic and research programs and initiatives.

### Assets and Deferred Outflows of Resources— increase of \$90.7 million

- Current assets decreased \$12.1 million. Unrestricted cash balances increased \$29.6 million and restricted cash decreased \$47 million. The unrestricted cash increase was driven by an increase in student fee collections, maintenance, repairs, and renovation funding, and State appropriations. Restricted cash decreased as bond proceeds were spent on the College of Business construction and the Electrical Distribution Upgrade. Accounts receivable increased \$13.8 million due to the timing of federal CARES Act funding and funding for the water research facility. Grants and

### Condensed Summary of Net Position (*thousands of dollars*)

Description	2020	2019	Increase/ (Decrease)	Percent Change
<b>Assets</b>				
Current assets	\$ 631,841	\$ 643,989	\$ (12,148)	(1.89)%
Capital assets, net	1,461,475	1,401,595	59,880	4.27%
Other noncurrent assets	213,549	223,022	(9,473)	(4.25)%
<b>Total assets</b>	<u>2,306,865</u>	<u>2,268,606</u>	<u>38,259</u>	1.69%
<b>Deferred outflows of resources</b>	<u>198,212</u>	<u>145,750</u>	<u>52,462</u>	35.99%
<b>Total assets and deferred outflows of resources</b>	<u>2,505,077</u>	<u>2,414,356</u>	<u>90,721</u>	3.76%
<b>Liabilities</b>				
Current liabilities	140,894	162,886	(21,992)	(13.50)%
Noncurrent liabilities	1,970,624	1,899,152	71,472	3.76%
<b>Total liabilities</b>	<u>2,111,518</u>	<u>2,062,038</u>	<u>49,480</u>	2.40%
<b>Deferred inflows of resources</b>	<u>66,958</u>	<u>52,304</u>	<u>14,654</u>	28.02%
<b>Total liabilities and deferred inflows of resources</b>	<u>2,178,476</u>	<u>2,114,342</u>	<u>64,134</u>	3.03%
<b>Net Position</b>				
Net investment in capital assets	836,774	814,368	22,406	2.75%
Restricted - nonexpendable	58,967	58,979	(12)	(0.02)%
Restricted - expendable	209,643	183,297	26,346	15.13%
Unrestricted	<u>(778,783)</u>	<u>(756,630)</u>	<u>(22,153)</u>	2.93%
<b>Total net position</b>	<u>\$ 326,601</u>	<u>\$ 300,014</u>	<u>\$ 26,587</u>	<b>8.86%</b>



contracts receivable decreased \$2 million due to reduced receivables for grants and contracts on sponsored projects. Contributions receivable decreased \$157,000 due to the payment of existing pledges. Interest income receivable on cash balances held by the State Treasurer's Office increased \$103,000. Inventories decreased \$647,000 primarily due to decreased computer store inventory offset by increases in telecommunication supplies. Prepaid items decreased \$3.3 million as a result of IT license and maintenance agreements. Other current assets decreased \$2.8 million as a result of an under-recovery of pooled fringes for the fiscal year ended June 30, 2019 that will be absorbed through the approved pooled fringe rate established for the fiscal year ending June 30, 2021.

- Net capital assets increased \$59.9 million. Non-depreciable assets increased \$61.2 million as construction continued on major campus projects including the College of Business, Soccer Complex, Child Care facility and the campus electrical distribution upgrade. Depreciable capital assets decreased \$1.3 million. Buildings increased \$1.5 million due to capitalizations, offset by depreciation expense of current operational buildings. Depreciation expense of existing utilities and other non-structural improvements contributed to the decrease of \$194,000. The decrease of \$11,500 in software was primarily due to the card access system being fully depreciated. Equipment decreased \$2.7 million with depreciation offsetting new additions. The increase in vehicles of \$82,000 was a result of current year purchases of departmental vehicles.
- Other noncurrent assets decreased \$9.5 million. The balance on loan to the Clemson University Foundation (CUF) decreased \$6.4 million. Transfers from CUF were offset by appreciation, income, and realized gains. Noncurrent contributions receivable decreased \$428,000 due to payments on existing pledges. Investments increased \$969,000 due to the increased value of split dollar life insurance policies. Restricted noncurrent cash balances decreased \$393,000 due to declining Perkins federal student loans. Student loans receivable decreased \$1.2 million due to collections of Perkins Federal student loans. Other assets decreased \$1.9 million due to the under-recovery of pooled fringe benefit costs that will be absorbed/adjusted through the approved pooled fringe rate established for the fiscal year ending June 30, 2022.
- Deferred outflows of resources increased \$52.5 million. Deferred losses on bond refunding decreased \$451,000 due to amortization of existing losses. Deferred outflows related to the University's proportionate share of the state's net pension liability decreased \$3.8 million. Deferred outflows related to the University's proportionate share of the state's retiree health benefits liability increased \$56.8 million.

### **Liabilities and Deferred Inflows of Resources – increase of \$64.1 million**

- Current liabilities decreased \$22 million. The University's efforts to curtail nonessential spending due to the COVID-19 pandemic reflected a decrease in accounts payable of \$10.1 million. Accrued payroll and related liabilities increased by \$1.1 million as the result of increased salaries and fringe benefits applied to the final payroll of the fiscal year. Current compensated absences increased \$926,000 as a result of increased salaries. Accrued interest payable decreased \$165,000 due to the paydown of existing debt. Unearned revenues decreased by \$13 million due to a reduction in athletic ticket sales for the upcoming football season and grants and contracts funding received in advance of expenditures. Current deposits decreased by \$258,000 due to a decrease in amounts held for away game football ticket sales at year-end and study abroad deposits. The current portion of funds held for others decreased \$386,000 due to a decrease in agency fund balances.
- Noncurrent liabilities increased by \$71.5 million. The University's proportionate share of the State's net pension liability increased by \$33.5 million. The University's proportionate share of the State's liability for retiree health benefits increased by \$58.2 million. Net investment income and plan contributions were not substantial enough to offset the plans' benefit payments and administrative costs, resulting in an increase to the plans' overall net liability. Long-term debt decreased \$24.7 million due to paying down existing debt and not issuing any new bonds in the fiscal year. The long-term liability for compensated absences and related liabilities increased \$2.2 million. The noncurrent portion of deposits increased by \$4.1 million due to over-recovery of pooled fringe benefits. The noncurrent portion of funds held for others related to Perkins loans decreased \$1.8 million.
- Deferred inflows of resources increased \$14.6 million. Deferred inflows of resources related to the University's proportionate share of the State's net pension liability increased by \$735,000 and the University's proportionate share of the State's net retiree health benefit liability increased by \$13.9 million. Deferred inflows of resources include the calculated difference between actual and projected investment earnings on the state's pension and retiree health benefit plans.

### **Net Position – increase of \$26.6 million**

- Net investment of capital assets increased \$22.4 million. This increase resulted from an increase in capital assets of \$59.9 million, a decrease in capital debt of \$24.7 million, a decrease in unspent bond proceeds of \$62.7 million, and a \$451,000 increase in deferred outflows of resources as discussed above.
- Restricted – nonexpendable net position for scholarships and fellowships decreased \$12,000 as the result of investment losses on endowment balances held by Wells Fargo, offset by small increases in various scholarship endowment funds.



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- Restricted for expendable net position increased \$26.3 million, based on the following:
  - Restricted – expendable net position for scholarships and fellowships increased \$382,000 due to an increase in gifts and pledged scholarship funding.
  - Restricted – expendable net position for research increased \$93,000, primarily because of sponsored program research activity.
  - Restricted – expendable net position for instructional/departmental use increased \$2.8 million due to State funding for the Center of Advanced Manufacturing, offset by decreases in contributions.
  - Restricted – expendable net position for student loans increased \$84,000 as the result of a slight increase in investment income earnings.
  - Restricted – expendable net position for capital projects increased \$21.7 million resulting, in large part, from an increase in funding for renovations to the water research facility and maintenance and stewardship funds. These increases were offset by decreases in operating transfers to the housing, dining, parking and athletic improvement funds.
  - Restricted – expendable net position for debt service increased \$1.2 million as the result of debt service reserve fund requirements for bond debt.
- Unrestricted net position decreased \$22.2 million, based on the following:
  - The University's proportionate share of the state's net pension liability and net retiree health benefit liability and accompanying deferred inflows and outflows of resources resulted in a \$53.4 million reduction of unrestricted net position.
  - Unrestricted - educational and general increased \$41.6 million as the result of increased student fee revenues and state appropriations.
  - Unrestricted – unexpended plant decreased \$7.4 million as the result of decreased transfers for the PSA building improvement fund, offset by an increase in transfers for facilities planned maintenance projects.
  - Unrestricted – board designated endowments decreased \$5.9 million as the result of market conditions and a decrease in endowment gifts.
  - Unrestricted – public services net position increased \$1.1 million.
  - Unrestricted – auxiliaries net position increased \$1.8 million, primarily due to investment earnings on funds held by the State Treasurer's Office.

### Statement of Cash Flows

The final statement presented is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the institution during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the institution. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

### Capital Assets

Capital assets, net of accumulated depreciation, at June 30, 2020 and June 30, 2019 were as follows:

<b>Capital Assets (net of accumulated depreciation)</b>				
<b>Description</b>	<b>2020</b>	<b>2019</b>	<b>Increase/ Decrease</b>	<b>Percent Change</b>
<b>Capital Assets:</b>				
Land and improvements	\$ 34,362,728	\$ 34,372,728	\$ (10,000)	(0.03)%
Construction in progress	170,298,218	109,126,867	61,171,351	56.06%
Utilities systems and other non-structural improvements	67,502,632	67,696,972	(194,340)	(0.29)%
Buildings and improvements	1,059,553,093	1,058,023,659	1,529,434	0.14%
Computer software	—	11,514	(11,514)	(100.00)%
Equipment	124,114,220	126,800,853	(2,686,633)	(2.12)%
Vehicles	5,644,536	5,562,510	82,026	1.47%
<b>Total Capital Assets</b>	<b><u>\$ 1,461,475,427</u></b>	<b><u>\$ 1,401,595,103</u></b>	<b><u>\$ 59,880,324</u></b>	<b>4.27%</b>



Land decreased by \$10,000. The University exchanged 4.5 acres of land in Oconee County on Lake Hartwell for 20 acres in Anderson County near Fants Grove and the Clemson Experimental Forest

Construction in Progress increased \$61.2 million, as construction began and/or continued on major University projects, including the College of Business, Soccer Complex, Childcare Facility, and an update to the campus electrical distribution system..

Utilities Systems and Other Non-Structural Improvements decreased approximately \$194,000, due to depreciation expense on new and existing assets.

Buildings increased \$1.5 million due to capitalizations in the current fiscal year that were offset of by depreciation on current operational buildings.

Capitalized Computer Software decreased \$11,500, as the University's card access system was fully depreciated in the current fiscal year.

Equipment decreased \$2.7 million. Net additions totaling approximately \$22.5 million were offset by depreciation and disposals.

Vehicles increased \$82,000 as a result of departmental vehicle purchases, offset by depreciation expense.

For more detailed information on capital asset activity, please refer to Note 4 – Capital Assets in the notes to the financial statements.

## Debt Administration

The University's financial statements indicate \$640,560,899 in bonds payable and \$11,142,469 in capital leases payable at June 30, 2020.

The University's bonded indebtedness consisted of: General Obligation Bonds of \$220,540,942, Athletic Facilities Revenue Bond issues totaling \$134,342,791, and Revenue Bonds of \$285,677,166. General Obligation Bonds are obligations of the State of South Carolina and are secured as to principal and interest by a pledge of the full faith, credit, and taxing power of the State and are paid with tuition and matriculation fees. Athletic Facilities Revenue Bonds are payable solely from the net revenues of the University's Athletic Department and gross receipts from the imposition of any admissions fee and any special student fee. Revenue bonds are payable solely from and secured by a pledge of revenues of the University's housing facilities, bookstore, dining services, parking, vending and from additional funds from the academic "University fee" imposed by the Board of Trustees.

Capital leases totaling \$11,142,469 include a capital lease with the Clemson University Land Stewardship Foundation (CULSF), its component unit, for space in the Greenville One Building in downtown Greenville, SC and multiple equipment leases for printers and copiers. The outstanding liability on the capital lease for the Greenville One building as of June 30, 2020 was \$10,139,235. The outstanding liability on equipment leases was \$1,003,234 as of June 30, 2020.

For additional information, see Notes 6 and 7 in the notes to the financial statements.

## Economic Outlook

As a state-supported higher education institution, the University's economic position is closely tied to the State of South Carolina. The State ended fiscal year 2020 with a \$672 million budgetary surplus. In his year-end press release, State Comptroller General Richard Eckstrom stated, "This year has been like a roller coaster ride for state government. The year took off smoothly but then began careening and lurching once the COVID virus hit without warning. It felt like the ground had fallen from under us and everyone did what they could to survive while hoping for a quick end to the wild ride." The state had \$152 million in reserves which was being held for capital projects. State tax revenue grew in the first 8 months of the year but slowed considerably in March due to the COVID impact on businesses. The growth rate for the total of all general fund revenues sources had been 8.5 percent but was cut in half by year end. While the government's revenue streams have been greatly affected, one of the "silent damages" is the impact on the State Retirement System. Before the onset of the coronavirus, the state plan was struggling at a \$23 billion funding shortfall. The General Assembly planned to pay off this shortfall. However, those efforts have been suspended due to the affects of COVID-19.

State appropriations to fund University operations increased \$7.8 million for fiscal year 2020, an increase of 7.5 percent over the previous year. Appropriations for Educational and General activities accounted for \$3.8 million of this increase and Public Service activities increased \$4 million. Appropriations for cost of living adjustments increased by \$2.3 million and non-recurring bonuses increased by \$568,000. Appropriation allocations for the education oversight committee increased by \$500,000.

State scholarship programs funded with lottery proceeds increased \$63.2 million for 2020. In addition, the University received \$6.2 million from the State Treasurer's Office for the Center for Advanced Manufacturing and CU Health Innovation Extension Programming. State capital appropriations increased \$1.1 million as a result of additional funding for the Water Research Facility and Safety and Security Infrastructure.



# CLEMSON UNIVERSITY

## STATEMENT OF NET POSITION

June 30, 2020

Description	Amount
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<i>Current Assets:</i>	
Cash and cash equivalents.....	\$ 328,767,289
<i>Restricted Assets - Current:</i>	
Cash and cash equivalents.....	219,616,650
Accounts receivable (net of provision for doubtful accounts of \$538,983).....	41,601,588
Grants and contracts receivable.....	24,820,370
Contributions receivable, net.....	854,003
Interest and income receivable.....	2,939,129
Student loans receivable.....	3,382
Inventories.....	2,417,897
Prepaid items.....	8,833,862
Other current assets.....	1,986,705
Total current assets.....	631,840,875
<i>Noncurrent Assets:</i>	
Notes receivable.....	201,271,023
Contributions receivable, net.....	732,484
Investments.....	4,417,338
<i>Restricted Assets - Noncurrent:</i>	
Cash and cash equivalents.....	2,169,412
Student loans receivable.....	4,958,056
Capital assets, not being depreciated.....	204,660,946
Capital assets, net of accumulated depreciation.....	1,256,814,481
Total noncurrent assets.....	1,675,023,740
Total assets.....	2,306,864,615
<i>Deferred Outflows of Resources:</i>	
Deferred losses on bond refunding.....	4,133,947
Deferred outflows on net pension liability.....	98,703,456
Deferred outflows on net retiree health benefits liability.....	95,374,753
Total deferred outflows of resources.....	198,212,156
Total assets and deferred outflows of resources.....	\$ 2,505,076,771
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	
<i>Current Liabilities:</i>	
Accounts and retainages payable.....	\$ 25,568,575
Accrued payroll and related liabilities.....	25,171,902
Accrued compensated absences and related liabilities.....	15,487,250
Accrued interest payable.....	4,381,104
Unearned revenues.....	43,762,380
Bonds payable.....	24,054,543
Capital leases payable.....	933,481
Deposits.....	761,682
Funds held for others.....	773,260
Total current liabilities.....	140,894,177
<i>Noncurrent Liabilities:</i>	
Accrued compensated absences and related liabilities.....	15,955,750
Deposits.....	4,129,185
Funds held for others.....	5,184,375
Net pension liability.....	672,314,429
Net retiree health benefits liability.....	646,324,692
Bonds payable.....	616,506,356
Capital leases payable.....	10,208,988
Total noncurrent liabilities.....	1,970,623,775
Total liabilities.....	2,111,517,952
<i>Deferred Inflows of Resources:</i>	
Deferred inflows on net pension liability.....	4,924,649
Deferred inflows on net retiree health benefits liability.....	62,033,143
Total deferred inflows of resources.....	66,957,792
Total liabilities and deferred inflows of resources.....	\$ 2,178,475,744
<b>NET POSITION</b>	
Invested in capital assets, net of related debt.....	\$ 836,774,410
Restricted for nonexpendable purposes:	
Scholarships and fellowships.....	58,967,333
Restricted for expendable purposes:	
Scholarships and fellowships.....	22,973,576
Research.....	585,505
Instructional/departmental use.....	15,527,461
Loans.....	2,269,567
Capital projects.....	155,337,633
Debt service.....	12,948,982
Unrestricted.....	(778,783,440)
Total net position.....	\$ 326,601,027

See accompanying notes to basic financial statements.



# CLEMSON UNIVERSITY

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended June 30, 2020

Description	Amount
<b>REVENUES</b>	
Operating Revenues:	
Student tuition and fees (net of scholarship allowances of \$106,573,415) .....	\$ 466,846,134
Federal grants and contracts.....	95,748,885
State grants and contracts.....	85,256,061
Local grants and contracts .....	1,155,889
Nongovernmental grants and contracts.....	11,733,331
Sales and services of educational and other activities.....	18,316,984
Sales and services of auxiliary enterprises - pledged for revenue bonds (net of scholarship allowances of \$13,846,768) .....	142,137,170
Sales and services of auxiliary enterprises - not pledged.....	38,529,894
Other operating revenues.....	38,397,174
Total operating revenues.....	<u>898,121,522</u>
<b>EXPENSES:</b>	
Operating Expenses:	
Compensation and employee benefits.....	709,455,173
Services and supplies .....	316,185,889
Utilities .....	16,656,045
Depreciation .....	66,648,011
Scholarships and fellowships.....	47,700,153
Total operating expenses.....	<u>1,156,645,271</u>
Operating (loss).....	<u>(258,523,749)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
State appropriations .....	144,250,934
Federal appropriations .....	13,126,453
Gifts and grants .....	102,743,269
Interest income .....	16,804,815
Endowment income .....	1,900,361
Interest on capital asset related debt.....	(22,522,572)
Other nonoperating revenues.....	499,791
Loss on disposal of capital assets.....	(1,540,595)
Refunds to grantors.....	(491,460)
Facilities and administrative remittances to the State.....	(269,279)
Net nonoperating revenues.....	<u>254,501,717</u>
Loss before other revenues, expenses, gains or losses.....	(4,022,032)
State capital appropriations .....	10,900,272
Capital grants and gifts .....	19,618,843
Additions to permanent endowments .....	90,344
Increase in net position.....	<u>26,587,427</u>
<b>NET POSITION</b>	
Net position, beginning of year .....	300,013,600
Net position, end of year .....	<u><u>\$ 326,601,027</u></u>

See accompanying notes to basic financial statements.



# CLEMSON UNIVERSITY

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2020

DESCRIPTION	AMOUNT
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Payments from customers.....	\$ 630,943,994
Grants and contracts.....	185,201,174
Payments to suppliers.....	(306,378,691)
Payments to employees.....	(498,156,433)
Payments for benefits.....	(141,070,183)
Payments to students.....	(65,665,511)
Inflows from Stafford loans.....	70,518,286
Outflows from Stafford loans.....	(9,096,501)
Loans to students.....	(25,652)
Collection of loans.....	1,232,399
Net cash provided (used) by operating activities.....	<u>(132,497,118)</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations.....	144,250,934
Federal appropriations.....	12,623,848
Gifts and grants.....	93,883,716
Net cash flow provided (used) by noncapital financing activities.....	<u>250,758,498</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
State capital appropriations.....	5,900,272
Capital grants and gifts received.....	16,299,922
Proceeds from sale of property.....	114,497
Purchases of capital assets.....	(137,703,347)
Capital lease payments.....	(915,204)
Principal payments and redemption premiums on long term debt.....	(21,485,000)
Interest and fees.....	(24,792,879)
Net cash provided (used) by capital activities.....	<u>(162,581,739)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments.....	16,716,462
Proceeds from notes receivable with Clemson University Foundation.....	10,000,000
Proceeds from stock sales.....	61,616
Net cash flows provided (used) by investing activities.....	<u>26,778,078</u>
Net change in cash.....	(17,542,281)
Cash beginning of year.....	568,095,632
<b>Cash end of year.....</b>	<b><u>\$ 550,553,351</u></b>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating income (loss).....	\$ (258,523,749)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense.....	66,648,011
Amortization of net pension liability.....	38,062,630
Amortization of net retiree health benefit liability.....	19,728,020
Change in asset and liabilities:	
Receivables, net.....	7,297,502
Grants and contracts receivable.....	(4,094,877)
Student loans receivable.....	1,213,440
Prepaid items.....	3,312,683
Inventories.....	647,228
Pooled fringe adjustment.....	4,768,681
Accounts and retainages payable.....	(4,297,606)
Accrued payroll and related liabilities.....	(361,952)
Accrued compensated absences and related liabilities.....	3,087,000
Unearned revenue.....	(11,583,276)
Deposits held for others.....	1,599,147
Net cash provided (used) by operating activities.....	<b><u>\$ (132,497,118)</u></b>
<b>NON-CASH TRANSACTIONS</b>	
Increase in fair value of investments and notes receivable.....	\$ 14,444,478
Assets acquired through gifts.....	3,318,922
State capital appropriations receivable.....	7,857,501
Collection of capital gift receivable.....	1,324,326
Loss on disposal of capital assets.....	1,655,092
Assets acquired through capital lease.....	369,768
<b>RECONCILIATION OF CASH AND CASH EQUIVALENT BALANCES</b>	
Current assets:	
Cash and cash equivalents.....	\$ 328,767,289
Restricted cash and cash equivalents.....	219,616,650
Noncurrent assets.....	2,169,412
<b>Total cash and cash equivalent balances</b>	<b><u>\$ 550,553,351</u></b>

See accompanying notes to basic financial statements.



**CLEMSON UNIVERSITY FOUNDATION**  
**NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT**  
**STATEMENT OF FINANCIAL POSITION**

June 30, 2020

DESCRIPTION	AMOUNT
<b>ASSETS</b>	
Cash and cash equivalents.....	\$67,700,806
Contributions receivable, net.....	37,237,188
Trusts held by others.....	5,465,572
Due from related organizations.....	1,646,130
Investments.....	534,423,609
Investments held for Clemson University .....	201,601,857
Cash surrender value of life insurance .....	2,264,151
Land held for resale .....	11,900
Land, buildings and equipment, net .....	9,216,723
Funds held in trust for affiliates:	
Non-pooled assets, net .....	9,800,923
Pooled investments.....	47,880,641
Contributions receivable, net .....	26,678,653
Other assets .....	420,084
<b>Total Assets</b> .....	<b>\$ 944,348,237</b>
<b>LIABILITIES AND NET ASSETS</b>	
Liabilities:	
Accounts payable and accrued liabilities .....	\$ 257,421
Due to related organizations.....	638,295
Accrued liability to Clemson University due to net investment appreciation.....	54,924,202
Note payable to Clemson University.....	146,677,655
Deferred revenue .....	4,000,000
Actuarial liability of annuities payable.....	3,538,601
Funds administered for affiliates.....	84,360,217
<b>Total Liabilities</b> .....	<b>294,396,391</b>
Net Assets:	
Without donor restrictions .....	40,154,813
With donor restrictions .....	609,797,033
<b>Total Net Assets</b> .....	<b>649,951,846</b>
<b>Total Liabilities and Net Assets</b> .....	<b>\$944,348,237</b>

*See accompanying notes to basic financial statements.*



**CLEMSON UNIVERSITY FOUNDATION**  
**NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT**  
**STATEMENT OF ACTIVITIES**  
For the year ended June 30, 2020

DESCRIPTION	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Revenues, Gains, and Other Support:			
Gifts and bequests.....	\$ 2,925,799	\$ 42,393,152	\$ 45,318,951
Investment return, net.....	6,976,273	3,790,624	10,766,897
Program income.....	1,864,760	418,655	2,283,415
Other income.....	2,006,707	(311,892)	1,694,815
Change in value of split-interest agreements.....	46,679	(789,961)	(743,282)
Reclassification of donor intent.....	311,967	(311,967)	—
Total.....	14,132,185	45,188,611	59,320,796
Net assets released from restrictions.....	29,412,256	(29,412,256)	—
Total Revenues, Gains and Other Support.....	43,544,441	15,776,355	59,320,796
Expenses:			
Program expenses in support of Clemson University.....	31,271,664	—	31,271,664
Administrative and investment support.....	4,478,123	—	4,478,123
Fundraising.....	4,622,969	—	4,622,969
Total Expenses.....	40,372,756	—	40,372,756
Change in net assets before other changes.....	3,171,685	15,776,355	18,948,040
Other Changes:			
Transfers to related entities.....	(1,794)	(324,221)	(326,015)
Total Other Changes.....	(1,794)	(324,221)	(326,015)
Change in net assets.....	3,169,891	15,452,134	18,622,025
Net assets, beginning of year.....	36,984,922	594,344,899	631,329,821
Net assets, end of year.....	\$ 40,154,813	\$ 609,797,033	\$ 649,951,846

*See accompanying notes to basic financial statements.*



**CLEMSON UNIVERSITY LAND STEWARDSHIP FOUNDATION**  
**NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT**  
**STATEMENT OF FINANCIAL POSITION**

June 30, 2020

DESCRIPTION	AMOUNT
<b>ASSETS</b>	
Cash and cash equivalents .....	\$ 3,886,829
Receivables .....	75,960
Prepaid expense .....	130,000
Real estate investments.....	46,659,274
Real estate and equipment, net.....	11,926,595
Direct financing lease .....	10,169,491
Development costs .....	635,270
Total Assets.....	<u>\$ 73,483,419</u>
<b>LIABILITIES AND NET ASSETS</b>	
Accounts payable .....	\$ 60,449
Accrued interest payable .....	27,363
Deposits held for others.....	28,495
Unearned revenue .....	277,289
Deferred rent revenue.....	1,719,579
Due to Clemson University Foundation.....	20,932,472
Notes payable, net.....	21,090,538
Total Liabilities.....	<u>44,136,185</u>
Net Assets Without Donor Restrictions .....	<u>29,347,234</u>
Total Net Assets .....	<u>29,347,234</u>
Total Liabilities and Net Assets.....	<u>\$ 73,483,419</u>

*See accompanying notes to basic financial statements.*



# CLEMSON UNIVERSITY LAND STEWARDSHIP FOUNDATION

## NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT

### STATEMENT OF ACTIVITIES

For the year ended June 30, 2020

DESCRIPTION	AMOUNT
Revenues, Gains, and Other Support:	
Gifts and contributions.....	\$ 150,000
Rental revenues .....	3,621,403
Direct financing.....	3,492
Common area and management fees .....	342,090
Income on short-term investments.....	29,660
Investment return, net.....	(700,182)
Total Revenues and Gains.....	<u>3,446,463</u>
Program expenses:	
CU-ICAR campus.....	1,575,789
Greenville One .....	330,371
Administrative and other .....	387,852
Total Program Expenses .....	<u>2,294,012</u>
Interest expense .....	<u>906,529</u>
Total expenses .....	<u>3,200,541</u>
Change in net assets without donor restrictions before other changes.....	245,922
Other changes:	
Contributions to a related entity, net .....	<u>—</u>
Change in net assets without donor restrictions .....	245,922
Net assets without donor restrictions, beginning of year .....	<u>29,101,312</u>
Net assets without donor restrictions, end of year .....	<u><u>\$ 29,347,234</u></u>

See accompanying notes to basic financial statements.



# **IPTAY**

## **NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT STATEMENT OF FINANCIAL POSITION**

June 30, 2020

DESCRIPTION	AMOUNT
ASSETS	
Cash and cash equivalents .....	\$ 9,608,778
Due from related organizations.....	20,341
Annual fund receivable, net.....	847,074
Investments.....	24,706,707
Funds held in trust by an affiliate:	
Non-pooled assets.....	9,093,044
Pooled investments .....	33,882,690
Contributions receivable, net .....	26,610,282
Total Assets.....	<u>\$ 104,768,916</u>
LIABILITIES AND NET ASSETS	
Accounts payable and accrued expenses.....	\$ 81,214
Refund liability.....	4,677,091
Due to related organizations.....	1,440,832
Total Liabilities.....	<u>6,199,137</u>
Net assets	
Without Donor Restrictions	
Undesignated.....	30,806,197
Quasi-endowment.....	30,824,362
Total Without Donor Restrictions.....	61,630,559
With Donor Restrictions .....	36,939,220
Total Net Assets .....	98,569,779
Total Liabilities and Net Assets.....	<u>\$104,768,916</u>

*See accompanying notes to basic financial statements.*



# IPTAY

## NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT STATEMENT OF ACTIVITIES

For the year ended June 30, 2020

DESCRIPTION	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Revenues, Gains, and Other Support:			
Contributions from the public.....	\$ 41,679,394	\$ 14,325,749	\$ 56,005,143
Investment return, net.....	1,197,254	73,482	1,270,736
Interest income.....	86,692	—	86,692
	<u>42,963,340</u>	<u>14,399,231</u>	<u>57,362,571</u>
Net assets released from restrictions:			
Satisfaction of time restriction.....	5,533,685	(5,533,685)	—
Satisfaction of purpose restrictions .....	727,088	(727,088)	—
Total Revenues, Gains, and Other Support.....	<u>49,224,113</u>	<u>8,138,458</u>	<u>57,362,571</u>
Expenses:			
Program services:			
Support of Clemson University:			
Athletic operations.....	35,002,423	—	35,002,423
Football operations building.....	68,940	—	68,940
Debt service.....	7,294,723	—	7,294,723
Other construction costs.....	10,780,000	—	10,780,000
Other athletic support.....	2,005,950	—	2,005,950
Management and general.....	664,497	—	664,497
Total Expenses.....	<u>55,816,533</u>	<u>—</u>	<u>55,816,533</u>
Excess of revenues over expenses.....	(6,592,420)	8,138,458	1,546,038
Contributions of net assets from a related party (Note 7) .....	<u>796</u>	<u>29,924</u>	<u>30,720</u>
Change in net assets.....	(6,591,624)	8,168,382	1,576,758
Net assets, beginning of year .....	<u>68,222,183</u>	<u>28,770,838</u>	<u>96,993,021</u>
Net assets, end of year .....	<u>\$ 61,630,559</u>	<u>\$ 36,939,220</u>	<u>\$ 98,569,779</u>

See accompanying notes to basic financial statements.



## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of Organization

Clemson University is a State-supported, coeducational institution of higher education. 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 institution. The Appropriation Act authorizes expenditures from funds appropriated from the General Fund of the State and authorizes expenditures of total operating funds. The laws of the State and the policies and procedures specified by the State for State agencies and institutions are applicable to the activities of the University. The University was established as an institution of higher education by Section 59-119-20 of the Code of Laws of South Carolina in accordance with the will of Thomas Green Clemson and the Act of Acceptance of the General Assembly of South Carolina. The University is a component unit of the State of South Carolina and its financial statements are included in the Comprehensive Annual Financial Report of the State of South Carolina. The University is governed by a board of thirteen members, including six elected by the State Legislature and seven self-perpetuating life members. Accordingly, as such it administers, has jurisdiction over, and is responsible for the management of the University.

### Reporting Entity

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Codification Section 2100, *Defining the Financial Reporting Entity*, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. GASB Codification Section 2600, *Reporting Entity and Component Unit Presentation and Disclosure*, provides criteria for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with a primary government and classifies reporting requirements for those organizations. Based on these criteria, the financial statements include the University and its blended component unit as the primary government, and other related entities as discretely presented component units.

The Clemson Research Facilities Corporation (CRFC) is a separately chartered not-for-profit corporation established to construct certain facilities for the University. CRFC is a fully blended component unit of the University. Although legally separate from the University, CRFC's activities are so intertwined with the University's that they are, in substance, the same as the primary entity. CRFC's activities are governed by its Board of Directors which is wholly comprised of University representatives. Its balances and transactions are blended with those of the University and reported as if they were balances and transactions of the University.

The Clemson University Foundation (CUF) is a separately chartered corporation organized exclusively to promote the development and welfare of Clemson University in its educational and scientific purposes. CUF's activities are governed by its Board of Directors. CUF is considered a component unit, and is discretely presented in the financial statements, because the nature and significance of its relationship with the University is such that exclusion from the reporting entity would render the financial statements incomplete. CUF is considered a nongovernmental component unit since it does not meet the definition of a governmental entity. None of the following characteristics of a governmental entity apply to CUF: a) Organization is a public corporation; b) Organization is a body corporate and politic; c) A controlling majority of the members of the organization are elected or appointed by governmental officials; d) There is potential for unilateral dissolution by a government with the net assets reverting to the government; and e) The organization has the power to enact and enforce a tax levy. Because CUF is deemed not to be a governmental entity and uses a different reporting model, its balances and transactions are reported on separate financial statements. Copies of the separately issued financial statements of the Clemson University Foundation can be obtained by sending a request to the following address: Clemson University Foundation, 110 Daniel Drive, Clemson, SC, 29634.

The Clemson University Land Stewardship Foundation (CULSF) is a separately chartered corporation, established to serve the needs of Clemson University in the management, development, and investment of real property and related assets. CULSF's activities are governed by its Board of Directors. CULSF is considered a component unit, and is discretely presented in the financial statements, because the nature and significance of its relationship with the University is such that exclusion from the reporting entity would render the financial statements incomplete. CULSF is considered a nongovernmental component unit since it does not meet the definition of a governmental entity (as described above). Copies of the separately issued financial statements of the Clemson University Land Stewardship Foundation can be obtained by sending a request to the following address: Clemson University Land Stewardship Foundation, P.O. Box 1889, Clemson, SC 29633.

IPTAY is a separately chartered corporation established exclusively to support University athletics. IPTAY's activities are governed by its Board of Directors. IPTAY is considered a component unit, and is discretely presented in the financial statements, because the nature and significance of its relationship with the University is such that exclusion from the reporting entity would render the financial statements incomplete. IPTAY is considered a nongovernmental component unit since it does not meet the definition of a governmental entity (as described above). Copies of the separately issued financial statements of IPTAY can be obtained by sending a request to the following address: IPTAY, P.O. Box 1529, Clemson, SC 29633.



## NOTES TO FINANCIAL STATEMENTS

### Financial Statement Presentation

The financial statement presentation for the University meets the requirements of GASB Codification Sections 2100-2900, *Financial Reporting Entity*, and Co5, *Colleges and Universities*. The financial statement presentation provides a comprehensive, entity-wide perspective of the University's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows.

### Use of Estimates

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

### Basis of Accounting

For financial reporting purposes, the University, along with Clemson Research Facilities Corporation, its fully blended component unit, is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements are 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 payments made directly are presented as scholarship and fellowship expenses. All significant intra-agency transactions have been eliminated.

The Clemson University Foundation (CUF), the Clemson University Land Stewardship Foundation (CULSF), and IPTAY are private nonprofit organizations that report under Financial Accounting Standards Board (FASB) standards, including Accounting Standards Codification Topic 958, *Not-for-Profit Entities*. 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 CUF, CULSF, or IPTAY's financial information in the University's financial reporting entity for these differences.

### Cash and Cash Equivalents

The amounts shown in the financial statements in University funds as "cash and cash equivalents" represent petty cash, cash on deposit in banks, cash on deposit with the State Treasurer, cash invested in various instruments by the State Treasurer as part of the State's internal cash management pool, cash invested in various short-term instruments by the State Treasurer and held in separate agency accounts, and certain funds invested with Wells Fargo.

Most State agencies, including the University, participate 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. For credit risk information pertaining to the cash management pool, see the deposits disclosures in Note 2.

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

Some State Treasurer accounts are not included in the State's internal cash management pool because of restrictions on the use of the funds. For those accounts, cash equivalents include investments in short-term, highly liquid securities having an internal maturity of three months or less at the time of acquisition. For purposes of the Statement of Cash Flows, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State Treasurer's Cash Management Program are considered to be cash equivalents.

### Receivables

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of South Carolina. Accounts receivable are recorded net of estimated uncollectible amounts.

Grants and contracts receivable include amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grant and contracts. Also included are amounts due for Federal loan and scholarships programs and reimbursements for Federal land-grant expenditures.



## NOTES TO FINANCIAL STATEMENTS

Contributions receivable are accounted for at their estimated net realizable value. The estimated net realizable value comprehends the present value of long-term pledges and reductions for any allowance for uncollectible pledges. Pledges vary from one to ten years and are used to support specifically identified University programs and initiatives.

Amounts due from the Clemson University Foundation are pursuant to a Memorandum of Understanding between the University and that entity prompted by a 1999 change in the South Carolina Code of Laws that allowed state-supported universities to lend endowment balances to separately chartered not-for-profit entities whose existence is primarily providing financial assistance and other support to the institution and its educational programs. For additional information regarding this loan, see Note 3.

Student loans receivable consists of amounts due from the Federal Perkins Loan Program, and from other loans administered by the University.

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

### **Inventories**

Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market. Items accounted for as University inventories using the moving weighted average method include: maintenance supplies, housing supplies, janitorial and auto supplies, printing and graphic supplies, office supplies, computer parts and accessories, telecommunications supplies, medical supplies, and Clemson blue cheese production.

### **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 prepaid insurance, prepaid postage, prepaid airline tickets, and advance payments for maintenance and service agreements.

### **Investments**

The University accounts for its investments at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses and Changes in Net Position.

### **Noncurrent Cash and Investments**

Noncurrent cash and investments primarily consist of permanently endowed funds and federal student loan funds. These funds are externally restricted and are classified as noncurrent assets in the Statement of Net Position.

### **Other Assets**

The University submits a pooled fringe benefit rate proposal to its cognizant agency, the U.S. Department of Health & Human Services two years in advance of actual charges. Under-recoveries of actual costs are recognized as an Other Asset. These under-recoveries will be considered in the rate proposal for the next review period.

### **Capital Assets**

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The University follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The University capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of one year and depreciable land improvements, buildings and improvements, and intangible assets, including internally developed software, costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred. Donated capital assets or donated works of art and similar items are reported at acquisition value. Capital assets received in a service concession arrangement are also reported at acquisition value.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 40 years for buildings and improvements and land improvements and 5 to 20 years for machinery, equipment, and vehicles. Internally developed software is depreciated using the straight-line method over a three year period. Depreciation expense is charged monthly, with a mid-month convention utilized for the initial month that the asset is placed in service.

### **Unearned Revenues**

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

### **Deposits**

Deposits represent football-related guarantees and conference settlement amounts, and various student-related amounts including: dormitory room deposits, security deposits for possible room damage and key loss, other deposits, and student fee refunds. Student deposits are recognized as revenue during the semester for which the fee is applicable and earned when the deposit is nonrefundable to the student under the forfeit terms of the agreement.



## Funds Held for Others

Current balances in Funds Held for Others result primarily from the University acting as an agent, or fiduciary, for another entity. These include amounts due to other entities and amounts due for various study abroad programs. Noncurrent balances represent the Federal liability for the Perkins Loan Program.

## Internal Service and Auxiliary Enterprise Activities

Both revenue and expenses relating to internal service (including information technology costs) and auxiliary enterprise activities including print shop, office equipment, maintenance, transportation services, telecommunications, institutional computing, bookstores, and cafeterias have been eliminated.

## Compensated Absences

Generally all permanent full-time State employees, and certain part-time employees scheduled to work at least one-half of the agency's workweek, are entitled to accrue and carry forward at calendar year-end maximums of 180 days sick leave and 45 days annual vacation leave, except that faculty members do not accrue annual leave. Upon termination of State employment, employees are entitled to be paid for accumulated unused annual vacation leave up to the maximum, but are not entitled to any payment for unused sick leave. The compensated absences liability includes accrued annual leave and compensatory overtime leave earned for which the employees are entitled to paid time off or payment at termination. The University calculates the compensated absences liability based on recorded balances of unused leave for which the employer expects to compensate employees through paid time off or cash payments at termination. That liability is inventoried at fiscal year-end current salary costs and the cost of the net change in the liability for salary-related benefit payments is recorded in the current year in the applicable functional expenditure categories.

## Noncurrent Liabilities

Noncurrent liabilities include (1) principal amounts of bonds payable and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

## Net Pension Liability

For purposes of measuring the 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' 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.

## Other Postemployment Benefits Liability

For purposes of measuring the net postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to postemployment benefits, and benefit expense, information about the fiduciary net position of the South Carolina Public Employee Benefit Authority's Retiree Health Care Plan and Long-Term Disability Income Plan and additions to/deductions from the fiduciary net position of the plans have been determined on the same basis as they are reported by the South Carolina Public Employee Benefit Authority. 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.

## Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent consumption of net position that is applicable to a future period. Deferred inflows of resources represent acquisition of net position that is applicable to a future period. For the University, refunds related to debt defeasance are included in deferred outflows of resources. The deferred amount will be amortized over the remaining life of the debt refunded. Changes in net pension liability and net postemployment benefit liability not included in expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability and net postemployment benefit liability are reported as deferred outflows of resources.

## Net Position

The University's components of net position are classified as follows:

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

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



## NOTES TO FINANCIAL STATEMENTS

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

**Unrestricted Net Position:**

Unrestricted net position represents resources derived from student tuition and fees, state 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.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

**Income Taxes**

The University is a political subdivision of the State of South Carolina and is consequently exempt from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended.

The Internal Revenue Service has determined that the Clemson University Foundation, the Clemson University Research Foundation, the Clemson University Land Stewardship Foundation, and IPTAY qualify as exempt organizations under Internal Revenue Code Section 501(c)(3) and as such are exempt from taxation on related income.

**Classification of Revenues and Expenses**

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

**Operating revenues and expenses:** Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most Federal, state and local grants and contracts, and (4) interest on institutional loans. Operating expenses include all expense transactions incurred other than those related to investing, capital or noncapital financing activities.

**Nonoperating revenues and expenses:** Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state and federal appropriations and investment income.

Nonoperating expenses include interest paid on capital asset related debt, losses on the disposal of capital assets, and facilities and administrative remittances to the State.

**Educational Activities Revenue**

Revenues from sales and services of educational 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 various activities related to the University's agricultural public service mission, including pesticide registration and licensing fees, livestock, poultry and health test fees, extension service fees, forest product sales, and youth camp fees. These unrestricted revenues are collectively labeled "Sales and Services of Educational and Other Activities".

**Scholarship Discounts and Allowances**

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

**Adoption of New Accounting Standards**

Effective for the fiscal year ended June 30, 2020, the University adopted GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement provides temporary relief to governments and other stakeholders, in light of the COVID-19 pandemic, by postponing the effective dates of the following pronouncements:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 87, *Leases*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The adoption of this standard had no effect on the University's financial statements in the current fiscal year.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 2.

#### CASH AND CASH EQUIVALENTS, DEPOSITS AND INVESTMENTS

All deposits and investments of the University are under the control of the State Treasurer who, by law, has sole authority for investing State funds. Certain monies are deposited or invested with or managed by financial institutions and brokers.

The following schedule reconciles deposits and investments within the footnotes to the Statement of Net Position amounts:

##### Reconciliation of Deposits and Investments

Statement of Net Position	Amount	Footnotes	Amount
Cash and cash equivalents:		Cash on hand	\$ 230,161
Current - unrestricted	\$ 328,767,289	Deposits held by State Treasurer	550,245,231
Current - restricted	219,616,650	Other deposits	77,959
Noncurrent - restricted	2,169,412	Investments held by State Treasurer	154,439
Investments	4,417,338	Other investments	4,262,899
<b>Total</b>	<b>\$ 554,970,689</b>	<b>Total</b>	<b>\$ 554,970,689</b>

##### Deposits Held by State Treasurer

State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days.

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 agent in the State's name. Information pertaining to the reported amounts, fair values, and credit risk of the State Treasurer's investments is disclosed in the Comprehensive Annual Financial Report of the State of South Carolina. For the fiscal year ended June 30, 2020, an unrealized appreciation of \$13,692,993 is included in the \$550,245,231 identified above as "Deposits held by State Treasurer."

##### Other Deposits

The University's other deposits at year-end were entirely covered by federal depository insurance or collateral held by custodial banks.

##### Investments Held by State Treasurer

Investments held by State Treasurer comprise investments held for the University and the State of South Carolina which are legally restricted, and earnings thereon become revenue of the specific fund from which the investment was made. These investments are specific, identifiable investment securities. Investments consist of Agricultural College stock with a carrying amount of \$95,900 and Perpetual stock with a carrying amount of \$58,539 held by the State Treasurer as Trustee in Perpetuity on which they are required to pay the University six percent per year. Since there is no readily determinable fair value for these investments, they have been assigned a fair value equal to their historical cost value.

##### Other Investments

The University has investments in mutual funds as authorized by a single donor. The mutual funds with a fair value of \$2,362,873 are held and invested by Wells Fargo, as trustee in accordance with the endowment agreement specified by the donor. These investments are stated at fair value and include unrealized appreciation of \$1,688,569. Purchases and sales are accounted for on the trade date. Both unrealized and realized gains and losses on investments have been recorded. Earnings are recorded on an accrual basis.

The University has split dollar life insurance policies with two athletics coach. The University has recorded investments with a fair value of \$1,900,026 related to these policies.

The University has adopted applicable accounting standards for its financial assets and liabilities which clarify that fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The University utilizes market data or assumptions that market participants would use in pricing the asset or liability. The standards establish a three tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions. The University's investments held by the State Treasurer are categorized as Level 3. The University's other investments consist entirely of mutual funds and other investments with readily determinable fair values in an active market. These investments have been categorized as Level 1.



## NOTES TO FINANCIAL STATEMENTS

The University does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Other investments as of June 30, 2020 were as follows:

<b>Other Investments</b>			
<b>Description</b>	<b>Effective Fair Value</b>	<b>Maturity (Years)</b>	<b>Credit Rating</b>
Domestic bond fund	\$ 688,819	6.4	N/A
International bond fund	148,348	18.3	N/A
Equity funds	1,525,706	N/A	N/A
Split dollar life insurance	1,900,026	N/A	AA-
<b>Total other investments</b>	<b>\$ 4,262,899</b>		

### NOTE 3. RECEIVABLES

University receivables reported in the Statement Net Position as of June 30, 2020, were as follows:

<b>University Receivables</b>			
<b>Description</b>	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
Accounts receivable	\$ 41,601,588	\$ —	\$ 41,601,588
Grants and contracts receivable	24,820,370	—	24,820,370
Notes receivable	—	201,271,023	201,271,023
Contributions receivable, net	854,003	732,484	1,586,487
Interest and income receivable	2,939,129	—	2,939,129
Student loans receivable	3,382	4,958,056	4,961,438
<b>Total university receivables</b>	<b>\$ 70,218,472</b>	<b>\$ 206,961,563</b>	<b>\$ 277,180,035</b>

Accounts receivable are reported net of allowances for doubtful accounts of \$538,983 based on credit losses experienced in prior years and evaluation of current portfolios. Student payment allowances of \$336,000, parking services allowances of \$179,011, emergency medical service allowances of \$18,972, and telecommunications allowances of \$5,000 comprise this amount. Contributions receivable are reported net of allowances for current uncollectible pledges of \$159,030 and allowances for noncurrent uncollectible pledges of \$129,262.

Accounts receivable for the year ended June 30, 2020, were comprised of the following balances:

<b>Accounts Receivable</b>	
<b>Description</b>	<b>Amount</b>
Students/scholarships	\$ 8,024,319
State capital appropriations	7,857,501
Auxiliaries	11,920,803
Fees	4,586,957
Computer services	508,177
Educational programs	1,088,592
Other	844,539
CARES Act	6,770,700
<b>Total accounts receivable</b>	<b>\$ 41,601,588</b>



## NOTES TO FINANCIAL STATEMENTS

Grants and contracts receivable are comprised of amounts due for sponsored research projects, federal land-grant appropriations, and federal scholarship programs. Grants and contracts receivable for the year ended June 30, 2020, were comprised of the following balances:

<b>Grants and Contracts Receivable</b>					
<b>Description</b>	<b>Federal</b>	<b>State</b>	<b>Local</b>	<b>Nongovernmental</b>	<b>Total</b>
Sponsored research	\$ 17,401,357	\$ 756,553	\$453,452	\$ 2,781,996	\$ 21,393,358
Land-grant appropriations	1,927,688	—	—	—	1,927,688
Scholarship programs	1,499,324	—	—	—	1,499,324
<b>Total grants and contracts receivable</b>	<b>\$ 20,828,369</b>	<b>\$ 756,553</b>	<b>\$ 453,452</b>	<b>\$ 2,781,996</b>	<b>\$ 24,820,370</b>

Contributions receivable are comprised of pledges for gifts to support specifically identified University programs and to provide athletic scholarships. Contributions receivable are accounted for at their estimated net realizable value, or the present value of long-term pledges and reductions for allowances for uncollectible pledges. Pledges vary from one to ten years.

<b>Contributions Receivable</b>			
<b>Description</b>	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
University programs	\$ 854,003	\$ 732,484	\$ 1,586,487
<b>Total contributions receivable</b>	<b>\$ 854,003</b>	<b>\$ 732,484</b>	<b>\$ 1,586,487</b>

Part II, Section 9 of the 1998-99 State Appropriations Act amended the South Carolina Code of Laws by adding Section 59-101-410. This amendment allowed the governing boards of state-supported universities to lend their endowment and auxiliary enterprise funds on deposit with the State Treasurer's Office to separately chartered not-for-profit legal entities whose existence is primarily providing financial assistance and other support to the institution and its educational program.

Accordingly, as of June 30, 2020, the University had notes receivable from the Clemson University Foundation, a related party, totaling \$201,271,023. This amount includes the original loan of \$35,358,188, additional net contributions totaling \$37,913,092 since the fiscal year 1999 original loan, plus related income and appreciation. Funds loaned to the Clemson University Foundation will be paid back to the University with interest at a rate equal to that which is necessary to produce a sum which is equal to the total return (consisting of appreciation and income), provided, however, such rate will not be less than zero. The Memorandum of Understanding between Clemson University and the Clemson University

Foundation is for a ten-year period. It is reviewed annually by both parties and may be extended automatically for an additional twelve-month period unless either party provides written notice of objection to the extension, in which case, the Memorandum of Understanding will not automatically extend for an additional twelve-month period. The above notwithstanding, either party may terminate the Memorandum of Understanding at any time without cause upon one hundred eighty days written notice to the other party.

With minor exceptions, losses for loans to students are not estimated or recorded in allowances for uncollectible accounts. At the time a loan is considered uncollectible it is charged to principal. Any accounts receivable written off is recognized in the period in which the receivable is considered uncollectible. Based on past experience, potential losses are not deemed material.

Interest and income receivable consist 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.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, is summarized as follows:

<b>Capital Assets</b>					
<b>Description</b>	<b>Beginning Balance July 1, 2019</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance June 30, 2020</b>
Capital assets not being depreciated:					
Land and improvements	\$ 34,372,728	\$ 370,000	\$ 380,000	\$ —	\$ 34,362,728
Construction in progress*	109,126,867	104,580,509	898,164	(42,510,994)	170,298,218
Total capital assets not being depreciated	<u>143,499,595</u>	<u>104,950,509</u>	<u>1,278,164</u>	<u>(42,510,994)</u>	<u>204,660,946</u>
Depreciable capital assets:					
Utilities systems and other non-structural improvements	107,768,485	116,945	—	3,916,446	111,801,876
Buildings and improvements	1,521,385,691	—	851,396	38,594,548	1,559,128,843
Computer software	24,283,309	—	—	—	24,283,309
Equipment	348,678,304	22,545,968	9,803,000	—	361,421,272
Vehicles	19,763,303	1,848,170	876,285	—	20,735,188
Total depreciable capital assets at historical cost	<u>2,021,879,092</u>	<u>24,511,083</u>	<u>11,530,681</u>	<u>42,510,994</u>	<u>2,077,370,488</u>
Less accumulated depreciation for:					
Utilities systems and other non-structural improvements	40,071,513	4,227,731	—	—	44,299,244
Buildings and improvements	463,362,032	36,873,366	659,648	—	499,575,750
Computer software	24,271,795	11,514	—	—	24,283,309
Equipment	221,877,451	23,768,474	8,338,873	—	237,307,052
Vehicles	14,200,793	1,766,926	877,067	—	15,090,652
Total accumulated depreciation	<u>763,783,584</u>	<u>66,648,011</u>	<u>9,875,589</u>	<u>—</u>	<u>820,556,007</u>
Depreciable capital assets, net	<u>1,258,095,508</u>	<u>(42,136,929)</u>	<u>1,655,092</u>	<u>—</u>	<u>1,256,814,481</u>
<b>Capital assets, net</b>	<b><u>\$ 1,401,595,103</u></b>	<b><u>\$ 62,813,580</u></b>	<b><u>\$ 2,933,256</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 1,461,475,427</u></b>
* Includes current fiscal year capitalized interest of \$5,451,957					
<b>NOTE:</b> The University received \$114,496 in proceeds from the sale of capital assets					

### NOTE 5. UNEARNED REVENUES, DEPOSITS AND FUNDS HELD FOR OTHERS

Unearned revenues consist primarily of athletic ticket sales and related fees and unearned student revenues for summer session and fall semester. These monies were collected in advance and were not earned at June 30, 2020.

Athletic sales and related event receipts include advance sales of football tickets and program advertising fees. Unearned student revenues consist mainly of student tuition and fees, room and board, and other fees related to the long summer session and fall semester. Also included are amounts received in advance for sponsored research programs.

Fees collected in advance for municipal services, contract credit courses, and various departmental accounts comprise the remaining balance of unearned revenues.

A summary listing of unearned revenue follows:

<b>Unearned Revenues</b>	
<b>Description</b>	<b>Amount</b>
Athletic event receipts	\$ 16,539,905
Sponsored research programs	7,334,688
Academic and other fees	19,273,092
Educational programs	292,695
Public service programs	99,022
Other	222,978
<b>Total unearned revenues</b>	<b><u>\$ 43,762,380</u></b>

Deposits consist of a current and noncurrent component. Current deposits are comprised of football game guarantees, amounts due to the Atlantic Coast Conference, student campus card balances, and miscellaneous departmental amounts. Pooled fringe benefit over-recoveries represent the noncurrent deposits. The University submits a pooled fringe benefit rate proposal to its cognizant agency, the U.S. Department of Health & Human Services (DHHS), two years in advance for actual charges.



## NOTES TO FINANCIAL STATEMENTS

DHHS has approved the University's pooled fringe benefit rates through the fiscal year ending June 30, 2021. Actual under-recovery or over-recovery of costs are reflected in future rate proposals and approvals. The \$4,129,185 balance in noncurrent deposits represents an over-recovery for the fiscal year ending June 30, 2020, and will be absorbed/adjusted through the pooled fringe rate established for the fiscal year ending June 30, 2022. For the fiscal year ending June 30, 2019, the University recognized an under-recovery of costs. The under-recovery totaling \$1,986,705 is classified as Other Assets. This under-recovery will be absorbed/adjusted through the pooled fringe rate established for the fiscal year ending June 30, 2021.

<b>Deposits</b>		
<b>Description</b>	<b>Current Amount</b>	<b>Noncurrent Amount</b>
Athletics	\$ 441,067	\$ —
Student Campus Card Balances	255,378	—
Miscellaneous Departmental	65,237	—
Pooled fringe benefits over-recoveries	—	4,129,185
<b>Total deposits</b>	<b>\$ 761,682</b>	<b>\$ 4,129,185</b>

Funds held for others consists of current and noncurrent components. Current funds held for others is comprised of agency funds held in trust for others. The federal Perkins loan liability balance represents the noncurrent funds held for others.

<b>Funds Held for Others</b>		
<b>Description</b>	<b>Current Amount</b>	<b>Noncurrent Amount</b>
Federal Perkins Loans	\$ —	\$5,184,375
Amounts held in trust	773,260	—
<b>Total funds held for others</b>	<b>\$773,260</b>	<b>\$5,184,375</b>

## NOTE 6. BONDS PAYABLE

At June 30, 2020, bonds payable consisted of the following:

<b>BONDS PAYABLE</b>					
<b>Description</b>	<b>Original Debt</b>	<b>Interest Rate (outstanding)</b>	<b>Maturity Dates</b>	<b>June 30, 2020 Balance</b>	<b>Debt Retired in Fiscal Year 2020</b>
<b>General Obligation Bonds</b>					
Bonds dated 4/01/07 (Series 2007B)	\$ 14,000,000	2.50%	6/1/2021	\$ 1,240,000	\$ 1,180,000
Bonds dated 3/01/11 (Series 2011B)	62,370,000	4.125-5.00%	3/1/2031	5,000,000	5,000,000
Bonds dated 6/1/14 (Series 2014B)	33,030,000	3.00-5.00%	4/1/2034	25,790,000	1,310,000
Bonds dated 10/01/16 (Series 2016F)	52,395,000	2.00-5.00%	6/1/2036	46,545,000	2,045,000
Bonds dated 8/24/17 (Series 2017A)	120,885,000	2.25-5.00%	4/1/2037	115,355,000	500,000
Bonds dated 5/23/19 (Series 2019A)	5,635,000	3.00-5.00%	4/1/2039	5,430,000	205,000
				<u>199,360,000</u>	
<b>Revenue Bonds</b>					
Bonds dated 12/1/05 (Series 2005)	22,130,000	0.00%	5/1/2020	—	705,000
Bonds dated 5/1/15 (Series 2015)	90,285,000	4.00-5.00%	5/1/2045	85,180,000	1,785,000
Bonds dated 12/1/15 (Series 2015B)	191,000,000	2.75-5.00%	5/1/2046	182,390,000	4,410,000
				<u>267,570,000</u>	
<b>Athletic Facilities Revenue Bonds</b>					
Bonds dated 2/1/12 (Series 2012)	12,335,000	2.00-3.00%	5/1/2023	2,945,000	910,000
Bonds dated 12/1/14 (Series 2014A)	30,695,000	3.00-5.00%	5/1/2045	30,695,000	—
Bonds dated 12/1/14 (Series 2014B)	9,240,000	2.40-4.00%	5/1/2027	5,095,000	890,000
Bonds dated 12/1/14 (Series 2014C)	10,545,000	2.00-5.00%	5/1/2025	7,190,000	845,000
Bonds dated 5/1/15 (Series 2015)	60,695,000	4.00-5.00%	5/1/2045	55,185,000	1,185,000
Bonds dated 12/1/15 (Series 2015B)	18,875,000	3.00-5.00%	5/1/2046	16,975,000	515,000
Bonds dated 1/1/18 (Series 2018A)	11,300,000	3.00-5.00%	5/1/2047	11,300,000	—
				<u>129,385,000</u>	
Subtotal bonds payable				596,315,000	21,485,000
Plus unamortized bond premium				44,245,899	2,650,558
<b>Total Bonds Payable</b>				<b>\$ 640,560,899</b>	<b>\$ 24,135,558</b>



## NOTES TO FINANCIAL STATEMENTS

Bonds issued by the University include certain restrictive covenants. General Obligation Bonds of the State are backed by the full faith, credit and taxing power of the State. Tuition and matriculation fees paid to the University are pledged for the payment of principal and interest on these bonds. Auxiliary Revenue Bonds are payable solely from and secured by a pledge of revenues of the University's housing facilities, bookstores, dining services, parking and vending, and from additional funds from the academic "University" fee imposed by the Board of Trustees. Athletic Facilities Revenue Bonds are payable solely from the net revenues of the University's Athletic Department and the gross receipts from the imposition of any admissions fee and any special student fee.

The University purchased a bond insurance policy payable to the bond trustee for the Revenue Bonds Series 2005. The insurance guarantees payment of principal and interest until all debt has been retired.

Tuition fees for the fiscal year ended June 30, 2019 were \$43,154,545, which results in a legal annual debt service limit at June 30, 2020 of \$38,839,091. This amount is equal to 90% of tuition fees collected for the prior fiscal year.

The Series 2007B General Obligation Bonds maturing on and after June 1, 2018, are subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State, on and after June 1, 2017, at par plus accrued interest to the date fixed for redemption.

The Series 2011B General Obligation State Institution Bonds maturing on and after March 1, 2022, are subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State, on and after March 1, 2021 at par plus accrued interest to the date fixed for redemption.

The Series 2012 Athletic Facilities Refunding Revenue Bonds mature as serial bonds on May 1 of each of the years 2012 through 2023 and are not subject to redemption prior to maturity.

The Series 2014B General Obligation State Institution Bonds mature on April 1 in each of the years 2015 through 2034 and are not subject to redemption prior to maturity.

The Series 2014A Athletic Facilities Revenue Bonds mature on May 1 in each of the years 2015 through 2045 and are subject to redemption prior to maturity.

The Series 2014B Taxable Athletic Facilities Revenue Bonds mature on May 1 in each of the years 2015 through 2027 and are subject to redemption prior to maturity.

The Series 2014C Athletic Facilities Revenue Refunding Bonds mature on May 1 in each of the years 2015 through 2025 and are subject to redemption prior to maturity.

The Series 2015 Athletic Facilities Revenue Bonds mature on May 1 in each of the years 2016 through 2045 and are subject to redemption prior to maturity.

The Series 2015 Higher Education Revenue Bonds mature on May 1 in each of the years 2016 through 2045 and are subject to redemption prior to maturity.

The Series 2015B Athletic Facilities Revenue Bonds mature on May 1 in each of the years 2016 through 2046 and are subject to redemption prior to maturity.

The Series 2015B Higher Education Revenue Bonds mature on May 1 in each of the years 2016 through 2046 and are subject to redemption prior to maturity.

The Series 2016F General Obligation State Institution Bonds mature on June 1 in each of the years 2018 through 2036 and are subject to redemption prior to maturity.

The Series 2017A General Obligation State Institution Bonds mature on April 1 in each of the years 2018 through 2037 and are subject to redemption prior to maturity.

The Series 2018A Athletic Facilities Revenue Bonds mature on May 1 in each of the years 2022 through 2047 and are subject to redemption prior to maturity.

The Series 2019A General Obligation State Institution Bonds mature on April 1 in each of the years 2020 through 2039 and are subject to redemption prior to maturity.



## NOTES TO FINANCIAL STATEMENTS

The Revenue and Athletic Facilities bonds are payable in semiannual installments plus interest. The General Obligation bonds are paid periodically throughout the fiscal year. Amounts including interest required to complete payment of the Revenue and Athletic Facilities Revenue bond obligations as of June 30, 2020, are as follows:

### Revenue Bonds

Description	Principal	Interest	Total
Year Ending June 30			
2021	\$ 6,505,000	\$ 10,892,451	\$ 17,397,451
2022	6,825,000	10,567,201	17,392,201
2023	7,170,000	10,225,951	17,395,951
2024	7,530,000	9,867,452	17,397,452
2025	7,900,000	9,490,952	17,390,952
2026 through 2030	42,425,000	41,526,456	83,951,456
2031 through 2035	49,180,000	32,764,206	81,944,206
2036 through 2040	58,505,000	23,443,231	81,948,231
2041 through 2045	71,105,000	10,840,000	81,945,000
2046	10,425,000	417,000	10,842,000
<b>Total Revenue Bonds</b>	<b><u>\$ 267,570,000</u></b>	<b><u>\$ 160,034,900</u></b>	<b><u>\$ 427,604,900</u></b>

### Athletic Facilities Revenue Bonds

Description	Principal	Interest	Total
Year Ending June 30			
2021	\$ 4,535,000	\$ 5,063,554	\$ 9,598,554
2022	4,850,000	4,879,984	9,729,984
2023	5,040,000	4,718,784	9,758,784
2024	5,350,000	4,517,271	9,867,271
2025	5,600,000	4,269,772	9,869,772
2026 through 2030	18,725,000	18,499,147	37,224,147
2031 through 2035	22,830,000	14,386,831	37,216,831
2036 through 2040	27,330,000	9,892,075	37,222,075
2041 through 2045	32,910,000	4,297,287	37,207,287
2046 through 2047	2,215,000	97,862	2,312,862
<b>Total Athletic Facilities Revenue Bonds</b>	<b><u>\$ 129,385,000</u></b>	<b><u>\$ 70,622,567</u></b>	<b><u>\$ 200,007,567</u></b>

Amounts including interest required to complete payment of the General Obligation Bonds as of June 30, 2020, are as follows:

### General Obligation Bonds

Description	Principal	Interest	Total
Year Ending June 30			
2021	\$ 10,450,000	\$ 7,840,712	\$ 18,290,712
2022	10,770,000	7,349,212	18,119,212
2023	11,310,000	6,810,712	18,120,712
2024	11,875,000	6,245,213	18,120,213
2025	12,470,000	5,651,462	18,121,462
2026 through 2030	70,995,000	19,308,776	90,303,776
2031 through 2035	56,410,000	7,066,488	63,476,488
2036 through 2039	15,080,000	672,300	15,752,300
<b>Total General Obligation Bonds</b>	<b><u>\$ 199,360,000</u></b>	<b><u>\$ 60,944,875</u></b>	<b><u>\$ 260,304,875</u></b>



## NOTES TO FINANCIAL STATEMENTS

The University reported net principal retirements and interest expenditures related to the bonds as follows for the year ended June 30, 2020:

### Principal Retirements and Interest Expenses

Bond Type	Net Principal	Interest
General obligation bonds	\$ 10,240,000	\$ 6,749,733
Revenue bonds	6,900,000	10,402,474
Athletic facilities revenue bonds	4,345,000	4,825,595
<b>Total Net Principal Retirements and Interest Expenses</b>	<b><u>\$ 21,485,000</u></b>	<b><u>\$ 21,977,802</u></b>

## NOTE 7. LEASE OBLIGATIONS

The University is obligated under various operating leases for the use of real property (land, buildings, office space) and equipment and also is obligated under capital leases and installment purchase agreements for the acquisition of real property. All capital and operating leases are with parties outside State government.

Future commitments for capital leases (which here and on the Statement of Net Position include other installment purchase agreements) and for non-cancellable operating leases having remaining terms in excess of one year as of June 30, 2020, were as follows:

### Capital and Operating Lease Commitments

Description	Capital Leases	Operating Leases
Year Ending June 30:		
2021	\$ 1,004,171	\$ 3,634,768
2022	988,219	2,186,452
2023	780,714	1,404,274
2024	662,525	649,583
2025	574,408	193,612
2026 through 2030	2,872,040	—
2031 through 2035	2,872,040	—
2036 through 2038	1,553,372	—
<b>Total minimum lease payments</b>	<b><u>11,307,489</u></b>	<b><u>\$ 8,068,689</u></b>
Less: Interest	165,020	
<b>Principal outstanding - Clemson University</b>	<b><u>\$ 11,142,469</u></b>	

## Capital Leases

The capital leases are payable in monthly installments and will expire in 2038. Expenditures for fiscal year 2020 were \$1,008,914, of which \$915,204 was principal and \$93,710 was interest. The following is a summary of the carrying values of the assets held under capital leases at June 30, 2020:

### Assets Held Under Capital Lease

Description	Value at Lease Inception	Accumulated Depreciation	Net
Buildings	\$ 14,300,000	\$ (4,027,834)	\$ 10,272,166
Equipment	1,761,027	(619,658)	1,141,369
<b>Total assets held under capital lease</b>	<b><u>\$ 16,061,027</u></b>	<b><u>\$ (4,647,492)</u></b>	<b><u>\$ 11,413,535</u></b>



## NOTES TO FINANCIAL STATEMENTS

Certain capital leases provide for renewal and/or purchase options. Generally, purchase options at bargain prices of one dollar are exercisable at the expiration of the lease terms.

In October 2012, the University entered into a capital lease of \$14,300,000 at less than .1 percent interest whereby the University leases space in the Greenville One Building for a twenty-five year period which began in March 2013 and extends to March 2038. The Greenville One Building is located in downtown Greenville, SC and the space consists of four floors and space on the ground floor and exclusive use of an exterior green roof. The University entered into the lease with Clemson University Land Stewardship Foundation, Inc. (CULSF), a component unit. The outstanding liability as of June 30, 2020 is \$10,139,235.

Between 2018 and 2020 the University entered into multiple equipment leases with Presidio Technology Capital. The outstanding liability on these leases as of June 30, 2020 is \$1,003,234.

### Operating Leases

The University's non-cancelable operating leases having remaining terms of more than one year expire in various fiscal years from 2020 through 2025. Certain operating leases provide for renewal options for periods from one to five years at the fair rental value at the time of renewal. All agreements are cancelable if the State of South Carolina does not provide adequate funding but that is considered a remote possibility. In the normal course of business, operating leases are generally renewed or replaced by other leases. Operating leases are generally payable on a monthly basis.

In January 2012, Clemson University originally entered into a real property operating lease with CULSF, a component unit, for space located in the building at 3 Research Drive, Greenville, SC, at the CU-ICAR Campus. This agreement to establish a component testing laboratory has been extended through April 2022. Under this lease, the University paid CULSF \$152,190. in the current fiscal year.

In September 2011, the University entered into an agreement with CULSF, a component unit, for space in the building located at 3 Research Drive, Greenville, SC, at the CU-ICAR Campus. This agreement is on a month-to-month basis and extends indefinitely. Under this lease, the University paid \$12,000 in the current fiscal year.

In June 2014, the University entered into a real property operating lease with CUF, a component unit, for space in the building located at 110 Daniel Drive, Clemson, SC. This lease extends through June 2022. Under this lease, the University paid CUF \$97,665 this fiscal year.

In June 2014, the University entered into a real property

operating lease with CUF for space in the building located at 114 Daniel Drive, Clemson, SC. This lease extends through June 2022. Under this lease, the University paid CUF \$42,500 this fiscal year.

In December 2015, the University entered into a real property operating lease with CULSF for space in the building located at 1 Research Dr., Greenville, SC. This lease was extended until September 30, 2019. Under this lease, the University paid CULSF \$103,347 this current fiscal year.

In October 2017, the University entered into a real property operating lease with CULSF for space in the building located at 1 Research Dr., Greenville, SC. This lease extends through February 2021. Under this lease, the University paid CULSF \$280,432 this current fiscal year.

In June 2018, the University entered into a real property operating lease with CULF for property located in Sunset, SC. This lease extends through June 2025. Under this lease, the University paid CULSF \$116,700 this current fiscal year.

In June 2019, the University entered into a real property operating lease with CULSF for space in the building located at 3 Research Drive, Greenville, SC. This lease extends through September 2022. Under this lease CUF paid CULSF \$22,667 this current fiscal year.

In October 2019, the University entered into a real property operating lease with CULSF for space in the building located at 1 Research Drive, Greenville, SC. This lease extends through September 2022. Under this lease, the University paid CULSF \$211,436 this current fiscal year.

In the current fiscal year, Clemson University incurred expenses of \$25,762 for office copier contingent rentals on a cost-per-copy basis.



## NOTE 8. PENSION PLANS

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. 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 trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement 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, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

### Plan Descriptions

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective 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 allowances and other benefits for employees of the state, its public school districts, and 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 system's 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 effective 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.

### Membership

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

*SCRS* – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012 is a Class Three member.

*State ORP* – As an alternative to membership in the SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for the State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the retirement systems for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers 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.



## NOTES TO FINANCIAL STATEMENTS

**PORS** – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as 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. A brief summary of benefit terms for each system is presented below.

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

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

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

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent of 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 through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 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 first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less



## NOTES TO FINANCIAL STATEMENTS

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 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 85 percent.

The Retirement System Funding and Administration Act increased employer contribution rates to 15.41 percent for SCRS and 17.84 percent for PORS, effective July 1, 2017. It also removed the 2.9 percent and 5 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS, respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty-year amortization period.

Required *employee* contribution rates (1) are as follows:

	Fiscal Year 2020	Fiscal Year 2019
<b>SCRS</b>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<b>State ORP</b>		
Employee	9.00%	9.00%
<b>PORS</b>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required *employer* contribution rates (1) are as follows:

	Fiscal Year 2020	Fiscal Year 2019
<b>SCRS</b>		
Employer Class Two	15.41%	14.41%
Employer Class Three	15.41%	14.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>State ORP</b>		
Employer Contribution (2)	15.41%	14.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>PORS</b>		
Employer Class Two	17.84%	16.84%
Employer Class Three	17.84%	16.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

(1) Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

(2) Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

For the year ended June 30, 2020, the University's SCRS contributions totaled \$27,679,831. The University's PORS contributions totaled \$982,682. Total contributions directly to the ORPs were approximately \$9,712,062 (excluding the surcharge) from Clemson University as employer and approximately \$17,481,711 from its employees as plan members. The remaining employer contribution amounts sent to SCRS (excluding the surcharge) were \$20,511,564.

### Net Pension Liability

At June 30, 2020, the University reported liabilities of \$662,757,449 and \$9,556,980 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively. The net pension liabilities were measured as of June 30, 2019, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2018 projected forward to June 30, 2019. The University's proportionate shares of the net pension liabilities were based on a projection of the University's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The University's proportionate share of the SCRS plan increased by 0.088080% over the prior year. The University's proportionate share of the PORS plan increased by 0.043139% from the prior year. At June 30, 2020, the University's proportionate shares of the SCRS and PORS plans were 2.902484% and 0.333467% respectively.



## NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2020, the University recognized pension expense of \$88,426,781 and \$1,779,946 for SCRS and PORS, respectively.

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. NPL totals, as of June 30, 2019, 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	\$ 50,073,060,256	\$ 27,238,916,138	\$ 22,834,144,118	54.4%
PORS	7,681,749,768	4,815,808,554	2,865,941,214	62.7%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net position liability is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Employer's proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and non-employer contributions appropriated in the State's budget. In an effort to offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for fiscal year 2019. The State budget appropriated these funds directly to PEBA and a credit was issued for each employer to use when submitting their quarterly remittances to PEBA. For the year ended June 30, 2019 measurement period, PEBA provided non-employer contributions to the University in the amount of \$2,932,589 and \$37,431 for the SCRS and PORS plans, respectively, which is shown as a reduction to net pension liability and other grant revenue in the year ended June 30, 2020.

### Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2020, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

#### South Carolina Retirement System

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
University contributions subsequent to the measurement date	\$ 48,191,395	\$ —
Differences between expected and actual experience	455,581	4,761,131
Assumption changes	13,355,521	—
Net difference between projected and actual earnings on pension plan investments	5,867,616	41,525
Differences due to changes in proportionate share of contributions	28,205,373	—
<b>Total outflows and inflows of resources</b>	<b>\$ 96,075,486</b>	<b>\$ 4,802,656</b>

#### Police Officers Retirement System

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
University contributions subsequent to the measurement date	\$ 982,682	\$ —
Differences between expected and actual experience	196,511	70,633
Assumption charges	378,982	—
Net difference between projected and actual earnings on pension plan investments	121,176	51,360
Difference due to changes in proportionate share of contributions	948,619	—
<b>Total outflows and inflows of resources</b>	<b>\$ 2,627,970</b>	<b>\$ 121,993</b>



## NOTES TO FINANCIAL STATEMENTS

The \$48,191,395 and \$982,682 reported as deferred outflows of resources related to pensions resulting from University contributions paid subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2020 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2021. The contributions made after the measurement date of the net pension liability but before the end of employer's or governmental non-employer contributing entity's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized as follows for the SCRS and PORS plans, respectively:

Year ended June 30:	SCRS	PORS
2021	\$ 30,621,484	\$ 776,907
2022	4,550,888	368,719
2023	5,536,511	282,692
2024	2,372,552	94,977

### Actuarial Assumptions and Methods

Actuarial valuations 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. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time 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 ended June 30, 2015.

The June 30, 2019 total pension liability, net pension liability, and sensitivity information were determined by the Systems' consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the Systems' fiscal year ended June 30, 2019, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2019.

Actuarial cost method	SCRS	PORS
Actuarial assumptions:		
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return <sup>(1)</sup>	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) <sup>(1)</sup>	3.5% to 9.5% (varies by service) <sup>(1)</sup>
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
<sup>(1)</sup> includes inflation at 2.25%		

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016. Assumptions used in determination of the June 30, 2019 total pension liability are as follows:

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



## NOTES TO FINANCIAL STATEMENTS

### 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 revised target asset allocation adopted at the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return set in statute and used in the calculation of the total pension liability includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
<b>Global Equity</b>	<b>51.0%</b>		
Global Public Equity	35.0%	7.29%	2.55%
Private Equity	9.0%	7.67%	0.69%
Equity Options Strategies	7.0%	5.23%	0.37%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate (Private)	8.0%	5.59%	0.45%
Real Estate (REITs)	1.0%	8.16%	0.08%
Infrastructure (Private)	2.0%	5.03%	0.10%
Infrastructures (Public)	1.0%	6.12%	0.06%
<b>Opportunistic</b>	<b>8.0%</b>		
Global Tactical Asset Allocation	7.0%	3.09%	0.22%
Other Opportunistic Strategies	1.0%	3.82%	0.04%
<b>Credit</b>	<b>15.0%</b>		
High Yield Bonds/Bank Loans	4.0%	3.14%	0.13%
Emerging Markets Debt	4.0%	3.31%	0.13%
Private Debt	7.0%	5.49%	0.38%
<b>Rate Sensitive</b>	<b>14.0%</b>		
Core Fixed Income	13.0%	1.62%	0.21%
Cash and Short Duration (Net)	1.0%	0.31%	0.00%
<b>Total Expected Real Return</b>	<b>100.0%</b>		<u>5.41%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
<b>Total Expected Nominal Return</b>			<u><u>7.66%</u></u>

### Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all 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.

### Sensitivity Analysis

The following table presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, 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 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

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

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 834,935,697	\$ 662,757,450	\$519,064,725
PORS	12,951,974	9,556,980	6,775,623

### Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2019 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2019.



## **NOTE 9. 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 is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts and retirement systems and is part of the State of South Carolina primary government.

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

### **Plan Descriptions**

The Other Post-Employment Benefits Trust Funds (OPEB Trusts), collectively refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), were established by the State of South Carolina as Act 195, which became effective on 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 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 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 these postemployment and long-term disability benefits to be funded through annual appropriations by the General Assembly for active employees to the PEBA, Insurance Benefits and participating retirees to PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the PEBA, Insurance Benefits. For active employees who are not funded by State General Fund appropriations, participating employers are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office. The covered payroll surcharge for the year ended June 30, 2020 was 6.05 percent. The South Carolina Retirement System collects the monthly surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include mandatory transfers of accumulated PEBA, Insurance Benefits' reserves and income generated from investments. Employer contributions also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs.

Basic long-term disability benefits are funded through a person's premium charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2020. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.



## NOTES TO FINANCIAL STATEMENTS

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 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 comprehensive annual financial report of the state.

For the year ended June 30, 2020, the University's SCRHITF contributions totaled \$23,104,778. The University's SCLTDITF contributions totaled \$176,543. The University's proportionate share of the implicit subsidy recognized for the year ended June 30, 2020 was \$1,684,685.

### Net OPEB (Retiree Health Benefit) Liability

At June 30, 2020 the University reported liabilities of \$646,275,814 and \$48,878 for its proportionate shares of the SCRHITF and SCLTDITF net OPEB liabilities, respectively. At June 30, 2020, the University's proportionate shares of the SCRHITF and SCLTDITF plans were 4.273880% and 2.483323% respectively. For the year ended June 30, 2020, the University recognized OPEB expense of \$42,981,971 and \$203,219 for the SCRHITF and SCLTDITF plans, respectively.

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

The following table represents the components of the net OPEB liability as of June 30, 2020:

OPEB Trust	Total OPEB Liability	Plan Fiduciary NetPosition	Net OPEB Liability	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 16,516,264,617	\$ 1,394,740,049	\$ 15,121,524,568	8.44%
SCLTDITF	40,743,755	38,775,500	1,968,255	95.17%

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.

### Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the University reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources.

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

DESCRIPTION	Deferred Outflows of Resources	Deferred Inflows of Resources
University contributions subsequent to the measurement date	\$ 23,104,778	\$ —
Investment experience	1,679,508	21,007,444
Liability experience	7,610,042	923,525
Assumption changes	42,764,610	40,020,911
Outstanding inflow balance between contribution and proportionate share	19,980,013	5,415
<b>Total outflows and inflows of resources</b>	<b>\$ 95,138,951</b>	<b>\$ 61,957,295</b>



## NOTES TO FINANCIAL STATEMENTS

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

DESCRIPTION	Deferred Outflows of Resources	Deferred Inflows of Resources
University contributions subsequent to the measurement date	\$ 176,543	\$ —
Investment experience	31,765	34,013
Liability experience	—	30,453
Assumption changes	27,494	4,356
Outstanding inflow balance between contribution and proportionate share	—	7,026
<b>Total outflows and inflows of resources</b>	<b>\$ 235,802</b>	<b>\$ 75,848</b>

The net amount of deferred outflows of resources and deferred inflows of resources related to retiree health benefits will be amortized as follows for the SCRHITF and SCLTDITF plans, respectively:

Year ended June 30:	SCRHITF	SCLTDITF
2021	\$ (514,603)	\$ 2,618
2022	(514,603)	2,618
2023	(763,227)	(2,805)
2024	(1,157,330)	(9,777)
2025 and thereafter	13,026,691	(9,243)

### 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. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation for SCRHITF:

Actuarial Assumptions	SCRHITF
Valuation date:	June 30, 2018
Actuarial cost method:	Entry age normal
Inflation:	2.25%
Investment rate of return:	2.75% net of OPEB Plan investment expense, including inflation
Single discount rate:	3.13% as of June 30, 2019
Demographic assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Healthcare trend rate:	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years
Retiree participation	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for Partial Funded Premiums 20% participation for retirees who are eligible for Non-Funded Premiums
Notes:	There were no benefit changes during the year; the discount rate changed from 3.62% as of June 20, 2018 to 3.13% as of June 30, 2019; minor updates were made to the healthcare trend rate assumption.



## NOTES TO FINANCIAL STATEMENTS

Additional information as of the latest actuarial valuation for SCLTDITF:

Actuarial Assumptions	SCLTDITF
Valuation date:	June 30, 2018
Actuarial cost method:	Entry age normal
Inflation:	2.25%
Investment rate of return:	3.00, net of Plan investment expense, including inflation
Single discount rate:	3.04% as of June 30, 2019
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, 2015
Disability Incidence:	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans
Disability Recovery:	For participants in payments, 1987 CGDT Group Disability, for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets:	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses:	Third party administrative expenses are included in the benefit projections
Notes:	The discount rate changed from 3.91% as of June 30, 2018 to 3.04% as of June 30, 2019

The actuarial valuation was performed as of June 30, 2018. Update procedures were used to roll forward the total OPEB liability to June 30, 2019.

### Long Term Expected Rate of Return

The long-term expected rate of returns represent 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:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return	Allocation Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	0.60%	0.48%
Cash	20.00%	0.10%	0.02%
Total	<u>100.00%</u>		<u>0.50%</u>
Expected Inflation			<u>2.25%</u>
Total Return			<u>2.75%</u>
Investment Return Assumption			2.75%

### Discount Rate

The Single Discount Rate of 3.13% 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 3.04% 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 3.13%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$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 2039. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2039, and the municipal bond rate was applied to all benefit payments after that date.



## NOTES TO FINANCIAL STATEMENTS

### Sensitivity Analysis

The following table presents the University's proportionate share of the SCRHITF net other postemployment benefits (OPEB) liability calculated using the discount rate of 3.13 percent, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.13 percent) or 1 percentage point higher (4.13 percent) than the current rate:

<b>Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Discount Rate</b>		
<b>1.00% Decrease (2.13%)</b>	<b>Current Discount Rate (3.13%)</b>	<b>1.00% Increase (4.13%)</b>
\$ 766,152,067	\$ 646,275,814	\$ 550,070,149

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

<b>1.00% Decrease</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1.00% Increase</b>
\$ 527,430,105	\$ 646,275,814	\$ 801,048,036

The following table presents the University's proportionate share of the SCLTDITF net OPEB liability calculated using the discount rate of 3.04 percent, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.04 percent) or 1 percentage point higher (4.04 percent) than the current rate:

<b>Sensitivity of the SCLTDITF Net OPEB Liability to Changes in the Discount Rate</b>		
<b>1.00% Decrease (2.04%)</b>	<b>Current Discount Rate (3.04%)</b>	<b>1.00% Increase (4.04%)</b>
\$ 84,076	\$ 48,878	\$ 13,962

### Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer Allocation of the Net OPEB Liability, Contributions from Non-employer Contributing Entities, and Implicit Subsidy and the Schedules of Employer Allocation of the OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (the Schedules) were compiled from the OPEB Trust Funds audited financial statements for the fiscal year ended June 30, 2019, and the accounting and financial reporting actuarial valuation as of June 30, 2019. 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. Employers are encouraged to review Illustration II in Appendix C of GASB Statement No. 75, which provides a sample footnote disclosure and required supplementary information for a cost-sharing multiple-employer defined benefit plan.

## NOTE 10.

### DEFERRED COMPENSATION PLANS

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



## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020 was as follows:

<b>Long-Term Liabilities</b>					
<b>Description</b>	<b>July 1, 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2020</b>	<b>Due Within One Year</b>
Bonds payable and capital lease obligations:					
General obligation bonds	\$ 209,600,000	—	\$ 10,240,000	\$ 199,360,000	\$ 10,450,000
Revenue bonds	274,470,000	—	6,900,000	267,570,000	6,505,000
Athletic facilities revenue bonds	133,730,000	—	4,345,000	129,385,000	4,535,000
Subtotal bonds payable	617,800,000	—	21,485,000	596,315,000	21,490,000
Unamortized revenue bond premium	46,896,457	—	2,650,558	44,245,899	2,564,543
Total bonds payable	664,696,457	—	24,135,558	640,560,899	24,054,543
Capital leases payable	11,687,904	369,769	915,204	11,142,469	933,481
Total bonds and capital leases payable	676,384,361	369,769	25,050,762	651,703,368	24,988,024
Other liabilities:					
Accrued compensated absences	28,356,000	14,669,929	11,582,929	31,443,000	15,487,250
Funds held for others	6,951,851	—	1,767,476	5,184,375	—
Net pension liability	638,844,885	118,709,960	85,240,416	672,314,429	—
Net postemployment benefit liability	588,163,078	99,459,115	41,297,501	646,324,692	—
Total other liabilities	1,262,315,814	232,839,004	139,888,322	1,355,266,496	15,487,250
<b>Total long-term liabilities</b>	<b>\$1,938,700,175</b>	<b>\$233,208,773</b>	<b>\$164,939,084</b>	<b>\$ 2,006,969,864</b>	<b>\$ 40,475,274</b>

Additional information regarding Bonds Payable is included in Note 6. Additional information regarding Capital Lease Obligations is included in Note 7. The balance in the long-term liability account “Funds held for others” represents the Federal liability for the Perkins Loan program and longevity incentives for athletic coaches.



## NOTE 12. CONSTRUCTION COSTS AND COMMITMENTS

### Capitalized

The University has obtained or has plans to obtain the necessary funding for the acquisition, construction, renovation, and equipping of certain facilities which will be capitalized in the applicable capital asset categories upon completion. Management estimates that the University has sufficient resources available and/or future resources identified to satisfactorily complete the construction of such projects which are expected to be completed in varying phases over the next 2 or 3 years at an estimated cost of \$313,372,557. The \$313,372,557 includes estimated costs of \$264,115,391 for capital projects currently in progress plus \$49,257,167 estimated costs for other capital projects already in service. Of the total estimated cost, \$111,851,202 was unexpended at June 30, 2020. Of the total expended through June 30, 2020, the University has capitalized substantially complete and in use projects in the amount of \$42,627,940. Of the unexpended balance the University has remaining commitment balances of \$41,524,845 with certain property owners, engineering firms, construction contractors, and vendors related to these projects. Retainages payable on these capitalized projects as of June 30, 2020, was \$2,710,151. Capital projects at June 30, 2020 which constitute construction in progress that are to be capitalized when completed are listed below.

### Construction Costs and Commitments

Project	Approximate Cost	Amount Expended
College of Business School construction	\$ 87,500,000	\$ 91,098,022
Campus Wide Mail Lockers	1,232,500	94,965
Chapel construction	5,000,000	1,876,278
Chapel Fire Access Jersey Lane	400,000	34,000
Child care facility construction	5,000,000	3,955,024
Core Campus Safety and Revitalization	420,000	13,435
Daniel renovation and expansion	59,730,000	3,055,597
Douthit Hills Parking Lot E27	518,900	51,254
Douthit Hills R10 Parking Lot	916,400	107,858
Duke Innovation Building upfit	169,985	39,902
Electrical distribution upgrade	78,276,673	57,673,106
Electrical infrastructure maintenance and improvements	1,118,674	1,118,674
Garrison Arena Construction	7,800,000	159,233
Hardscrabble road new bathroom facility	500,000	49,085
Manufacturing Innovation Building	4,000,000	2,591,582
Memorial Stadium Renovations	1,030,000	856,441
Recycle operations	500,000	74,444
Roadway pedestrian safety improvements	315,000	52
SCDOT Bike Trail cost share	750,000	750,000
Soccer Operations Complex construction	8,000,000	4,491,385
WEP Tower and Chiller addition	1,470,000	1,375,824
West Energy Plant Chiller #4 A	998,000	832,057
<b>Total construction costs and commitments</b>	<b>\$ 265,646,132</b>	<b>\$ 170,298,218</b>

The amount expended includes only capitalized project expenses and capitalized interest on construction debt for projects less than substantially complete and not in service at June 30, 2020. No noncapitalized expenditures are included in these totals.

### Non-Capitalized

At June 30, 2020 the University had in progress other capital projects which will not be capitalized when complete. These projects are for replacements, repairs, and/or renovations to existing facilities. Estimated costs on these non-capitalized projects total \$76,387,152. This amount includes costs incurred to date of \$39,648,555. and estimated costs to complete of \$36,738,597. The University has remaining commitment balances with certain parties related to these projects of \$6,850,398 Retainages payable on the non-capitalized projects as of June 30, 2020, was \$148,180. The University anticipates funding these projects out of current resources, current and future bond issues, state capital improvement bond proceeds, private gifts and student fees.



**NOTE 13.  
RELATED PARTIES**

Certain separately chartered legal entities whose activities are related to those of the University exist primarily to provide financial assistance and other support to the University and its educational program.

The activities of these entities are not included in the University's financial statements. However, the University's statements include transactions between the University and its related parties.

In accordance with Governmental Accounting Standards Board (GASB) Codification Sections 2100, Defining the Financial Reporting Entity, and Section 2600, Reporting Entity and Component Unit Presentation and Disclosure, management annually reviews its relationships with the related parties described in this note. The University excluded these related parties from the reporting entity because it is not financially accountable for them.

Following is a more detailed discussion of each of these entities and a summary of significant transactions (if any) between these entities and Clemson University.

**Clemson University Research Foundation**

The Clemson University Research Foundation (CURF) is separate 501(c)(3) corporation founded exclusively for charitable, educational and scientific purposes. CURF supports the generation and commercialization of intellectual property created from research conducted at Clemson University through sponsored research business development outreach, technology transfer, marketing, and licensing activities. Collectively, these activities are integrated to achieve the overall mission of CURF, which is "To generate research funding opportunities for Clemson University to support research initiatives that advance University discoveries to create new products and services for public use and benefit". CURF's operations and activities are governed by a Board of Directors.

The University performs research and development under performance agreements for CURF and receives payment for all direct and indirect costs which are incurred in accordance with the terms of the performance agreements. The University recorded no revenue from CURF this fiscal year, as all federal awards have been closed out. There were no outstanding receivables from CURF at June 30, 2020.

The University remitted \$290,654 to CURF per the operating agreement between the two entities. CURF reimbursed the University \$35,260 for salaries for time devoted by University employees to CURF.

**Clemson Alumni Association**

The Clemson Alumni Association is a separately chartered corporation established to serve Clemson University alumni and promote the welfare and future development of the University in its educational, scientific, and programmatic purposes.

The Alumni Association contributed \$1,091,263 to the University, recognized as nonoperating gifts, to fund administration, engagement, marketing, and events related to the Alumni Association. The Alumni Association also reimbursed the University \$16,381 for salaries for time devoted by University employees. The University administers contracts for licensing of class rings and sports apparel. The University remitted \$359,668 to the Alumni Association, primarily consisting of licensing royalties, for the fiscal year ended June 30, 2020.

**Clemson University Continuing Education and Conference Complex Corporation**

The Clemson University Continuing Education and Conference Complex Corporation (Finance Corporation), is a separately chartered corporation established in September 1993, to construct, operate and manage the golf course and hotel components of the Clemson University Continuing Education and Conference Complex. The Finance Corporation's actions are governed by its Board of Directors. The University billed the Finance Corporation \$18,489 for salaries for time devoted by University employees to the Finance Corporation.

**Clemson Architectural Foundation**

The Clemson Architectural Foundation (CAF) is a separately chartered nonprofit corporation established to provide supplemental financial support and other assistance to the architecture, construction science and management, planning and landscape architecture and visual arts programs in the College of Arts and Humanities. CAF's actions are governed by its Board of Trustees.

The University's financial statements reflect \$749,486 in expenses primarily to reimburse CAF for administrative, educational, and facilities expenses incurred at the Charles E. Daniel Center for Building Research and Urban Studies in Genoa, Italy, which is owned by CAF.

**Clemson University Real Estate Foundation**

The Clemson University Real Estate Foundation, Inc., is a separately chartered entity organized to serve as the efficient conduit through which gifts of real estate and property are received and liquidated. The Real Estate Foundation's actions are governed by its Board of Directors. This entity had no transactions with the University and did not significantly require the time or service of any University employees.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 14. TRANSACTIONS WITH STATE ENTITIES

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

The original appropriation is the University's base budget amount presented in the General Funds column of Sections 14 and 45 of Part IA of the 2019-20 Appropriation Act. The following is a reconciliation of the original appropriation as enacted by the General Assembly to state appropriations revenue reported in the financial statements for the fiscal year ended June 30, 2020:

<b>State Appropriations</b>			
<b>Description</b>	<b>Educational and General</b>	<b>Public Service</b>	<b>Total</b>
Original appropriation	\$ 92,350,353	\$ 45,521,749	\$ 137,872,102
Allocation for health and dental plan contributions	614,747	254,508	869,255
Allocation for SCRS and POS retirement contributions	653,437	266,792	920,229
Allocation for Recurring Adjustment - Salary & Frings (COLA)	1,663,635	679,244	2,342,879
Allocation for Nonrecurring Adjustment - BONUS	403,627	164,802	568,429
Appropriation allocations from the State Commission on Higher Education:			
For Academic Endowment Match	33,684	—	33,684
Education Oversight Committee for Harscrable Property Upgrades	—	500,000	500,000
For Clemson Agriculture Education Teachers - teacher recruitment	—	1,144,356	1,144,356
<b>Total state appropriations</b>	<b>\$ 95,719,483</b>	<b>\$ 48,531,451</b>	<b>\$ 144,250,934</b>

The University received substantial funding from the Commission on Higher Education (“CHE”) for scholarships on behalf of students that are accounted for as operating state grants and contracts. Additional amounts received from CHE are accounted for as both operating and nonoperating revenues, depending upon the requirement of deliverables with a current or potential future economic value. The University also receives State funds from various other State agencies for sponsored research and public service projects. Following is a summary of amounts received from State agencies for scholarships, sponsored research, capital and public service projects for the fiscal year ended June 30, 2020:

<b>Other Amounts Recognized from State Agencies</b>				
<b>Description</b>	<b>Operating Revenues</b>	<b>Nonoperating Revenues</b>	<b>Capital and Endowment Proceeds</b>	<b>Total</b>
Received from the Commission on Higher Education (CHE):				
LIFE Scholarships	\$ 28,902,831	\$ —	\$ —	\$ 28,902,831
Palmetto Scholarships	31,880,831	—	—	31,880,831
Need-Based Grants	2,369,407	—	—	2,369,407
HOPE Scholarships	22,400	—	—	22,400
Received from the Department of Education - STEM	1,750,000	—	—	1,750,000
Received from the Department of Education - Other	766,407	—	—	766,407
Received from various other state agencies	5,256,766	—	—	5,256,766
Received from agencies outside South Carolina	827,674	—	—	827,674
Received from PEBA (nonemployer contributions for retiree health care and LTD plans)	7,379,745	—	—	7,379,745
Nonrecurring funding from State Treasurer's Office for Center for Advanced Manufacturing	4,000,000	—	—	4,000,000
Nonrecurring funding from State Treasurer's Office for CU Health Innovation	2,100,000	—	—	2,100,000
Capital reserve funding for Safety and Security Infrastructure and Enhancement	—	—	5,900,000	5,900,000
Capital reserve funding for Water Research Facility Renovation	—	—	5,000,000	5,000,000
State appropriated funds for CURI Grid Simulator	—	—	272	272
<b>Total other amounts recognized from state agencies</b>	<b>\$ 85,256,061</b>	<b>\$ —</b>	<b>\$ 10,900,272</b>	<b>\$ 96,156,333</b>

The University provided no significant services free of charge to any State agency during the fiscal year; however, the University did provide computer services and information systems development for a fee to other State agencies during the fiscal year. Total fees received were \$35,156,865 comprised of \$295,695 in fees for computer services classified as other operating revenues, and \$34,861,170 in information and systems development fees classified as sales and services of auxiliary enterprises.



## NOTES TO FINANCIAL STATEMENTS

Also, the University collected and remitted \$11,307 in pesticide penalties and other fees to the State General Fund.

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

Other services received at no cost from the various offices of the State Budget and Control Board include pension plan administration, insurance plans administration, audit services, personnel management, assistance in the preparation of the State 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 State Budget and Control Board for pension and insurance plans employee and employer contributions, insurance coverage, office supplies, and interagency mail. Significant payments were also made for unemployment and workers compensation coverage for employees to the Employment Security Commission and State Accident Fund. The amounts of expenditures applicable to related transactions with state entities are not readily available.

### NOTE 15. RISK MANAGEMENT

The University is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. 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 (Employment Security Commission);
- (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 (Office of Insurance Services); and
- (4) Claims of covered public employees for long-term disability and group-life insurance benefits (Office of Insurance Services).

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

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

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

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

State agencies and other entities are the primary participants in the State's Health and Disability Insurance Fund and in the IRF.

The University obtains coverage through commercial insurers for employee fidelity bond insurance. All employees are covered for \$1,000,000 for Commercial Crime. This coverage includes the following:

- (1) Blanket employee dishonesty;
- (2) Forgery/alterations;
- (3) Theft, disappearance of money and security;
- (4) Computer fraud; and
- (5) Faithful Performance of duty

In addition, the CU Executive Vice President and Chief Financial Officer is covered for \$250,000 under a specific public official bond. CU Manager Cash & Treasury Services, CU Director of Accounting for Related Organizations, President and CEO for Clemson University Foundation, Chief Financial Officer and Treasurer for Clemson University Foundation, Senior Financial Analyst and Project Manager for Clemson University Foundation, CU Director of Student Financial



## NOTES TO FINANCIAL STATEMENTS

Services, Business Officer for Finance and Administration for CU Foundation and CU Executive Vice President & Chief Financial Officer are each covered under a \$2,000,000 bond.

The University has recorded insurance premium expenses and expenses for deductibles in applicable functional expense categories.

The University has not transferred the portion of the risk of loss related to insurance policy deductibles, and policy limits for all coverage to a State or commercial insurer.

The University has not reported an estimated claims loss expenditure or a related liability at June 30, 2020, 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, 2020, 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. Therefore no loss accrual has been recorded.

### Enterprise Risk Management Initiative

Clemson University engages in an Enterprise Risk Management (ERM) program defined by The Committee of Sponsoring Organizations (COSO) as a "process, effected by an entity's board of directors, management and other personnel, applied in strategy-setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives". The Board of Trustees ensures appropriate ERM framework is in place and functional to appropriately manage risks at an enterprise level. The President and Executive Leadership Team establishes and manages the framework for a sustainable enterprise risk management process. The University's ERM process incorporates the fundamentals of risk identification, risk assessment, risk treatment, risk monitoring and risk review.

## NOTE 16. CONTINGENCIES AND LITIGATION

The University is involved in a number of legal proceedings and claims with various parties which arose in the normal course of business and cover a wide range of matters. Because, in the opinion of management and counsel, the risk of material loss in excess of insurance coverage for these items is remote, the outcome of the legal proceedings and claims is not expected to have a material effect on the financial position of the University. Therefore, an estimated liability has not been recorded.

The various federal programs administered by the University for fiscal year 2020 and prior years are subject to examination by the federal grantor agencies. At the present time, amounts, if any, which may be due federal grantors have not been determined but the University believes that any such amounts in the aggregate would not have a material adverse effect on the financial position of the University. Therefore, an estimated loss has not been recorded.

## NOTE 17. OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2020 are summarized as follows:

Description	Compensation and Employee Benefits	Services and Supplies	Utilities	Depreciation	Scholarships and Fellowships	Pension and OPEB	Total
Instruction	\$ 248,187,665	\$ 33,126,557	\$ 573,158	—	\$ 151,866	\$ —	\$ 282,039,246
Research	127,917,988	55,986,204	2,621,879	—	1,628,127	—	188,154,198
Public Service	52,755,057	17,781,449	834,503	—	85,000	—	71,456,009
Academic Support	52,221,256	20,481,449	720,791	—	758	—	73,424,254
Student Services	32,268,610	14,868,339	70,548	—	57,055	—	47,264,552
Institutional Support	44,603,315	15,280,616	88,352	—	—	—	59,972,283
Operation and Maintenance of Plant	22,491,103	51,539,214	4,180,655	—	—	—	78,210,972
Scholarships and Fellowships	—	172,415	—	—	45,777,347	—	45,949,762
Auxiliary Enterprises	68,258,614	106,949,646	7,566,159	—	—	—	182,774,419
Pension and OPEB	—	—	—	—	—	60,751,565	60,751,565
Depreciation	—	—	—	66,648,011	—	—	66,648,011
<b>Total Operating Expenses by Function</b>	<b>\$648,703,608</b>	<b>\$316,185,889</b>	<b>\$16,656,045</b>	<b>\$ 66,648,011</b>	<b>\$47,700,153</b>	<b>\$60,751,565</b>	<b>\$1,156,645,271</b>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 18. DONOR-RESTRICTED ENDOWMENTS

If a donor has not provided specific instructions, state law permits the Board of Trustees to authorize for expense the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established.

Clemson University delegated responsibility for endowment management, including spending policy to the Clemson University Foundation Board of Trustees. In accordance with the spending policy which is established by the Clemson University Foundation Board, endowment-derived program expenses are based on a percentage of an endowment's rolling 12 quarter average. For fiscal year 2020, this rate was 4.0%. At June 30, 2020, net appreciation gains of \$3,578,179 were recorded and reported in the Statement of Net Position as unrestricted.

### NOTE 19. DETAILS OF RESTRICTED ASSETS

The purposes and amounts of Restricted Assets are as follows:

<b>Details of Restricted Assets</b>	
<u>Description</u>	<u>Amount</u>
<b>Current:</b>	
Cash and cash equivalents:	
As specified by sponsors/donors	\$ 18,879,241
University administered loans	362,558
Payment of maturing debt	16,950,595
Unspent bond proceeds	22,839,077
Amounts restricted for capital projects	160,312,599
Funds held for others	272,580
<b>Total current restricted assets</b>	<b><u>\$ 219,616,650</u></b>
<b>Noncurrent:</b>	
Cash and cash equivalents:	
Endowments	\$ 97,955
Federal Perkins Loan Program	2,071,457
<b>Total noncurrent restricted cash and cash equivalents</b>	<b><u>\$ 2,169,412</u></b>
Student Loans Receivable:	
<b>Total Federal Perkins Loan Program</b>	<b><u>\$ 4,958,056</u></b>

### NOTE 20. COMPONENT UNITS

#### Clemson University Foundation

The Clemson University Foundation (CUF) is a separately chartered corporation organized exclusively to promote the development and welfare of Clemson University in its educational and scientific purposes.

As discussed in Note 1, CUF has been included in the reporting entity as a component unit. Because CUF is deemed not to be a governmental entity and uses a different reporting model, its balances and transactions are reported on separate financial statements.

CUF transfers funds earmarked from private contributions to the University to support University scholarship, fellowship, professorship, and research programs and to reimburse the University for purchases made by CUF through the University's procurement system. These transfers for fiscal year 2020 were recorded by the University as nonoperating gift revenues totaling \$24,023,169. CUF also reimbursed the University \$946,903 for salaries for time devoted by University employees to CUF and to fund other University initiatives as outlined in the affiliation agreement between the two entities.

CUF has two operating leases with the University and paid a total of \$162,832 for office space during fiscal year 2020.

Equipment donated by CUF to the University totaled \$165,412 and was recorded as capital grants and gifts in the Statement of Revenues, Expenses and Changes in Net Position. Also recorded as capital grants and gifts upon receipt were CUF donations totaling \$4,200,246 for University building projects. As of June 30, 2020, unexpended funds held by CUF designated for University building projects totaled \$4,241,940.



## NOTES TO FINANCIAL STATEMENTS

As referenced in Note 3, a 1999 amendment to the South Carolina Code of Laws allowed state-supported universities to lend endowment balances on deposit with the State Treasurer to entities (like CUF) whose existence is primarily providing financial assistance and other support to the institution and its educational program. At fiscal year end, the amount loaned, including income and appreciation, totaled \$201,271,023. Current year income, gains, and appreciation on the loan totaled \$3,578,179.

CUF charges an annual fee for managing the University's owned endowments. For the fiscal year ending June 30, 2020, this fee was 1.25% of the 12 quarter market value average of these University owned funds or \$1,960,563. At fiscal year-end, \$490,141 was due to CUF and recorded in accounts payable. The management fee is included in the current year income, gains and appreciation recorded on the CUF loan.

Endowment funds, including those owned by the University, are invested as a part of the overall investment portfolio managed by CUF. A unitized approach is taken in allocating pooled investment income and realized and unrealized gains and losses, net of external management and other fees, to individual endowment funds. Real estate investments are stated primarily at the current appraised value.

CUF investment income, net of external and internal management expenses and fees, and gains and losses arising from the sale or other disposition of investments and other noncash assets is distributed to the various endowments using a pooled income approach. This approach distributes income following the market value unit method, which is based on the number of units each fund owns in the managed investment pool.

CUF Endowment and board-designated funds are invested on the basis of a total return policy to provide income and to realize appreciation in investment values. Under this policy, earnings, not to exceed a specified percentage, could be used to support the intended purposes. Any such earnings used to support the intended purposes are allocated only from those funds which have a market value in excess of historical value.

A summary of investments at fair value at June 30, 2020 follows:

<b>Investments</b>	
<b>Description</b>	<b>Amount</b>
Money market funds	\$ 7,391,167
Treasury/agency	40,423,415
Mortgage backed securities	21,992,179
Corporate bonds	17,087,875
International bonds	626,771
U.S. Equities	337,941,303
Global equities	105,916,285
Commodities	12,666,665
Public real assets	323,614
Hedge funds	117,774,615
Private equity	80,198,240
Private real assets	18,075,039
Other	1,298,123
Subtotal - marketable investments	761,715,291
Subordinated note receivable from Clemson University Real Estate Foundation, Inc.	20,000,000
<b>Total Investments</b>	<b><u>\$ 781,715,291</u></b>

### **Clemson University Land Stewardship Foundation**

The Clemson University Land Stewardship Foundation (CULSF) is a separately chartered corporation established to serve the needs of Clemson University in the management, development, and investment of real property and related assets. CULSF's activities are governed by its Board of Directors.

As discussed in Note 1, CULSF has been included in the reporting entity as a component unit. Because CULSF is deemed not to be a governmental entity and uses a different reporting model, its balances and transactions are reported on separate financial statements.

The University leases and utilizes several facilities owned and operated by CULSF. The University entered into a capital lease with CULSF for space in the Greenville One Building in downtown Greenville. For the fiscal year ending June 30, 2020, \$234,622 was paid by the University to CULSF for common area maintenance costs and \$878,539 for operating leases at the CU-ICAR campus. Capital lease-related principal, interest, and operating expense payments totaling \$940,593 were paid to CULSF for the Greenville One building.

CULSF reimbursed the University \$223,698 for salaries for time devoted by University employees to CULSF, management services, and other operating expenses.

### **IPTAY**

IPTAY is a separately chartered corporation established exclusively to support University athletics. IPTAY's activities are governed by its Board of Directors.

As discussed in Note 1, IPTAY has been included in the reporting entity as a component unit. Because IPTAY is deemed not to be a governmental entity and uses a different reporting model, its balances and transactions are reported on separate financial statements.

In the fiscal year beginning July 1, 2014, IPTAY began operating as an independent entity. Previously, although recognized as a tax-exempt organization by the Internal Revenue Service, all IPTAY receipts were deposited through the University into State Treasurer bank accounts and related disbursements were also made from these accounts. During the fiscal year ended June 30, 2020, IPTAY contributed \$55,152,035 to the University for qualifying athletic scholarships, operating expenses, capital project funding, and debt service obligations. As of June 30, 2020, IPTAY had remaining commitments of approximately \$103,636 for University building projects.

At June 30, 2020, the Statement of Net Position includes accounts receivable from IPTAY of \$35,784 and accounts payable of \$1,405,049 due to IPTAY.



## **NOTE 21.**

### **SUBSEQUENT EVENTS**

The 2019 Novel Coronavirus (or “COVID-19”) has adversely affected, and may continue to adversely affect, economic activity globally, nationally and locally.

In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The extent of the impact of the outbreak on the University’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the University’s donors, employees, and vendors, and governmental, regulatory, and private sector responses. The full extent of the economic uncertainty caused by COVID-19 on the University’s consolidated financial statements in future periods is not yet determinable.

In March 2020, in response to the Executive Orders of Governor Henry McMaster and in an effort to minimize the risk of COVID-19, the University transitioned to remote learning, closed residence halls and other campus facilities, and cancelled all activities. The University incurred costs totaling approximately \$20.5 million in the fiscal year ended June 30, 2020, comprised primarily of refunds to students for housing, dining, and certain other fees for the spring semester. In addition, earnings on investments and endowment balances were impacted by market conditions related to the pandemic. The University instituted a variety of cost reduction measures as a result of the pandemic and is poised to enact additional cost reduction measures as necessary during the upcoming fiscal year.

Prior to fiscal year-end, the University received federal CARES Act funds totaling \$13,579,995. Part A of federal CARES Act funds, \$6,789,998, was distributed directly to students as emergency financial aid grants as required under the federal program. Part B, totaling \$6,789,997, was used to cover the cost of housing, dining, and other refunds issued to students.

The University implemented a freeze of tuition and mandatory fees for the 2020-2021 academic year for all in-state and out-of-state students. Despite the pandemic, early indicators reflect enrollment growth of approximately three percent for the fall 2020 semester. The University began the semester with remote instruction and implemented a staggered move-in approach with its first students moving into campus residence halls beginning September 11th. As of the report date, the University has issued credits for housing, dining, and certain other fees totaling approximately \$11 million related to the delayed re-opening of campus residence halls and dining facilities. In-person learning began September 21st and includes a hybrid of online and in-person classes. The University has implemented contingency plans which include preparation of on-campus and off-campus space to be used for quarantine purposes, a robust testing strategy, and expanded healthcare service capacity. The University has also worked with various vendors, such as food service providers, to alter operations to facilitate social distancing and other safety protocols.

The fall athletic season also experienced modifications to operations with athletic facilities experiencing reduced capacity to facilitate social distancing. At the start of the football season, stadium capacity has been limited to 23%. As of the report date, IPTAY, the University’s athletic support organization, is working with season ticketholders to provide options for refunds, deferral of ticket purchases to the 2021-2022 athletic season, or consideration of ticket sales as a contribution to IPTAY. The impact of ticket refunds cannot be estimated at this time and may have a material impact on athletic operations.

The degree of future impacts to the University’s operations and finances are extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its duration, severity, ultimate geographic spread, as well as actions by other governmental authorities including limitations on public assemblies and gatherings. The University continues to closely monitor and respond to COVID-19.



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

<b>South Carolina Retirement System (SCRS)</b>					
<b>For the Year</b>	<b>University's Proportionate Share of the Net Pension Liability</b>	<b>University's Proportionate Share of the Net Pension Liability</b>	<b>University's Covered Payroll During the Measurement Period</b>	<b>University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2020	2.902484%	\$ 662,757,449	\$ 392,634,667	168.80%	54.40%
2019	2.814404%	630,618,329	377,798,791	166.92%	54.10%
2018	2.706197%	609,208,463	359,507,113	169.46%	53.30%
2017	2.649480%	565,925,017	336,425,269	168.22%	52.90%
2016	2.657194%	503,949,653	326,390,137	154.40%	56.99%
2015	2.601067%	447,817,506	308,864,854	144.99%	59.92%

<b>Police Officers Retirement System (PORS)</b>					
<b>For the Year</b>	<b>University's Proportionate Share of the Net Pension Liability</b>	<b>University's Proportionate Share of the Net Pension Liability</b>	<b>University's Covered Payroll During the Measurement Period</b>	<b>University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2020	0.33347%	\$ 9,556,980	\$ 4,852,489	196.95%	62.70%
2019	0.29033%	8,226,555	4,095,825	200.85%	61.70%
2018	0.29435%	8,063,788	3,991,757	202.01%	60.90%
2017	0.28558%	7,243,538	3,716,102	194.92%	60.40%
2016	0.26576%	5,792,207	3,358,977	172.44%	64.57%
2015	0.26743%	5,119,734	3,238,913	158.07%	67.55%



# REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF UNIVERSITY CONTRIBUTIONS TO PENSION PLANS

South Carolina Retirement System (SCRS)					
For the Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contribution Deficiency (excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 48,191,395	\$ 48,191,395	\$ —	\$ 401,911,279	11.99%
2019	41,685,052	41,685,052	—	392,634,667	10.62%
2018	36,234,136	36,234,136	—	377,798,791	9.59%
2017	31,566,642	31,566,642	—	359,507,113	8.78%
2016	28,386,836	28,376,288	10,548	336,425,269	8.44%
2015	27,147,096	27,156,699	(9,603)	326,390,137	8.32%
2014	25,031,158	25,031,158	—	308,864,854	8.10%
2013	24,089,283	24,089,283	—	292,367,473	8.24%
2012	19,221,300	19,221,300	—	263,508,916	7.29%
2011	18,869,713	18,869,713	—	258,961,093	7.29%

Police Officers Retirement System (PORS)					
For the Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contribution Deficiency (excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 982,682	\$ 982,682	\$ —	\$ 5,447,042	18.04%
2019	1,087,404	1,087,404	—	4,852,489	22.41%
2018	614,762	614,762	—	4,095,825	15.01%
2017	564,457	564,457	—	3,991,757	14.14%
2016	500,233	500,233	—	3,716,102	13.46%
2015	441,480	441,508	(28)	3,358,977	13.14%
2014	412,997	412,997	—	3,238,913	12.75%
2013	364,346	364,346	—	2,973,675	12.25%
2012	275,212	275,212	—	2,343,277	11.74%
2011	247,568	247,568	—	2,143,665	11.55%



**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET RETIREE HEALTH**  
**BENEFITS LIABILITY**

South Carolina Retiree Health Care Plan					
For the Year	University's Proportionate Share of the Net Retiree Health Benefits Liability	University's Proportionate Share of the Net Retiree Health Benefits Liability	University's Covered Payroll During the Measurement Period	University's Proportionate Share of the Net Retiree Health Benefits Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Retiree Health Benefit Liability
2020	4.273880%	\$ 646,275,814	\$ 397,487,156	162.59%	8.44%
2019	4.150069%	588,089,053	381,894,616	153.99%	7.91%
2018	4.113249%	557,132,840	363,498,870	153.27%	7.60%

South Carolina Basic Long-Term Disability Plan					
For the Year	University's Proportionate Share of the Net Retiree Health Benefits Liability	University's Proportionate Share of the Net Retiree Health Benefits Liability	University's Covered Payroll During the Measurement Period*	University's Proportionate Share of the Net Retiree Health Benefits Liability as a Percentage of its Covered Payroll*	Plan Fiduciary Net Position as a Percentage of the Total Retiree Health Benefit Liability
2020	2.48332%	\$ 48,878	N/A	N/A	95.17%
2019	2.41815%	74,025	N/A	N/A	92.20%
2018	2.37784%	43,110	N/A	N/A	95.29%

\*Because contributions to the LTD plan are not based on a measure of pay, no measure of payroll should be presented (see paragraph 13 of GASB 85).



# REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF UNIVERSITY CONTRIBUTIONS TO RETIREE HEALTH BENEFIT PLANS

South Carolina Retiree Health Care Plan					
For the Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contribution Deficiency (excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 24,789,464	\$ 24,789,464	\$ —	\$ 401,911,279	6.17%
2019	22,614,074	22,614,074	—	397,487,156	5.69%
2018	19,241,272	19,241,272	—	381,894,616	5.15%
2017	16,929,079	16,929,079	—	363,498,870	5.09%
2016	16,371,391	16,371,391	—	340,141,371	4.81%
2015	15,850,629	15,850,629	—	329,749,114	4.81%
2014	14,783,300	14,783,300	—	312,103,767	4.74%
2013	12,988,807	12,988,807	—	295,341,148	4.40%
2012	11,039,467	11,039,467	—	265,852,193	4.15%
2011	9,955,435	9,955,435	—	261,104,758	3.81%

South Carolina Basic Long-Term Disability Plan					
For the Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contribution Deficiency (excess)	University's Covered Payroll*	Contributions as a Percentage of Covered Payroll*
2020	\$ 176,543	\$ 176,543	\$ —	N/A	N/A
2019	178,729	178,729	—	N/A	N/A
2018	169,114	169,114	—	N/A	N/A
2017	167,768	172,122	(4,354)	N/A	N/A
2016	164,606	164,606	—	N/A	N/A
2015	171,980	171,980	—	N/A	N/A
2014	166,203	166,203	—	N/A	N/A
2013	145,840	145,840	—	N/A	N/A
2012	142,137	142,137	—	N/A	N/A
2011	133,365	133,365	—	N/A	N/A

\*Because contributions to the LTD plan are not based on a measure of pay, no measure of payroll should be presented (see paragraph 13 of GASB 85).





*Statistical Section*  
*(unaudited)*







## Statistical Section

This section of the Comprehensive Annual Financial Report provides additional information as a context for understanding what the information in the financial statements and note disclosures says about the University's and the State of South Carolina's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	<b>78</b>
These schedules contain trend information to help the reader understand how the University's financial performance and well-being have changed over time.	
<b>Debt Capacity</b>	<b>83</b>
These schedules present information to help the reader assess the affordability of the University's current levels of outstanding debt and the University's ability to issue additional debt in the future.	
<b>Operating Information</b>	<b>86</b>
These schedules contain service and capital asset data to help the reader understand how the information in the University's financial report relates to the services the University provides and the activities it performs.	
<b>Demographic and Economic Information</b>	<b>92</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the University's and the State's financial activities take place.	



## SCHEDULE OF REVENUES BY SOURCE

For the Year Ended June 30,  
(amounts expressed in thousands)

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Revenues:</b>										
Student tuition and fees (net of scholarship allowances)	\$ 466,846	\$ 425,219	\$ 397,740	\$ 364,126	\$ 341,077	\$ 316,893	\$ 300,711	\$ 288,778	\$ 269,671	\$ 252,924
Federal grants and contracts	95,749	90,469	83,570	81,924	71,500	63,540	62,079	64,467	63,962	65,045
State grants and contracts	85,256	78,533	68,444	62,055	58,828	57,352	53,189	51,377	46,868	50,679
Local grants and contracts	1,156	968	776	1,772	912	882	1,640	796	690	757
Nongovernmental grants and contracts	11,733	12,289	11,447	11,616	12,844	11,223	11,174	9,446	8,226	6,913
Sales and services of educational and other activities	18,317	22,587	22,193	21,303	20,441	20,104	18,778	17,203	15,845	15,843
Sales and services of auxiliary enterprises (net of scholarship allowances)	180,667	189,684	161,667	169,527	163,635	129,119	121,927	114,618	106,181	95,096
Other operating revenues	38,398	40,605	38,648	34,037	31,638	38,322	34,840	31,372	27,771	27,396
Total operating revenues	<u>898,122</u>	<u>860,354</u>	<u>784,485</u>	<u>746,360</u>	<u>700,875</u>	<u>637,435</u>	<u>604,338</u>	<u>578,057</u>	<u>539,214</u>	<u>514,653</u>
State appropriations	144,251	136,487	123,914	119,309	108,812	106,345	99,591	92,784	88,780	91,917
Federal appropriations	13,126	11,115	11,208	12,240	11,632	11,338	10,566	10,948	11,507	11,744
Gifts and grants	102,743	94,905	85,056	67,552	48,189	33,586	62,951	56,403	59,126	68,797
Interest income	16,805	18,080	2,397	3,700	4,071	670	3,077	1,073	6,948	7,752
Endowment income (loss)	1,900	9,829	15,669	19,955	(2,979)	4,086	23,664	14,744	(1,114)	22,236
Other nonoperating revenues	500	4,665	2,150	330	78	340	648	310	1,271	502
Proceeds from the sale of capital assets	114	1,283	189	1,397	252	188	376	458	636	137
Total nonoperating revenues	<u>279,439</u>	<u>276,364</u>	<u>240,583</u>	<u>224,483</u>	<u>170,055</u>	<u>156,553</u>	<u>200,873</u>	<u>176,720</u>	<u>167,154</u>	<u>203,085</u>
<b>Total revenues</b>	<u><b>\$ 1,177,561</b></u>	<u><b>\$ 1,136,718</b></u>	<u><b>\$ 1,025,068</b></u>	<u><b>\$ 970,843</b></u>	<u><b>\$ 870,930</b></u>	<u><b>\$ 793,988</b></u>	<u><b>\$ 805,211</b></u>	<u><b>\$ 754,777</b></u>	<u><b>\$ 706,368</b></u>	<u><b>\$ 717,738</b></u>



For the Year Ended June 30, (percent of total revenues)										
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Revenues:</b>										
Student tuition and fees (net of scholarship allowances)	39.6%	37.3%	38.7%	37.4%	39.3%	40.0%	37.4%	38.2%	38.2%	35.2%
Federal grants and contracts	8.1%	8.0%	8.2%	8.4%	8.2%	8.0%	7.7%	8.5%	9.1%	9.1%
State grants and contracts	7.2%	6.9%	6.7%	6.4%	6.8%	7.2%	6.6%	6.8%	6.6%	7.1%
Local grants and contracts	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%
Nongovernmental grants and contracts	1.0%	1.1%	1.1%	1.2%	1.5%	1.4%	1.4%	1.3%	1.2%	1.0%
Sales and services of educational and other activities	1.6%	2.0%	2.2%	2.2%	2.3%	2.5%	2.3%	2.3%	2.2%	2.2%
Sales and services of auxiliary enterprises (net of scholarship allowances)	15.3%	16.7%	15.8%	17.5%	18.8%	16.3%	15.1%	15.2%	15.0%	13.2%
Other operating revenues	3.5%	3.6%	3.8%	3.5%	3.6%	4.8%	4.3%	4.2%	3.9%	3.8%
Total operating revenues	<u>76.4%</u>	<u>75.7%</u>	<u>76.6%</u>	<u>76.8%</u>	<u>80.6%</u>	<u>80.3%</u>	<u>75.0%</u>	<u>76.6%</u>	<u>76.3%</u>	<u>71.7%</u>
State appropriations	12.2%	12.0%	12.1%	12.3%	12.5%	13.5%	12.5%	12.3%	12.6%	12.8%
Federal appropriations	1.1%	1.0%	1.1%	1.3%	1.3%	1.4%	1.3%	1.5%	1.6%	1.6%
Gifts and grants	8.7%	8.3%	8.3%	7.0%	5.5%	4.2%	7.8%	7.4%	8.4%	9.6%
Interest income	1.4%	1.6%	0.2%	0.4%	0.4%	0.1%	0.4%	0.1%	1.0%	1.1%
Endowment income (loss)	0.2%	0.9%	1.5%	2.1%	(0.3)%	0.5%	2.9%	2.0%	(0.2)%	3.1%
Other nonoperating revenues	0.0%	0.4%	0.2%	0.0%	0.0%	0.0%	0.1%	0.0%	0.2%	0.1%
Proceeds from the sale capital assets	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%
Total nonoperating revenues	<u>23.6%</u>	<u>24.3%</u>	<u>23.4%</u>	<u>23.2%</u>	<u>19.4%</u>	<u>19.7%</u>	<u>25.0%</u>	<u>23.4%</u>	<u>23.7%</u>	<u>28.3%</u>
<b>Total revenues</b>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>

**Source:** Clemson University Comprehensive Annual Financial Reports.



## SCHEDULE OF EXPENSES BY USE

For the Year ended June 30, (amounts expressed in thousands)										
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Expenses:</b>										
Compensation and employee benefits	\$ 648,704	\$ 632,151	\$ 617,355	\$ 556,537	\$ 513,401	\$ 478,991	\$ 444,913	\$ 419,665	\$ 384,703	\$ 382,789
Services and supplies	316,186	319,566	278,228	265,758	267,423	262,955	243,893	219,962	198,747	182,049
Utilities	16,656	20,548	20,593	19,730	18,910	19,783	20,344	17,961	16,946	17,013
Depreciation	66,648	59,346	57,491	51,759	49,872	49,316	42,974	32,715	37,162	35,009
Scholarships and fellowships	47,700	33,579	30,668	27,269	27,726	25,411	23,846	26,380	20,942	23,402
Pension and OPEB	60,751									
Total operating expenses	1,156,645	1,065,190	1,004,335	921,053	877,332	836,456	775,970	716,683	658,500	640,262
Interest on capital asset related debt	22,523	23,416	22,056	21,471	17,091	7,341	5,512	5,875	5,799	6,034
(Gain) loss on disposal of capital assets	1,655	1,540	826	1,965	340	4,343	(1,200)	254	2,255	791
Refunds to grantors	491	499	90	120	71	137	178	515	381	296
Facilities and administrative remittances to the State	269	280	252	317	450	375	413	339	386	450
Total nonoperating expenses	24,938	25,735	23,224	23,873	17,952	12,196	4,903	6,983	8,821	7,571
<b>Total expenses</b>	<b>\$ 1,181,583</b>	<b>\$ 1,090,925</b>	<b>\$ 1,027,559</b>	<b>\$ 944,926</b>	<b>\$ 895,284</b>	<b>\$ 848,652</b>	<b>\$ 780,873</b>	<b>\$ 723,666</b>	<b>\$ 667,321</b>	<b>\$ 647,833</b>

For the Year Ended June 30, (percent of total expenses)										
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Expenses:</b>										
Compensation and employee benefits	54.9%	58.1%	60.1%	58.9%	57.3%	56.5%	57.0%	58.0%	57.6%	59.2%
Services and supplies	26.8%	29.3%	27.1%	28.1%	29.9%	31.0%	31.2%	30.4%	29.8%	28.1%
Utilities	1.4%	1.9%	2.0%	2.1%	2.1%	2.3%	2.6%	2.5%	2.5%	2.6%
Depreciation	5.7%	5.4%	5.6%	5.5%	5.6%	5.8%	5.5%	4.5%	5.6%	5.4%
Scholarships and fellowships	4.0%	3.1%	3.0%	2.9%	3.1%	3.0%	3.1%	3.7%	3.1%	3.6%
Pension and OPEB	5.2%									
Total operating expenses	98.0%	97.8%	97.8%	97.5%	98.0%	98.6%	99.4%	99.1%	98.6%	98.9%
Interest on capital asset related debt	1.9%	2.1%	2.1%	2.3%	1.9%	0.9%	0.7%	0.8%	0.9%	0.9%
(Gain) loss on disposal of capital assets	0.1%	0.1%	0.1%	0.2%	0.0%	0.5%	(0.2)%	0.0%	0.3%	0.1%
Refunds to grantors	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%
Facilities and administrative remittances to the State	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.1%	0.1%
Total nonoperating expenses	2.0%	2.2%	2.2%	2.5%	2.0%	1.4%	0.6%	0.9%	1.4%	1.1%
<b>Total expenses</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Clemson University Comprehensive Annual Financial Reports.



## SCHEDULE OF EXPENSES BY FUNCTION

	For the Year Ended June 30, (amounts expressed in thousands)									
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Expenses:										
Instruction	\$ 282,039	\$ 283,898	\$ 268,188	\$ 246,756	\$ 233,589	\$ 227,482	\$ 216,977	\$ 201,731	\$ 181,146	\$ 178,644
Research	188,154	184,301	171,718	157,485	146,516	139,399	133,562	130,787	123,594	124,837
Public service	71,456	73,932	72,480	68,763	65,362	65,814	63,542	59,837	57,890	59,083
Academic support	73,424	67,447	63,197	53,723	46,018	47,633	42,231	38,926	36,715	35,321
Student services	47,265	48,969	45,581	40,678	36,540	37,345	35,578	26,694	24,685	27,282
Institutional support	59,972	52,493	49,605	41,381	39,267	42,388	38,019	34,640	28,925	25,490
Operation and maintenance of plant	78,212	71,087	75,139	68,442	70,664	77,156	64,116	62,754	47,505	42,905
Scholarships and fellowships	45,950	31,306	28,461	25,467	26,006	23,773	22,115	25,179	19,503	22,143
Auxiliary enterprises	182,774	192,410	172,475	166,599	163,498	126,150	116,856	103,420	101,375	89,548
Depreciation	66,648	59,346	57,491	51,759	49,872	49,316	42,974	32,715	37,162	35,009
Pension and OPEB	60,751									
Interest on capital debt	22,523	23,417	22,056	21,471	17,091	7,341	5,512	5,875	5,799	6,034
(Gain) loss on disposal of capital assets	1,655	1,540	826	1,965	340	4,343	(1,200)	254	2,255	791
Refunds to grantors	491	499	90	120	71	137	178	515	381	296
Facilities and administrative remittances to the State	269	280	252	317	450	375	413	339	386	450
Total expenses	\$ 1,181,583	\$ 1,090,925	\$ 1,027,559	\$ 944,926	\$ 895,284	\$ 848,652	\$ 780,873	\$ 723,666	\$ 667,321	\$ 647,833

	For the Year Ended June 30, (percent of total expenses)									
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Expenses:										
Instruction	23.9%	26.2%	26.1%	26.1%	26.0%	26.8%	27.8%	27.8%	27.1%	27.7%
Research	15.9%	16.9%	16.7%	16.7%	16.4%	16.4%	17.1%	18.1%	18.5%	19.3%
Public service	6.0%	6.8%	7.1%	7.3%	7.3%	7.8%	8.1%	8.3%	8.7%	9.1%
Academic support	6.2%	6.2%	6.2%	5.7%	5.1%	5.6%	5.4%	5.4%	5.5%	5.5%
Student services	4.0%	4.5%	4.4%	4.3%	4.1%	4.4%	4.6%	3.7%	3.7%	4.2%
Institutional support	5.1%	4.8%	4.8%	4.4%	4.4%	5.0%	4.9%	4.8%	4.3%	3.9%
Operation and maintenance of plant	6.6%	6.5%	7.3%	7.2%	7.9%	9.1%	8.2%	8.7%	7.1%	6.6%
Scholarships and fellowships	3.9%	2.9%	2.8%	2.7%	2.9%	2.8%	2.8%	3.5%	2.9%	3.4%
Auxiliary enterprises	15.5%	17.6%	16.8%	17.6%	18.3%	14.9%	15.0%	14.3%	15.2%	13.8%
Depreciation	5.7%	5.4%	5.6%	5.5%	5.6%	5.8%	5.5%	4.5%	5.6%	5.4%
Pension and OPEB	5.2%									
Interest on capital debt	1.9%	2.1%	2.1%	2.3%	1.9%	0.9%	0.7%	0.8%	0.9%	0.9%
(Gain) loss on disposal of capital assets	0.1%	0.1%	0.1%	0.2%	0.0%	0.5%	(0.2)%	0.0%	0.3%	0.1%
Refunds to grantors	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%
Facilities and administrative remittances to State	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.1%	0.1%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Clemson University Comprehensive Annual Financial Reports.



## SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION

	For the Fiscal Year (amounts expressed in thousands)									
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Total revenues (from schedule of revenues by source)	\$ 1,177,561	\$ 1,136,718	\$ 1,025,068	\$ 970,843	\$ 870,930	\$ 793,988	\$ 805,211	\$ 754,777	\$ 706,368	\$ 717,738
Total expenses (from schedule of expenses by use and function)	(1,181,583)	(1,090,925)	(1,027,559)	(944,926)	(895,284)	(848,652)	(1,227,496)	(723,666)	(667,321)	(647,833)
Income (loss) before other revenues, expenses, gains or losses	(4,022)	45,793	(2,491)	25,917	(24,354)	(54,664)	(422,285)	31,111	39,047	69,905
State capital appropriations	10,900	9,850	—	5,240	15,886	4,457	9,397	9,612	9,468	6,643
Capital grants and gifts	19,619	24,094	17,561	56,006	37,580	6,448	6,198	21,945	28,350	38,376
Additions to permanent endowments	90	38	101	20	567	209	123	2,710	4,259	2,765
Total changes in net position	26,587	79,775	15,171	87,183	29,679	(43,550)	(406,567)	65,378	81,124	117,689
Net position, beginning	300,014	220,239	205,068	695,931	666,252	709,802	1,116,369	1,050,991	969,867	852,178
<b>Net position, ending</b>	<b>\$ 326,601</b>	<b>\$ 300,014</b>	<b>\$ 220,239</b>	<b>\$ 783,114</b>	<b>\$ 695,931</b>	<b>\$ 666,252</b>	<b>\$ 709,802</b>	<b>\$ 1,116,369</b>	<b>\$ 1,050,991</b>	<b>\$ 969,867</b>
Net investment in capital assets	\$ 836,774	\$ 814,368	\$ 789,141	\$ 770,325	\$ 759,323	\$ 680,331	\$ 639,236	\$ 604,854	\$ 535,281	\$ 462,861
Restricted - expendable	209,643	183,297	150,070	144,460	99,062	126,834	184,828	192,765	201,484	221,593
Restricted - nonexpendable	58,967	58,979	59,002	58,867	58,698	58,323	58,241	57,880	55,045	50,959
Unrestricted	(778,783)	(756,630)	(777,974)	(190,538)	(221,152)	(199,236)	(172,503)	260,870	259,181	234,454
<b>Total</b>	<b>\$ 326,601</b>	<b>\$ 300,014</b>	<b>\$ 220,239</b>	<b>\$ 783,114</b>	<b>\$ 695,931</b>	<b>\$ 666,252</b>	<b>\$ 709,802</b>	<b>\$ 1,116,369</b>	<b>\$ 1,050,991</b>	<b>\$ 969,867</b>

Source: Clemson University Comprehensive Annual Financial Reports.



## SCHEDULE OF RATIOS OF OUTSTANDING DEBT

	For the Fiscal Year (amounts expressed in thousands except for outstanding debt per student)									
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
General Obligation Bonds	\$ 199,360	\$ 209,600	\$ 213,380	\$ 150,350	\$ 104,435	\$ 110,615	\$ 116,770	\$ 88,420	\$ 93,075	\$ 99,610
Plant Improvement Bonds	—	—	—	—	—	—	—	—	—	—
Revenue Bonds	267,570	274,470	281,050	289,205	295,600	110,860	26,585	32,350	37,620	42,090
Athletic Facilities Revenue Bonds	129,385	133,730	137,900	130,605	134,450	118,875	22,680	24,150	25,600	30,045
Subtotal bonds payable	596,315	617,800	632,330	570,160	534,485	340,350	166,035	144,920	156,295	171,745
Unamortized bond premiums	44,246	46,896	48,761	36,097	33,984	20,425	9,387	7,145	8,078	4,954
Total bonds payable	640,561	664,696	681,091	606,257	568,469	360,775	175,422	152,065	164,373	176,699
Notes Payable	—	—	—	—	—	—	—	150	475	964
Capital Lease Obligations	11,142	11,688	11,991	11,990	12,967	13,993	14,963	15,911	—	—
<b>Total outstanding debt</b>	<b>\$ 651,703</b>	<b>\$ 676,384</b>	<b>\$ 693,082</b>	<b>\$ 618,247</b>	<b>\$ 581,436</b>	<b>\$ 374,768</b>	<b>\$ 190,385</b>	<b>\$ 168,126</b>	<b>\$ 164,848</b>	<b>\$ 177,663</b>
Full-time equivalent students	24,324	23,663	23,215	22,307	21,654	20,823	20,202	19,800	18,980	18,417
Outstanding debt per student	\$ 26,793	\$ 28,584	\$ 29,855	\$ 27,715	\$ 26,851	\$ 17,998	\$ 9,424	\$ 8,491	\$ 8,685	\$ 9,647

**Note:** Outstanding debt per student calculated using fall semester full-time equivalent student enrollment data for the last ten academic years (page 86).

**Source:** Clemson University Comprehensive Annual Financial Reports, Clemson University Office of Institutional Research



## SCHEDULE OF BOND COVERAGE

Last Ten Fiscal Years  
(amounts in thousands)

### General Obligation Bonds

Fiscal Year Ended June 30	Tuition and Matriculation Fees	Total Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
			Principal	Interest	Total	
2020	\$ 48,324	\$48,324	\$10,240	\$6,750	\$16,990	2.84
2019	43,244	43,244	9,415	7,035	16,450	2.63
2018	42,066	42,066	6,950	5,553	12,503	3.36
2017	35,823	35,823	6,480	5,058	11,538	3.10
2016	33,740	33,740	6,180	4,217	10,397	3.25
2015	29,579	29,579	6,155	4,544	10,699	2.76
2014	27,487	27,487	4,680	3,484	8,164	3.37
2013	24,703	24,703	4,655	3,823	8,478	2.91
2012	22,440	22,440	4,690	3,438	8,128	2.76
2011	21,028	21,028	4,310	2,746	7,056	2.98

### Athletic Facilities Revenue Bonds

Fiscal Year Ended June 30	Athletic Revenues	Athletic Operating Expenses	Net Athletic Revenues	Admissions Fee	Total Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
						Principal	Interest	Total	
2020	\$140,679	\$121,802	\$18,877	\$2,208	\$21,085	\$4,345	\$4,826	\$9,171	2.30
2019	145,167	121,902	23,265	2,252	25,517	4,170	5,002	9,172	2.78
2018	128,631	109,270	19,361	2,179	21,540	4,005	4,970	8,975	2.40
2017	117,150	101,322	15,828	2,214	18,042	3,845	4,946	8,791	2.05
2016	112,996	92,274	20,722	1,927	22,649	3,300	4,752	8,052	2.81
2015	85,185	77,052	8,133	2,046	10,179	1,380	1,616	2,996	3.40
2014	82,087	72,762	9,325	667	9,992	1,470	802	2,272	4.40
2013	76,099	65,588	10,511	2,031	12,542	1,450	953	2,403	5.22
2012	73,151	66,988	6,163	2,015	8,178	975	1,054	2,029	4.03
2011	56,551	54,441	2,110	1,980	4,090	1,725	1,392	3,117	1.31



## Revenue Bonds

Fiscal Year Ended June 30	Revenues	Operating Expenses	Defined Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
				Principal	Interest	Total	
2020	\$ 77,834	\$46,189	\$31,645	\$6,900	\$10,402	\$17,302	1.83
2019	90,776	52,687	38,089	6,580	10,729	17,309	2.20
2018	70,107	45,143	24,964	8,155	10,819	18,974	1.32
2017	68,185	42,855	25,330	6,395	10,970	17,365	1.46
2016	62,317	39,103	23,214	6,260	7,917	14,177	1.64
2015	58,653	38,667	19,986	6,010	890	6,900	2.90
2014	56,749	36,310	20,439	5,765	691	6,456	3.17
2013	55,452	35,233	20,219	5,270	1,137	6,407	3.16
2012	50,466	31,636	18,830	5,320	1,968	7,288	2.58
2011	49,363	32,057	17,306	4,810	1,875	6,685	2.59

**Note:** The revenue bonds are secured by revenues from five sources: dining services, vending operations, the university bookstore, student housing and parking.

**Source:** Clemson University Comprehensive Annual Financial Reports



# ADMISSIONS, ENROLLMENT AND DEGREE STATISTICS

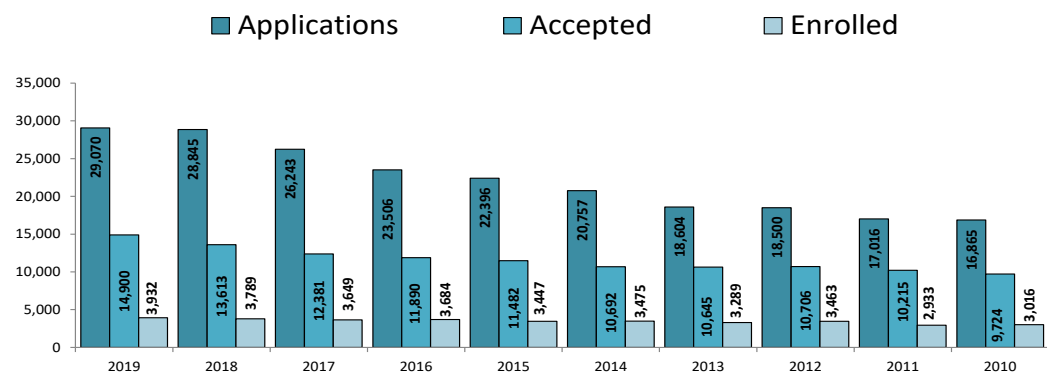
Last Ten Academic Years

## Admissions-Freshman

Accepted as a percentage of applications  
Enrolled as a percentage of accepted  
SAT scores-total  
Verbal  
Math  
South Carolina average SAT score-total

2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
51.0%	47.0%	47.0%	51.0%	51.0%	52.0%	57.0%	58.0%	60.0%	58.0%
26.0%	28.0%	29.0%	31.0%	30.0%	33.0%	31.0%	32.0%	29.0%	31.0%
1318	1,307	1,302	1,242	1,251	1,252	1,246	1,246	1,229	1,231
654	649	650	611	613	611	609	610	599	599
664	658	652	631	638	641	637	636	630	632
1030	1,070	1,064	987	978	978	971	969	972	979

## Admissions — Freshman Applied, Accepted and Enrolled



**NOTES:** Applications Applied, Accepted and Enrolled for 2015 and before include transfer students. Applications for 2016 and forward include only Freshman entering Clemson.  
The National College Board changed the scoring for 2017 SAT's from Verbal and Math to Reading/Writing and Math from a 1600 scale to a 2400 scale which increases the total scores.

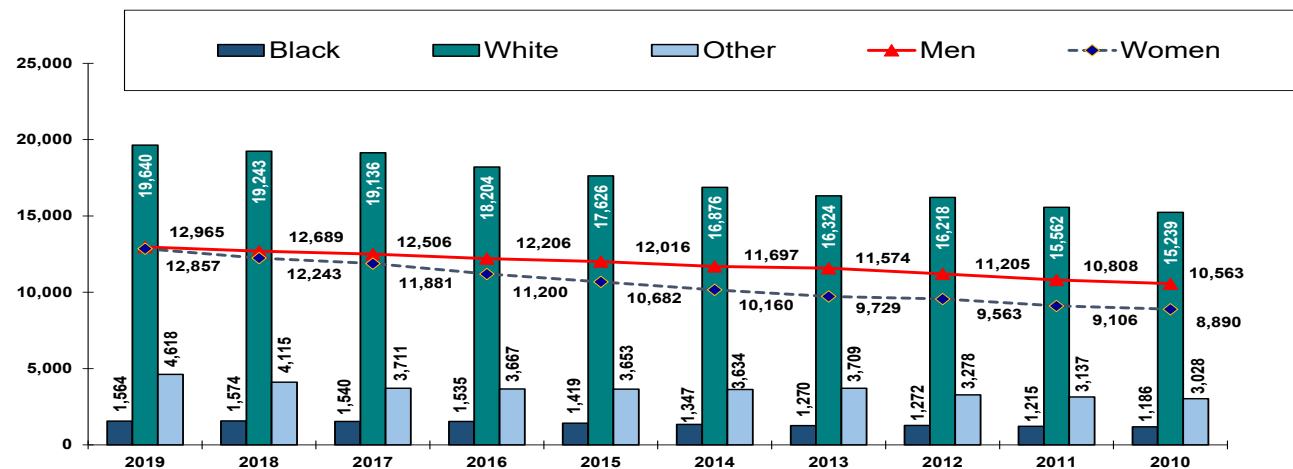
## Enrollment

Undergraduate and graduate FTE  
Undergraduate and graduate headcount  
Percentage of men  
Percentage of women  
Percentage of black  
Percentage of white  
Percentage of other

2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
24,324	23,663	23,215	22,307	21,654	20,823	20,202	19,800	18,980	18,417
25,822	24,932	24,387	23,406	22,698	21,857	21,303	20,768	19,914	19,453
50.2%	50.9%	51.3%	52.1%	52.9%	53.5%	54.3%	53.9%	54.3%	54.3%
49.8%	49.1%	48.7%	47.9%	47.1%	46.5%	45.7%	46.1%	45.7%	45.7%
6.1%	6.3%	6.3%	6.6%	6.3%	6.2%	6.0%	6.1%	6.1%	6.1%
76.1%	77.2%	78.5%	77.8%	77.6%	77.2%	76.6%	78.1%	78.2%	78.3%
17.8%	16.5%	15.2%	15.7%	16.1%	16.6%	17.4%	15.8%	15.7%	15.6%



# Enrollment — Undergraduate and Graduate Headcount



## Degrees Earned\*

Baccalaureate

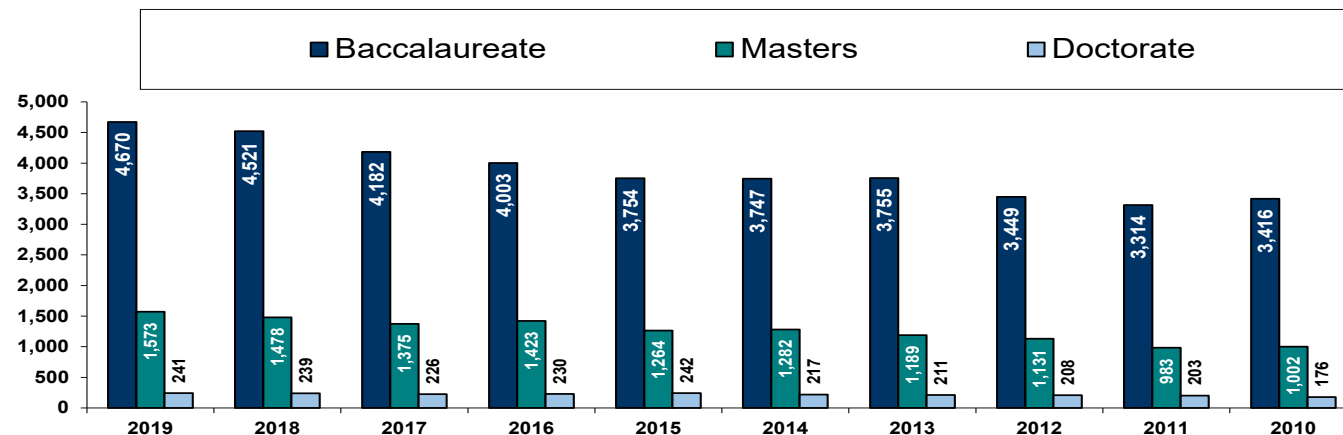
Masters\*\*

Doctorate

2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
4,670	4,528	4,182	4,003	3,754	3,747	3,755	3,449	3,314	3,416
1,573	1,478	1,375	1,423	1,264	1,282	1,189	1,131	983	1,002
241	239	226	230	242	217	211	208	203	176

\* Includes May and August of the current year and December graduation from the previous year.

\*\* Masters awards include specialist degrees.



Source: Clemson University Office of Institutional Research (<https://www.clemson.edu/institutional-effectiveness/oir/factbook/>)



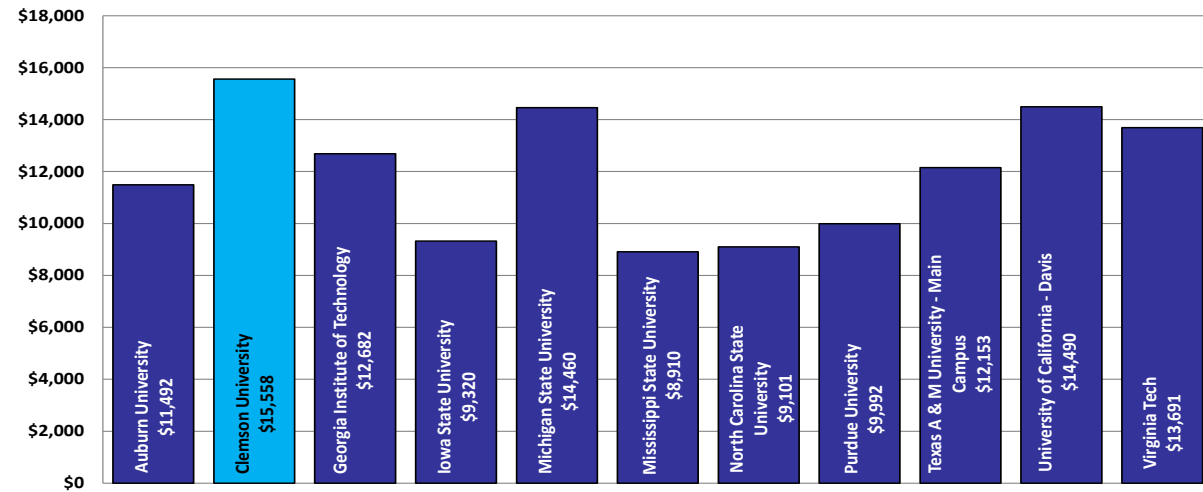
## UNDERGRADUATE AVERAGE ANNUAL TUITION AND FEES

Clemson University in Comparison to Ten Peer Land-Grant Institutions

Last ten fiscal years

	For the Fiscal Year									
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Institution - Resident</b>										
Auburn University	\$11,492	\$ 11,279	\$ 10,968	\$ 10,696	\$ 10,424	\$ 10,200	\$ 9,852	\$ 9,446	\$ 8,698	\$ 7,900
<b>Clemson University</b>	<b>15,558</b>	<b>14,970</b>	<b>14,712</b>	<b>14,318</b>	<b>13,882</b>	<b>13,446</b>	<b>13,054</b>	<b>12,774</b>	<b>12,404</b>	<b>11,908</b>
Georgia Institute of Technology	12,682	12,424	12,418	12,212	12,204	11,394	10,650	10,098	9,652	8,716
Iowa State University	9,320	8,988	8,636	8,219	7,736	7,731	7,726	7,726	7,486	6,997
Michigan State University	14,460	14,521	14,460	14,063	13,560	13,200	12,863	12,623	12,203	11,153
Mississippi State University	8,910	8,650	8,318	7,780	7,502	7,140	6,772	6,264	5,805	5,461
North Carolina State University	9,101	9,101	9,058	8,880	8,581	8,296	8,206	7,788	7,018	6,529
Purdue University	9,992	9,992	9,992	10,002	10,002	10,002	9,992	9,900	9,478	9,070
Texas A & M University - Main Campus	12,153	10,968	10,403	10,030	9,428	9,179	8,506	8,506	8,421	8,387
University of California - Davis	14,490	14,462	14,419	14,047	13,952	13,896	13,896	15,257	15,123	13,080
Virginia Tech	13,691	13,620	13,230	12,852	12,485	12,017	11,455	10,923	10,509	9,459

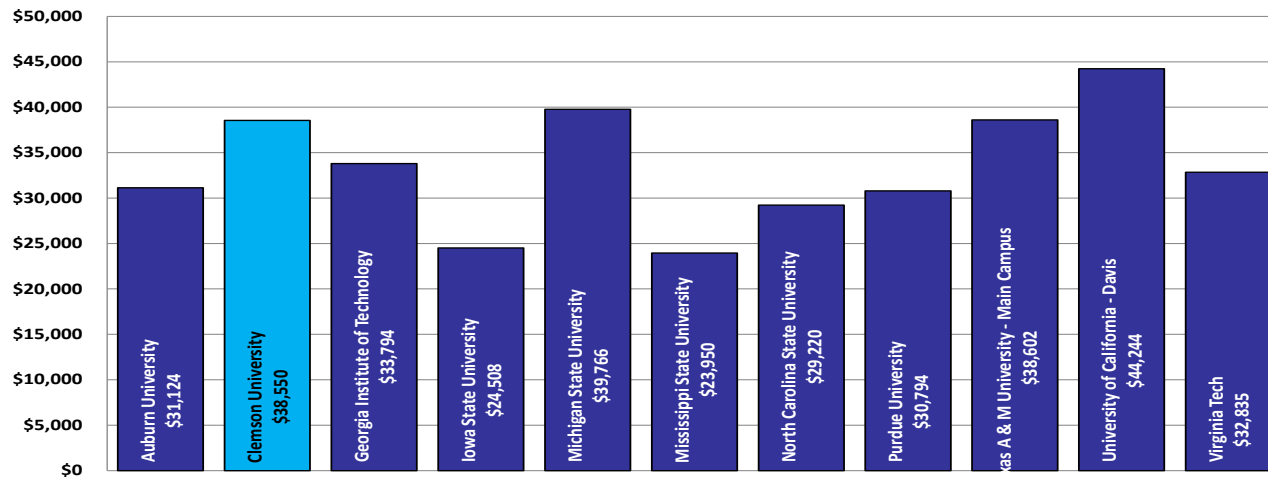
**Undergraduate Tuition and Fees - Resident — FY 2019-2020**





	For the Fiscal Year									
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Institution - Non Resident</b>										
Auburn University	\$ 31,124	\$ 30,524	\$ 29,640	\$ 28,840	\$ 28,040	\$ 27,384	\$ 26,364	\$ 22,977	\$ 23,290	\$ 21,916
<b>Clemson University</b>	<b>38,550</b>	<b>36,724</b>	<b>35,654</b>	<b>34,200</b>	<b>32,800</b>	<b>31,462</b>	<b>30,488</b>	<b>29,700</b>	<b>28,562</b>	<b>27,420</b>
Georgia Institute of Technology	33,794	33,020	33,014	32,404	32,396	30,698	29,954	29,402	27,862	26,926
Iowa State University	24,508	23,392	22,472	21,583	20,856	20,617	20,278	19,838	19,358	18,563
Michigan State University	39,766	39,826	39,405	37,890	36,360	34,965	33,750	32,580	31,148	29,108
Mississippi State University	23,950	23,250	22,358	20,900	20,142	18,478	16,960	15,828	14,670	13,801
North Carolina State Univeristy	29,220	28,444	27,406	26,399	24,932	23,551	21,661	20,953	19,853	19,064
Purdue University	30,794	28,794	28,794	28,804	28,804	28,804	28,794	28,702	27,646	26,622
Texas A & M University - Main Campus	38,602	36,636	37,154	30,208	28,021	26,356	25,126	25,036	23,811	22,817
University of California - Davis	44,244	43,454	42,433	40,729	38,660	36,774	36,774	38,135	38,001	35,959
Virginia Tech	32,835	31,908	31,014	29,975	29,129	28,048	27,211	25,915	24,480	23,217

**Undergraduate Tuition and Fees - Non Resident — FY 2019-2020**



These figures are for undergraduate first-time, full-time students with an academic year of 24 semester hours or 30 quarter hours.

**Source:** CollegeCalc (<https://www.collegecalc.org/colleges>) and College Tuition Compare (<https://www.collegetuitioncompare.com>)



## FACULTY AND STAFF STATISTICS

*Last Ten Fiscal Years*

Numbers are Based on the October 1st Freeze Date from the Clemson University Business System  
For the Fiscal Year

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Faculty</b>										
Part-time	125	122	132	287	244	217	172	196	215	248
Full-time	1,516	1,468	1,415	1,199	1,187	1,171	1,157	1,111	1,110	1,150
Percentage tenured	44.5%	43.5%	41.6%	43.5%	43.4%	45.3%	46.7%	46.7%	43.8%	42.3%
<b>Staff and administrators with faculty rank</b>										
Part-time	260	245	282	1,085	982	921	856	783	682	668
Full-time	3,663	3,557	3,439	2,651	2,650	2,591	2,542	2,475	2,388	2,486
<b>Total employees</b>										
Part-time	385	367	414	1,372	1,226	1,138	1,028	979	897	916
Full-time	5,179	5,025	4,854	3,850	3,837	3,762	3,699	3,586	3,498	3,636
<b>Students per full-time</b>										
Faculty	17.0	17.0	17.2	19.5	19.1	18.7	18.4	18.7	17.9	16.9
Staff	7.0	7.0	7.1	8.8	8.6	8.4	8.4	8.4	8.3	7.8
<b>Average annual faculty salary*</b>	\$ 104,678	\$ 99,157	\$ 95,413	\$ 94,510	\$ 92,110	\$ 91,984	\$ 89,788	\$ 89,474	\$ 80,200	\$ 78,257

\*Full-time, permanent, instructional in Academic departments (AAUP definition)

**Note:** Full-time includes all regular full-time employees, and part-time includes all part-time and all temporary employees.

**Source:** Clemson University Office of Institutional Research (<https://www.clemson.edu/institutional-effectiveness/oir/factbook/>)



## SCHEDULE OF CAPITAL ASSET INFORMATION

*Last Ten Fiscal Years*

	For the Fiscal Year									
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Academic buildings:										
Net assignable square feet (in thousands)	1,477,334	1,362,528	1,347,951	1,347,951	1,326,740	1,370,476	1,427,870	1,391,955	1,292,391	1,286,350
Administrative and support buildings:										
Net assignable square feet (in thousands)	587,995	762,523	589,243	589,243	579,205	534,617	533,047	570,867	529,590	615,539
Laboratories:										
Net assignable square feet (in thousands)	588,478	605,671	604,448	604,448	597,556	597,540	674,059	604,045	644,171	598,763
Auxiliary and independent operations buildings:										
Net assignable square feet (in thousands)	2,424,461	1,954,624	1,692,580	1,692,580	1,644,622	1,644,622	1,719,202	1,726,207	1,618,671	1,527,397
Student housing:										
Residence halls	22	22	20	20	23	23	23	23	23	23
Suites	5	5	5	5	3	3	3	3	3	3
Apartments	8	8	4	4	4	4	4	4	4	4
Units available	7,598	7,579	6,473	6,469	6,236	6,275	6,248	6,162	6,080	6,074
Units in use	7,516	7,401	6,325	6,469	6,122	6,140	6,113	6,303	5,724	5,845
Percent occupancy	98.9%	97.7%	97.7%	100.0%	98.2%	97.8%	97.8%	102.3%	94.1%	96.2%
Dining facilities:										
Locations	22	22	19	19	17	17	17	17	17	17
Average daily customers	21,216	21,120	19,456	18,701	18,316	18,020	17,746	17,667	17,200	16,277
Parking facilities:										
Parking spaces available	14,403	14,290	14,404	12,784	12,125	12,457	12,303	12,159	12,533	11,939
Parking permits issued to students	15,241	15,934	15,834	15,812	15,625	17,188	16,007	15,547	16,294	15,379
Parking permits issued to faculty/staff	5,013	4,912	4,976	5,106	5,001	5,093	5,069	4,973	4,814	4,983

### Sources:

Building square footage	Clemson University Office of Institutional Research
Student housing	Clemson University Housing
Dining facilities	Clemson University Business Services
Parking facilities	Clemson University Parking Services



## DEMOGRAPHIC STATISTICS

State of South Carolina

Year	Personal Income as of June 30 (a)	Population at July 1 (b)	Per Capita Income (c)	Average Annual Unemployment Rate (d)
2019	233,308,826,196	5,148,714	\$45,314	2.8%
2018	217,275,251,000	5,084,127	42,736	3.4%
2017	203,087,627,000	5,024,369	40,421	4.3%
2016	198,762,651,000	4,987,575	39,852	4.8%
2015	186,285,746,000	4,869,991	38,252	6.0%
2014	178,485,001,000	4,832,482	36,934	6.6%
2013	169,282,713,000	4,774,839	35,453	7.6%
2012	161,595,079,000	4,723,723	35,056	9.1%
2011	159,747,330,000	4,673,348	34,183	10.3%
2010	151,536,772,000	4,635,835	32,688	11.2%

**(a) Source:** U.S. Board of Economic Analysis

**(b) Source:** U.S. Board of Economic Analysis

**(c) Source:** U.S. Board of Economic Analysis

**(d) Source:** U.S. Department of Labor



## TEN LARGEST EMPLOYERS

State of South Carolina

Latest Completed Calendar Year and Ten Years Prior

(Listed Alphabetically)

2019	2009
BMW Manufacturing Corp.	Bi-Lo, Inc.
Department of Defense	Blue Cross Blue Shield of South Carolina
Medical University of SC Hospital Authroity	Department of Defense
Michelin North America, Inc	Greenville Helath System.
PRISMA Health Midlands	Michelin North America, Inc.
School District of Greenville County.	Palmetto Health
Spartanburg Regional Medical Center	School District of Greenville County
University of South Carolina	University of South Carolina
Upstate Affiliate Organization	U.S. Postal Service
Wal-Mart Associates, Inc.	Wal-Mart Associates, Inc.

**Note:** Due to confidentiality issues, the number of employees for each company is not available, and the employers are listed alphabetically rather than in order of size.

**Source:** South Carolina Department of Employment and Workforce for 2009 and 2019









*Supplementary Information  
to the Financial Statements  
(unaudited)*



**CLEMSON UNIVERSITY**  
**SCHEDULE OF PLEDGED NET REVENUES**  
**AUXILIARY REVENUE BONDS (SERIES 2005 , 2015 AND 2015B)**

For the year ended June 30, 2020

Description	Dining Services	Vending Operations	Bookstore	Parking Services	Housing	Total
<b>Revenues:</b>						
Student meal plans	\$ 22,689,748	\$ —	\$ —	\$ —	\$ —	\$ 22,689,748
Other	1,860,968	6,058	—	17,936	35,237	1,920,199
Residence halls	—	—	—	—	45,953,403	45,953,403
Campus vending machines	—	165,039	—	—	—	165,039
ATM rental	—	141,088	—	9,963	—	151,051
Contract revenue	87,320	—	1,000,928	188,176	—	1,276,424
Parking permits	—	—	—	2,583,275	—	2,583,275
Transit fees	—	—	—	1,904,026	—	1,904,026
Parking citations	—	—	—	415,636	—	415,636
Meter revenue	—	—	—	514,314	—	514,314
Investment income	57,858	1,885	9,054	17,221	175,276	261,294
Total revenues	<u>24,695,894</u>	<u>314,070</u>	<u>1,009,982</u>	<u>5,650,547</u>	<u>46,163,916</u>	<u>77,834,409</u>
<b>Expenses:</b>						
Salaries	430,813	—	82,156	1,287,441	7,349,182	9,149,592
Fringe benefits	189,336	—	36,113	554,326	2,661,255	3,441,030
Travel	514	—	—	12,173	128,104	140,791
Contractual services	16,842,911	—	1,800	2,321,539	1,192,302	20,358,552
Repairs	411,890	44	—	110,563	1,220,627	1,743,124
Telecommunications	—	—	—	10,629	113,951	124,580
Heat, light, and power	1,394,923	—	25,265	68,383	3,434,076	4,922,647
Water, sewer and garbage	199,402	—	2,325	48,079	674,764	924,570
Rents	29,347	—	—	37,213	25,363	91,923
Supplies and materials	254,270	—	—	118,621	991,812	1,364,703
Insurance	22,641	417	—	30,469	508,196	561,723
Other operating expenses	551,561	1,130	9,214	513,376	2,063,380	3,138,661
Capital outlay	93,381	—	—	—	133,717	227,098
Total expenses	<u>20,420,989</u>	<u>1,591</u>	<u>156,873</u>	<u>5,112,812</u>	<u>20,496,729</u>	<u>46,188,994</u>
<b>Net revenues</b>	<u><b>\$ 4,274,905</b></u>	<u><b>\$ 312,479</b></u>	<u><b>\$ 853,109</b></u>	<u><b>\$ 537,735</b></u>	<u><b>\$ 25,667,187</b></u>	<u><b>\$ 31,645,415</b></u>



# CLEMSON UNIVERSITY

## SCHEDULE OF PLEDGED NET REVENUES

### ATHLETIC FACILITIES REVENUE BONDS (SERIES 2012, 2014A, 2014B, 2014C, 2015, 2015B AND 2018A)

For the year ended June 30, 2020

Description	Football	Basketball	Other Sports	Non Program Specific	Total
<b>Revenues:</b>					
Ticket sales	\$ 27,653,946	\$ 1,521,974	\$ 691,127	\$ —	\$ 29,867,047
Direct institutional support	1,947,627	666,824	3,312,186	—	5,926,637
Guarantees and away game sales	—	—	13,000	—	13,000
Contributions	5,700,576	1,573,931	5,425,892	41,434,383	54,134,782
In kind car leases	64,388	22,851	14,500	39,850	141,589
Media rights - broadcast, television, radio and internet	13,402,632	4,467,544	—	—	17,870,176
NCAA distributions including all tournament revenues	993,010	331,003	—	—	1,324,013
Conference distributions including all tournament revenues	7,804,265	1,586,523	171,949	859,448	10,422,185
Program sales, concessions, novelty sales and parking	978,434	87,374	68,591	307,136	1,441,535
Royalties, advertisements and sponsorships	960,000	343,000	1,017,000	10,239,474	12,559,474
Sports camp revenues	(615)	—	—	—	(615)
Endowment and investment income	28,709	27,005	14,476	173,253	243,443
Other revenue	—	—	63,750	242,492	306,242
Bowl revenues	6,429,482	—	—	—	6,429,482
Total revenues	<u>65,962,454</u>	<u>10,628,029</u>	<u>10,792,471</u>	<u>53,296,036</u>	<u>140,678,990</u>
<b>Operating Expenditures:</b>					
Athletic student aid	6,254,276	1,958,307	8,752,554	1,180,651	18,145,788
Guarantees	1,360,000	614,500	48,943	—	2,023,443
Coaching salaries, benefits and bonuses paid by the institution and related entities	14,793,036	4,535,390	5,583,017	—	24,911,443
Support staff/administrative salaries, benefits and bonuses paid by the institution and related entities	7,174,025	1,214,209	1,053,345	16,711,452	26,153,031
Recruiting	1,553,788	293,988	502,996	—	2,350,772
Team travel	2,442,808	1,171,248	1,455,384	—	5,069,440
Equipment, uniforms and supplies	1,797,584	375,323	1,320,289	393,123	3,886,319
Game expenses	4,270,842	684,429	578,178	16,063	5,549,512
Fund raising, marketing and promotion	275,908	307,107	134,628	5,110,628	5,828,271
Sports camp expenses	3,128	—	—	—	3,128
Spirit group expenses	—	—	—	148,390	148,390
Direct facilities, maintenance and rental	2,187,400	762,646	766,181	2,580,145	6,296,372
Medical and insurance expenses	90,441	33,372	232,950	494,545	851,308
Dues and membership expenses	7,100	3,047	8,958	63,441	82,546
Student-Athlete meals (non-travel)	1,781,975	150,120	187,035	258,986	2,378,116
Other operating expenses	5,100,575	711,229	672,549	4,143,346	10,627,699
Bowl expenses	5,466,758	—	—	—	5,466,758
Bowl bonuses	2,030,092	—	—	—	2,030,092
Total operating expenditures	<u>56,589,736</u>	<u>12,814,915</u>	<u>21,297,007</u>	<u>31,100,770</u>	<u>121,802,428</u>
<b>Net Revenues</b>	<b><u>\$ 9,372,718</u></b>	<b><u>\$ (2,186,886)</u></b>	<b><u>\$ (10,504,536)</u></b>	<b><u>\$ 22,195,266</u></b>	<b><u>\$ 18,876,562</u></b>



# CLEMSON UNIVERSITY REPORTING ENTITY COMBINED STATEMENT OF NET/FINANCIAL POSITION

June 30, 2020

Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY20 Total	FY19 Total
<b>Assets:</b>								
<b>Current Assets:</b>								
Cash and cash equivalents	\$ 328,767,289	\$ 67,700,806	\$ 3,886,829	\$ 9,608,778	\$ 409,963,702	\$ —	\$ 409,963,702	\$ 382,536,610
<b>Restricted Assets - Current:</b>								
Cash and cash equivalents	219,616,650	—	—	—	219,616,650	—	219,616,650	266,200,289
Accounts receivable	41,601,588	7,111,702	75,960	20,341	48,809,591	(2,863,445)	45,946,146	32,048,585
Grants and contracts receivable	24,820,370	—	—	—	24,820,370	—	24,820,370	26,865,858
Contributions receivable, net	854,003	—	—	25,553,781	26,407,784	—	26,407,784	50,476,224
Interest and income receivable	2,939,129	—	—	—	2,939,129	—	2,939,129	2,836,579
Student loans receivable	3,382	—	—	—	3,382	—	3,382	3,382
Notes receivable	—	—	—	—	—	—	—	—
Inventories	2,417,897	—	—	—	2,417,897	—	2,417,897	3,065,126
Prepaid items	8,833,862	—	130,000	—	8,963,862	—	8,963,862	12,139,640
Other current assets	1,986,705	—	—	—	1,986,705	—	1,986,705	4,768,681
Total current assets	631,840,875	74,812,508	4,092,789	35,182,900	745,929,072	(2,863,445)	743,065,627	780,940,974
<b>Noncurrent Assets:</b>								
Notes receivable	201,271,023	201,601,857	—	—	402,872,880	(201,601,857)	201,271,023	207,692,844
Lease obligation receivable	—	—	10,169,491	—	10,169,491	(10,743,899)	(574,408)	—
Contributions receivable, net	732,484	37,237,188	—	—	37,969,672	(84,360,217)	(46,390,545)	1,160,076
Investments	4,417,338	618,783,826	46,659,274	69,586,016	739,446,456	(20,000,000)	719,446,454	617,687,320
Cash surrender value of life insurance	—	2,264,151	—	—	2,264,151	—	2,264,151	2,058,456
<b>Restricted Assets - Noncurrent</b>								
Cash and cash equivalents	2,169,412	—	—	—	2,169,412	—	2,169,412	2,562,769
Student loans receivable	4,958,056	—	—	—	4,958,056	—	4,958,056	6,171,497
Other assets	—	420,084	635,270	—	1,055,354	—	1,055,354	3,747,055
Real estate held for resale	—	11,900	11,926,595	—	11,938,494	—	11,938,495	11,980,036
Capital assets, not being depreciated	204,660,946	—	—	—	204,660,946	—	204,660,946	143,499,595
Capital assets, net of accumulated depreciation	1,256,814,481	9,216,723	—	—	1,266,031,204	—	1,266,031,204	1,267,349,103
Total noncurrent assets	1,675,023,740	869,535,729	69,390,630	69,586,016	2,683,536,116	(316,705,973)	2,366,830,142	2,263,908,751
Total assets	2,306,864,615	944,348,237	73,483,419	104,768,916	3,429,465,188	(319,569,418)	3,109,895,769	3,044,849,725
<b>Deferred outflows of resources:</b>								
Deferred losses on bond refunding	4,133,947	—	—	—	4,133,947	—	4,133,947	4,585,005
Deferred outflows on net pension liability	98,703,456	—	—	—	98,703,456	—	98,703,456	102,552,455
Deferred outflows on net retiree health benefits liability	95,374,753	—	—	—	95,374,753	—	95,374,753	38,612,311
Total deferred outflows of resources	198,212,156	—	—	—	198,212,156	—	198,212,156	145,749,771
<b>Total assets and deferred outflows of resources</b>	<b>\$ 2,505,076,771</b>	<b>\$ 944,348,237</b>	<b>\$ 73,483,419</b>	<b>\$ 104,768,916</b>	<b>\$ 3,627,677,343</b>	<b>\$ (319,569,418)</b>	<b>\$ 3,308,107,925</b>	<b>\$ 3,190,599,496</b>



Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY20 Total	FY19 Total
<b>Liabilities:</b>								
<i>Current Liabilities</i>								
Accounts and retainages payable	\$ 25,568,575	\$ 895,716	\$ 60,449	\$ 6,199,137	\$ 32,723,877	\$ (1,930,973)	\$ 30,792,904	\$ 37,421,244
Accrued payroll and related liabilities	25,171,902	—	—	—	25,171,902	—	25,171,902	24,085,043
Accrued compensated absences and related liabilities	15,487,250	—	—	—	15,487,250	—	15,487,250	14,561,607
Accrued interest payable	4,381,104	—	27,363	—	4,408,467	—	4,408,467	4,574,377
Unearned revenues	43,762,380	4,000,000	1,996,868	—	49,759,248	—	49,759,248	59,008,528
Bonds payable	24,054,543	—	—	—	24,054,543	—	24,054,543	24,135,558
Capital leases payable	933,481	—	—	—	933,481	(574,408)	359,073	275,835
Deposits	761,682	—	—	—	761,682	—	761,682	1,047,747
Funds held for others	773,260	—	28,495	—	801,755	—	801,755	1,159,172
Total current liabilities	140,894,177	4,895,716	2,113,175	6,199,137	154,102,205	(2,505,381)	151,596,824	166,269,111
<i>Noncurrent Liabilities:</i>								
Accrued compensated absences and related liabilities	15,955,750	—	—	—	15,955,750	—	15,955,750	13,794,393
Due to the University	—	201,601,857	—	—	201,601,857	(201,601,857)	—	—
Deposits	4,129,185	—	—	—	4,129,185	—	4,129,185	—
Funds held for others	5,184,375	84,360,217	20,932,472	—	110,477,064	(105,292,689)	5,184,375	6,951,851
Net pension liability	672,314,429	—	—	—	672,314,429	—	672,314,429	638,844,884
Net retiree health benefits liability	646,324,692	—	—	—	646,324,692	—	646,324,692	588,163,078
Bonds payable	616,506,356	—	—	—	616,506,356	—	616,506,356	640,560,899
Capital leases payable	10,208,988	—	—	—	10,208,988	(10,169,491)	39,497	668,171
Notes payable	—	—	21,090,538	—	21,090,538	—	21,090,538	21,723,980
Annuities payable	—	3,538,601	—	—	3,538,601	—	3,538,601	3,881,688
Total noncurrent liabilities	1,970,623,775	289,500,675	42,023,010	—	2,302,147,460	(317,064,037)	1,985,083,423	1,914,588,944
Total liabilities	2,111,517,952	294,396,391	44,136,185	6,199,137	2,456,249,665	(319,569,418)	2,136,680,247	2,080,858,055
<b>Deferred inflows of resources:</b>								
Deferred inflows on net pension liability	4,924,649	—	—	—	4,924,649	—	4,924,649	4,189,669
Deferred inflows on net retiree health benefits liability	62,033,143	—	—	—	62,033,143	—	62,033,143	48,114,018
Total deferred inflows of resources	66,957,792	—	—	—	66,957,792	—	66,957,792	52,303,687
<b>Total liabilities and deferred inflows of resources</b>	<b>\$ 2,178,475,744</b>	<b>\$ 294,396,391</b>	<b>\$ 44,136,185</b>	<b>\$ 6,199,137</b>	<b>\$2,523,207,457</b>	<b>\$ (319,569,418)</b>	<b>\$ 2,203,638,039</b>	<b>\$ 2,133,161,742</b>
<b>Net Position</b>								
Net investment in capital assets	\$ 836,774,410	\$ 9,216,723	\$ —	\$ —	\$ 845,991,133	\$ —	\$ 845,991,133	823,621,219
<i>Restricted for non expendable purposes:</i>								
Scholarships and fellowships	58,967,333	—	—	—	58,967,333	—	58,967,333	58,978,506
<i>Restricted for expendable purposes:</i>								
Scholarships and fellowships	22,973,576	609,797,033	—	—	632,770,609	—	632,770,609	616,936,520
Research	585,505	—	—	—	585,505	—	585,505	491,893
Instructional/departmental use	15,527,461	—	—	—	15,527,461	—	15,527,461	12,659,930
Loans	2,269,567	—	—	—	2,269,567	—	2,269,567	2,185,987
Capital projects	155,337,633	—	—	—	155,337,633	—	155,337,633	133,638,729
Debt service	12,948,982	—	—	—	12,948,982	—	12,948,982	11,729,406
Unrestricted	(778,783,440)	30,938,090	29,347,234	98,569,779	(619,928,337)	—	(619,928,337)	(602,804,436)
<b>Total net position</b>	<b>\$ 326,601,027</b>	<b>\$ 649,951,846</b>	<b>\$ 29,347,234</b>	<b>\$ 98,569,779</b>	<b>\$ 1,104,469,886</b>	<b>\$ —</b>	<b>\$ 1,104,469,886</b>	<b>\$ 1,057,437,754</b>



# CLEMSON UNIVERSITY REPORTING ENTITY

## COMBINED STATEMENT OF REVENUES, EXPENSES, ACTIVITIES AND CHANGES IN NET POSITION

For the year ended June 30, 2020

Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY20 Total	FY19 Total
<b>Revenues:</b>								
<i>Operating Revenues:</i>								
Student tuition and fees (net of scholarship allowances of \$106,681,831)	\$ 466,846,134	\$ —	\$ —	\$ —	\$ 466,846,134	\$ —	\$ 466,846,134	\$ 425,218,585
Federal grants and contracts	95,748,885	—	—	—	95,748,885	—	95,748,885	90,469,102
State grants and contracts	85,256,061	—	—	—	85,256,061	—	85,256,061	78,533,200
Local grants and contracts	1,155,889	—	—	—	1,155,889	—	1,155,889	967,895
Nongovernmental grants and contracts	11,733,331	—	—	—	11,733,331	—	11,733,331	12,289,778
Sales and services of educational and other activities	18,316,984	—	—	—	18,316,984	—	18,316,984	22,586,900
Sales and services of auxiliary enterprises - pledged for revenue bonds (net of scholarship allowances of \$15,930,413)	142,137,170	—	—	—	142,137,170	—	142,137,170	153,447,756
Sales and services of auxiliary enterprises - not pledged	38,529,894	—	—	—	38,529,894	—	38,529,894	36,236,294
Other operating revenues	38,397,174	9,422,072	3,966,985	—	51,786,231	(1,275,993)	50,510,238	49,432,076
Total operating revenues	898,121,522	9,422,072	3,966,985	—	911,510,579	(1,275,993)	910,234,586	869,181,586
<b>Expenses:</b>								
<i>Operating Expenses:</i>								
Compensation and employee benefits	709,455,173	—	—	—	709,455,173	1,170,601	710,625,774	633,321,554
Services and supplies	316,185,889	40,372,756	2,294,012	55,816,533	414,669,190	(85,987,456)	328,681,734	332,255,838
Utilities	16,656,045	—	—	—	16,656,045	—	16,656,045	20,547,574
Depreciation	66,648,011	—	—	—	66,648,011	—	66,648,011	59,346,439
Scholarships and fellowships	47,700,153	—	—	—	47,700,153	—	47,700,153	33,578,665
Total operating liabilities	1,156,645,271	40,372,756	2,294,012	55,816,533	1,255,128,572	(84,816,855)	1,170,311,717	1,079,050,070
Operating income/(loss)	(258,523,749)	(30,950,684)	1,672,973	(55,816,533)	(343,617,993)	83,540,862	(260,077,131)	(209,868,484)



Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY20 Total	FY19 Total
<b>Nonoperating Revenues (Expenses):</b>								
State appropriations	144,250,934	—	—	—	144,250,934	—	144,250,934	136,487,314
Federal appropriations	13,126,453	—	—	—	13,126,453	—	13,126,453	11,115,310
Gifts and grants	102,743,269	45,318,951	150,000	56,005,143	204,217,363	(68,659,878)	135,557,485	117,650,849
Interest income	16,804,815	—	29,660	86,692	16,921,167	—	16,921,167	25,847,828
Endowment income	1,900,361	4,579,773	(700,182)	1,270,736	7,050,688	—	7,050,688	42,970,389
Interest on capital asset related debt	(22,522,572)	—	(906,529)	—	(23,429,101)	—	(23,429,101)	(24,321,809)
Other nonoperating revenues	499,791	—	—	—	499,791	—	499,791	4,665,185
Gain/loss on disposal of capital assets	(1,540,595)	—	—	—	(1,540,595)	—	(1,540,595)	(257,972)
Refunds to grantorss	(491,460)	—	—	—	(491,460)	—	(491,460)	(499,029)
Facilities and administrative remittances to the State	(269,279)	—	—	—	(269,279)	—	(269,279)	(279,601)
Net nonoperating revenues	<u>254,501,717</u>	<u>49,898,724</u>	<u>(1,427,051)</u>	<u>57,362,571</u>	<u>360,335,961</u>	<u>(68,659,878)</u>	<u>291,676,083</u>	<u>313,378,464</u>
Income before other revenues, expenses, gains or losses	(4,022,032)	18,948,040	245,922	1,546,038	16,717,968	14,880,984	31,598,952	103,509,980
State capital appropriations	10,900,272	—	—	—	10,900,272	—	10,900,272	9,849,574
Capital grants and gifts	19,618,843	—	—	—	19,618,843	(15,206,999)	4,411,844	7,792,758
Intra-entity contributions	90,344	(326,015)	—	30,720	(204,951)	326,015	121,064	(89,233)
Additions to permanent endowments	—	—	—	—	—	—	—	38,230
Increase in net position	<u>26,587,427</u>	<u>18,622,025</u>	<u>245,922</u>	<u>1,576,758</u>	<u>47,032,132</u>	<u>—</u>	<u>47,032,132</u>	<u>121,101,309</u>
<b>Net Position:</b>								
Net position, beginning of year as originally stated	300,013,600	631,329,821	29,101,312	96,993,021	1,057,437,754	—	1,057,437,754	936,336,445
Restatement	—	—	—	—	—	—	—	—
Net position, beginning of year as restated	<u>300,013,600</u>	<u>631,329,821</u>	<u>29,101,312</u>	<u>96,993,021</u>	<u>1,057,437,754</u>	<u>—</u>	<u>1,057,437,754</u>	<u>936,336,445</u>
<b>Net position, end of year</b>	<u><b>\$ 326,601,027</b></u>	<u><b>\$ 649,951,846</b></u>	<u><b>\$ 29,347,234</b></u>	<u><b>\$ 98,569,779</b></u>	<u><b>\$ 1,104,469,886</b></u>	<u><b>\$ —</b></u>	<u><b>\$ 1,104,469,886</b></u>	<u><b>\$ 1,057,437,754</b></u>











This Comprehensive Annual Financial Report is also available  
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