



Annual Comprehensive Financial Report

For the Year Ended June 30, 2022

A component unit of the State of South Carolina



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For the Year Ended June 30, 2022

Prepared by the Controller's Office



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Introductory Section
(unaudited)

ClemsonForward Strategic Plan

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; cyber-infrastructure 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.

President's Letter 2022



Dear Friends of Clemson:

Throughout the past year, I am proud to say that Clemson University continued to rise to challenges, while at the same time reaching new heights in teaching, research and impact. 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 year.

This past year was another record-setting year for Clemson in admissions, enrollment, research, diversity, graduation and retention rates. As of July 7, 2022, we received nearly 53,000 applications, which is almost triple the number of applicants a decade ago. Research expenditures grew by 3.5 percent to \$237M – an increase of 56 percent since 2013. We continue to be ranked among the top public universities in the country, as listed by U.S. News & World Report. Clemson was also ranked in the Top 10 nationally by Princeton Review in seven categories — Great Career Services, Great Intramural Sports, Great Quality of Life, Great Town-Gown Relations, Happy Students, Most Loved Colleges, and Students Pack the Stadiums.

Our first Rhodes Scholar was announced this year, when Louise Franke, a Clemson senior from Spartanburg, S.C., made University history. We look forward to continuing to follow and share her journey as she heads to Oxford. Additionally, three Clemson undergraduates were awarded 2022 Barry M. Goldwater Scholarships, a record 27 Gilman Scholarships were awarded to our students and five Fulbright Scholars and two Astronaut Scholars were named.

Our campus has also continued to evolve and grow. We opened the Samuel J. Cadden Chapel and completed the new Humanities Hall. Renovations to Daniel Hall began and the improvements to Perimeter Road continue. Also, in partnership with Prisma Health, we opened the Clemson University Institute for Engaged Aging at Prisma Health in Seneca, S.C. – the first of its kind in the country.

Private gifts to Clemson University and IPTAY this fiscal year resulted in another historic year of giving, with more than \$210 million raised during the fiscal year. In fact, this is the 11th consecutive year that annual fundraising at Clemson has exceeded \$100 million and the 6th straight year it has topped \$150 million. These gifts will transform the lives of countless students, through the creation of 139 new student scholarships, 129 new endowments, and resources and program expansions in both academics and athletics.

This past year was filled with tremendous achievements. And in looking ahead, the University will soon adopt a bold, new strategic plan that will continue to direct our efforts and allow us to build upon our incredible foundation and further elevate our position throughout the state, nation and world. We are looking forward to the year ahead and are excited to celebrate our tremendous accomplishments together.

Sincerely,

James P. Clements, Ph.D.
President

LETTER OF TRANSMITTAL

September 29, 2022

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

Finance and Operations

Clemson University
G06 Sikes Hall
Box 345302
Clemson, SC
29534-5302

P 864-656-2421
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We are pleased to present to you the Annual Comprehensive Financial Report of Clemson University (the "University") for the year ended June 30, 2022. 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, 2022, 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 130 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 Education 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 3.2% at the end of June 2022, which was 1.3% lower than June 2021. The national average was 3.6% and South Carolina ranked 25th, compared to other states, per the U.S. Bureau of Labor Statistics. The South Carolina Economic Outlook, published by the South Carolina Department of Commerce, boasted an increase in non-farm jobs totaling 21,700, with the most growth in leisure and hospitality services, professional and business services, and manufacturing.

Similar to employment and wages, the housing market in South Carolina experienced improvements as well. Median home sales rose by 20.7%. Residential building permits increased by 6.7% while the valuation of those permits increased by 22.4%. Total closings rose in five of the top Metropolitan Statistical Areas (MSAs) with Spartanburg reporting the largest increase (14.2%).

Governor Henry McMaster boasts that South Carolina is "booming". In his January 19, 2022 State of the State address, McMaster reported, "Employers are creating new jobs, entrepreneurs are opening new businesses, and companies are deciding to relocate here. Our business and family-friendly environment has produced historic gains in new jobs, capital investment and population growth." He shared that in the past year, South Carolina has added 15,000 new jobs and new capital investments of \$4.3 billion.

One of the many significant capital investments is GE's five-year, \$5 million initiative in Greenville, South Carolina to launch Next Engineers, a global college-readiness program designed to increase the diversity of young people in engineering. GE selected Greenville as one of four inaugural locations, aiming to inspire more than 3,500 local students ages 13-18, provide first-hand experiences in engineering, and award financial support to pursue further education in engineering. GE will work directly with Clemson University to implement the Next Engineers initiative locally.

Major Initiatives

The 2021-22 academic and fiscal year was another productive year for Clemson. Clemson once again raised the bar in admissions, enrollment, research, diversity, graduation and retention rates, all while undergoing the largest construction boom in the history of the University.

The University is classified as 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 as announced by *U.S. News & World Report*.

Clemson closed another record-breaking year of philanthropy, with a total of \$210.6 million raised through realized gifts and pledges during the fiscal year, topping last year's total of \$202 million. In fact, this was the 11th consecutive year that annual fundraising at Clemson exceeded \$100 million, and the sixth straight year it topped \$150 million. Philanthropic generosity transformed the lives of many by creating 139 new scholarships and fellowships, 129 new endowments, multiple resource developments and numerous program expansions in both academics and athletics. Principal gifts included 22 gifts of \$1 million or more. This year's gifts included two Academic Cornerstones and three Athletic Cornerstone Partners.

Highlights, news and major milestones of the year include:

- We laid the foundation for Clemson's Bridge to Doctorate Program, a graduate fellowship program. Established this year with a \$1 million grant from the National Science Foundation's Louis Stokes Alliance for Minority Participation program, along with additional resources provided by the University, full financial support will be provided to the group of 12 incoming underrepresented Ph.D. students enrolled in select programs in the College of Engineering, Computing and Applied Sciences (CECAS) and the College of Science.
- The University received two prestigious excellence in diversity awards. INSIGHT into Diversity awarded Clemson its Higher Education Excellence in Diversity (HEED) award and the Diversity Champion Award. Clemson was also one of only 14 schools named a Diversity Champion, scoring in the top tier of all HEED Award Institutions - the fourth year in a row the University has received that honor.
- Dr. Rhondda Thomas was awarded the Class of '39 Award for Excellence. The Calhoun Lemon Professor of Literature was also named winner of the Fresh Voices in the Humanities award by the governor.

- SAS gifted the University \$3.3 million in licensing for teaching and academic research. In a renewal of a previous gift from 2017, SAS committed to supporting Clemson's mission through 2026 by providing access to a suite of programs that enhance undergraduate and graduate education, support research efforts and encourage institutional success.
- The National Institutes of Health's National Institute on Aging awarded a grant of \$44.3 million in expected funds over five years for the Preventing Alzheimer's with Cognitive Training (PACT) study. Clemson was chosen as one of six sites across the U.S. to conduct this study, which is the largest primary prevention trial to date designed to test the effectiveness of computer-based training to protect against MCI and dementias.
- Clemson was awarded \$3.2 million to contribute to the development of blood tests for Alzheimer's disease. The grant from the National Institute on Aging, part of the National Institutes of Health, expands Clemson's PACT study. The PACT study will now work with the National Centralized Repository for Alzheimer's Disease and Related Dementias to analyze blood specimens collected from study participants.
- U.S. News & World Report ranked our College of Education program as the #1 online graduate education program in the nation in 2022.
- Brian Powell, the Field professor in nuclear environmental engineering and science, was named our Senior Researcher of the Year, and Nathan McNeese, assistant professor in the School of Computing, was named our junior Researcher of the Year.
- We honored 15 researchers whose research earned patents in 2020 and include technologies for reinventing the human tissue preparation process using a self-adjusting tissue holder, enhancing chemical and environmental stability using a new class of pyrazoline-based fluorophores and improving the transportation efficiencies of the commercial shipping industry with an innovative technology in the field of antifouling marine coatings.
- William Haller, associate professor in the Clemson University Department of Sociology, Anthropology and Criminal Justice, earned a Fulbright Scholar Award and is serving as the 2021-2022 Canada Research Chair in Global Governance at the Balsillie School of International Affairs in Waterloo, Ontario.
- Clemson graduate Deion Jamison was named South Carolina Teacher of the Year.
- Our online Master of Science in data science and analytics (DSA) program, a collaboration between the College of Science and the Wilbur O. and Ann Powers College of Business, ranks 14th in Fortune Education's ranking of data science graduate programs.
- Virtual Prototyping of Ground Systems (VIPR-GS) Center - With the United States Army DEVCOM Ground Vehicle Systems Center (GVSC), we announced an additional \$22 million for a research partnership aimed at developing innovative virtual prototyping tools for designing the next generation of on- and off-road vehicles, with the U.S. government committing up to \$100 million to the project.

Statewide Initiatives

- The University hosted the 2nd annual Women's Roundtable, a developmental and networking opportunity for participants to acknowledge, explore and invest in the promotion of the experiences of girls and women, particularly in STEM fields. The Women's Roundtable brought approximately 500 participants together to emphasize the importance of education, self-care and preservation. It also focused on the tools and skill sets necessary to cope with and navigate exclusionary educational and professional environments that many girls and women encounter.
- Clemson also hosted the 5th annual Men of Color National Summit, attracting its largest crowd in the history of the event. The Summit's mission is to close the opportunity gap for African American and Hispanic males and help illuminate pathways to higher education.
- The Boeing Company expanded its partnership with the University to help create pathways to higher education for Black and Latino young men, building a diverse and highly skilled workforce necessary for the jobs of tomorrow. Boeing's financial investment established a STEM track for attendees and provided funding for 400 Tiger Alliance students and approximately 100 students from South Carolina's I-95 corridor to attend the Men of Color Summit. Boeing leveraged their relationship with the Obama Foundation's My Brother's Keeper Alliance to initiate additional partnerships between Clemson and other national partners supporting young men of color.
- Students in the Master of Resilient Urban Design program in Charleston, S.C. partnered with the Riley Center for Livable Communities to create a design fellowship for South Carolina mayors, called the Riley Mayors' Design Fellowship, helping mayors in small towns throughout the state with their design ideas.
- The University opened a research institute at Prisma Health Oconee Memorial Hospital to accommodate the expanding community research and clinical programs of the Clemson University Institute for Engaged Aging.

- The Health Sciences Center and Prisma Health awarded University researchers 16 grants that range from projects on cancer treatments to the use of exoskeletons for healthcare providers. The seed funding supports the mission of the Center, a collaborative effort between Clemson University, the University of South Carolina, Furman University and Prisma Health to foster cooperative research.
- Between April and July 2022, Assistant to the President for Community Outreach and Engagement, Julio Hernandez, met with 18 mayors in the Midlands, Pee Dee, Lowcountry and the Upstate to listen and explore future collaborations and partnerships and serve as a liaison between Clemson and their cities, municipalities and nonprofits.

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) continued planning and information-gathering operations since its COVID-related activation in late February 2020.
- Clemson University Research and Education in Disease Diagnosis and Intervention (REDDI) Lab continued to conduct saliva tests, extending its services to local residents for free.
- Clemson began the 2021 fall semester with face-to-face instruction.
- Clemson reopened Death Valley to full capacity for fans to enjoy the 2021 football season.

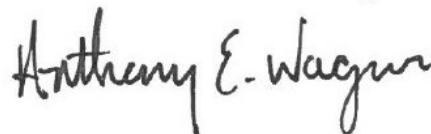
Awards and Acknowledgments

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 annual comprehensive financial report for the fiscal year ended June 30, 2021. 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 annual comprehensive financial report (Annual Report), whose contents conform to program standards. Such an Annual Report 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 Annual Comprehensive Financial Report in a timely manner would not have been possible without the coordinated effort 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. Wager
Executive Vice President for Finance and Operations,
Chief Operating Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
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Presented to

**Clemson University
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

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David H. Wilkins

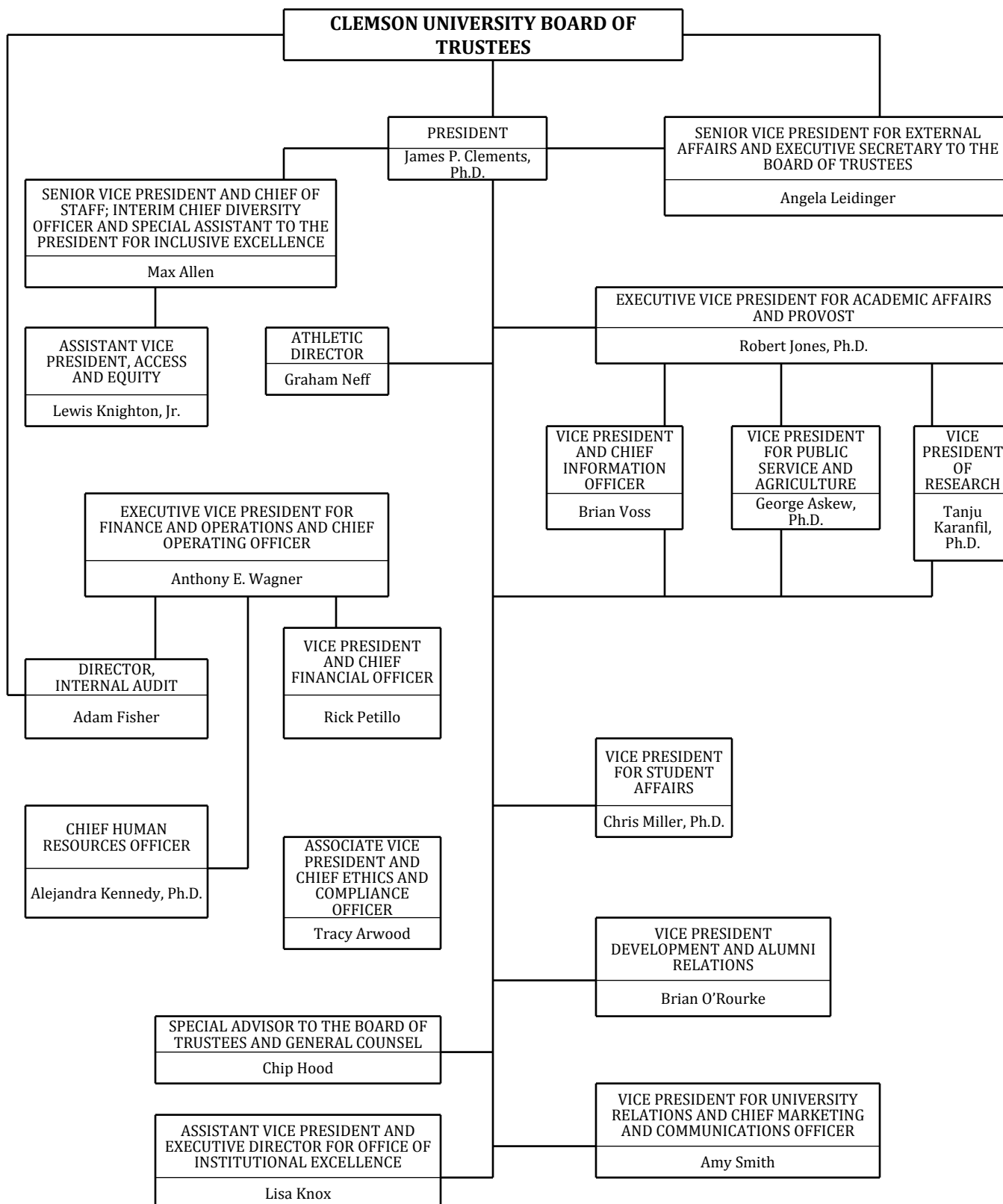
Partner, Nelson Mullins Riley & Scarborough LLP

Allen Wood

Retired

CLEMSON UNIVERSITY

ORGANIZATION CHART





Financial Section

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Clemson University (the "University"), a component unit of the State of South Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the University as of June 30, 2022, and the respective changes in financial position and, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Notes 4, 7, 11, and 21 to the fiscal year 2022 financial statements, the University adopted GASB Statement No. 87, *Leases* which resulted in the restatement of previously reported net position as of June 30, 2021. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of the University's Proportionate Share of Net Pension Liability, the Schedule of University Contributions to Pension Plans, the Schedule of University's Proportionate Share of Net Retiree Health Benefits Liability, and the Schedule of University Contributions to Retiree Health Benefits Plan, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section, Statistical Section, Schedule of Pledged Net Revenues - Auxiliary Revenue Bonds (Series 2015 and 2015B), Schedule of Pledged Net Revenues - Athletic Facilities Revenue Bonds (Series 2012, 2014A, 2014B, 2014C, 2015, 2015B, 2018A, 2021A, and 2021B), 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, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Charleston, South Carolina
September 29, 2022

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 2022. While audited financial statements for fiscal year 2021 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 are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues received by the 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 \$25.1 million

- Operating revenues increased \$139.2 million, based on the following:
 - Student tuition and fees increased \$33.4 million due to enrollment growth and a modest increase in graduate tuition. Undergraduate academic fees remained unchanged from the prior academic year while graduate tuition increased by 3%. Enrollment increased by 4% over the prior year. As students returned to campus full-time, campus recreation and student health service fees increased.
 - Sales and services revenue increased by \$68.0 million. Sales and services of pledged auxiliaries increased by \$61.5 million as University operations returned to normal. Students returned to campus, resulting in increased revenues from housing, dining and parking operations. Athletic events resumed normal operations, with venues, including Memorial Stadium, operating at full capacity. Student auxiliaries and athletic revenue increased \$23.3 million and \$38.2 million, respectively. Computer store sales contributed to the increase in non-pledged auxiliaries revenue of \$127,000. Sales and services of educational activities increased by \$6.4 million, as the University was able to resume programs such as the Youth Learning Institute camps. There was also an increase in revenue generated from agriculture and forest research testing.
 - Grants and contracts revenues increased by \$32.4 million. Federal grants and contracts increased \$39.1 million, with continued research awarded from the National Science Foundation, Department of Agriculture, and projects focused on high-energy laser applications through non-State Agencies. State grants and contracts decreased by \$5.0 million due to a decrease in the University's proportionate share of non-employer contributions to the retiree health benefit plan. Local grants and contracts increased by \$1.0 million, as the University received new funding for opportunity zones, conservation efforts in Anderson County, and an initiative to modernize manufacturing equipment. Nongovernmental grants and contracts decreased by \$2.7 million due to decreased funding for patient-centered modeling programs and nonrecurring funding for healthy community programs.
 - Other operating revenues increased by \$5.3 million due to a rebound in study abroad activity, student health fees, and testing service fee revenue.
- Nonoperating revenues decreased \$114.1 million, based on the following:
 - State appropriations increased by \$13.7 million. Education & General (E&G) and Public Service (PSA) base appropriations increased \$6.5 million and \$2.6 million, respectively. Allocations for retirement contributions and cost of living adjustments increased \$4.6 million.

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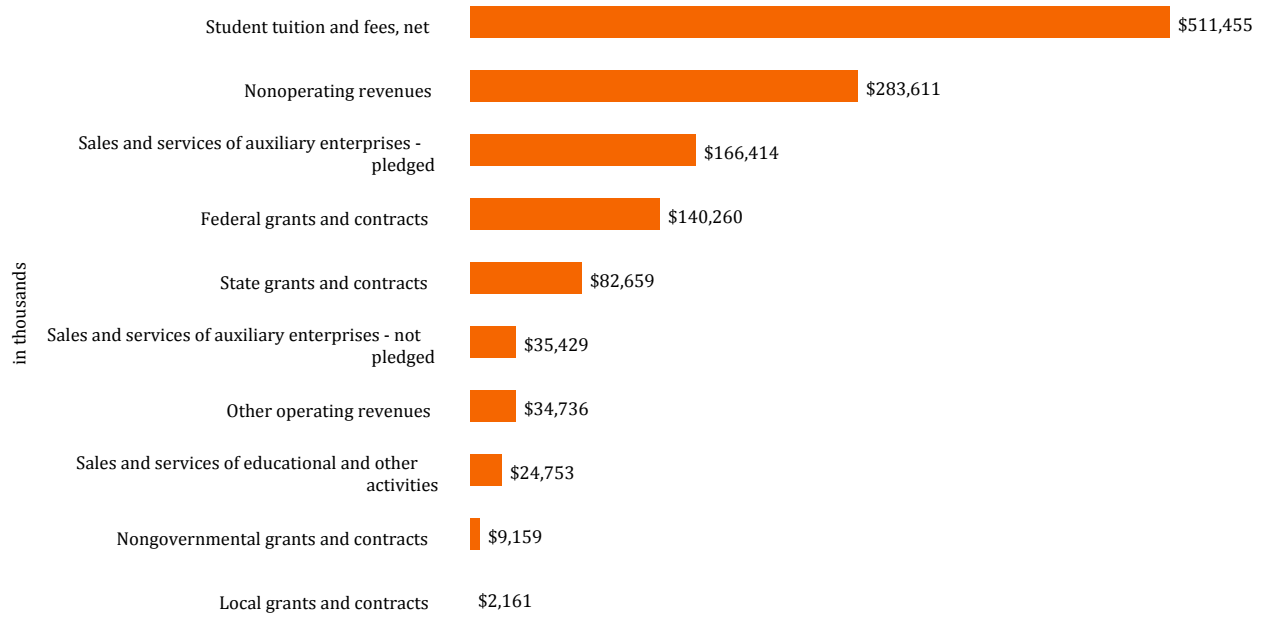
- Federal appropriations decreased by \$545,000 due to reduced funding for the University's land-grant Smith-Lever program, offset by a slight increase in funding for the Hatch program.
- Gifts and grants revenue decreased by \$52.1 million. In the prior fiscal year, the University received \$51.4 million in one-time funding from the Coronavirus Aid, Recovery, and Economic Security (CARES) Act from the State of South Carolina.
- Investment income decreased by \$89.7 million. Overall earnings on balances held at the University's depository bank and endowment balances held by the Clemson University Foundation were impacted by market conditions.
- Other nonoperating revenues decreased by \$74,000.
- Proceeds from the sale of capital assets increased by \$14.7 million due to the sale of 59.11 acres of land in Myrtle Beach, SC as well as University surplus sales.

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

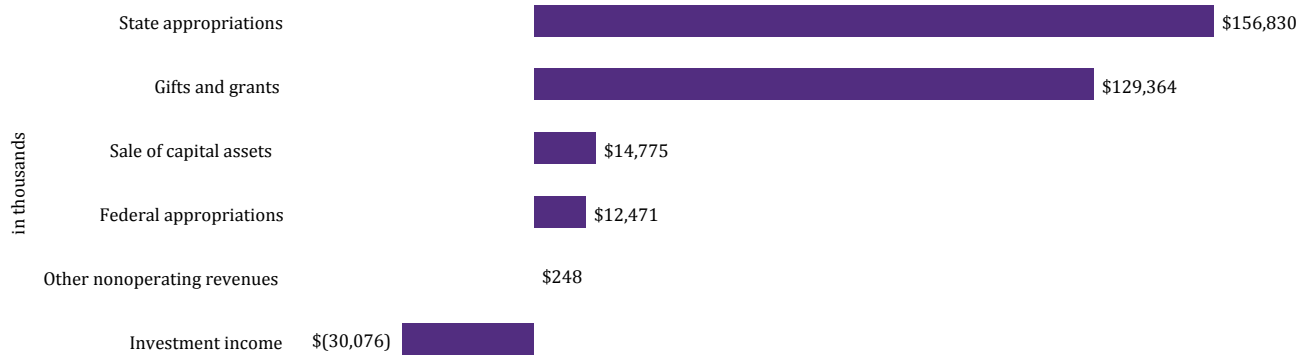
Description	2022	2021	Increase/ (Decrease)	Percent Change
Revenues:				
Student tuition and fees, net	\$ 511,455	\$ 478,014	\$ 33,441	7.00 %
Sales and services, net	226,596	158,581	68,015	42.89 %
Grants and contracts	234,240	201,827	32,413	16.06 %
Other operating revenues	34,736	29,413	5,323	18.10 %
Total operating revenues	1,007,027	867,835	139,192	16.04 %
State appropriations	156,830	143,174	13,656	9.54 %
Federal appropriations	12,471	13,016	(545)	(4.19) %
Gifts and grants	129,364	181,437	(52,073)	(28.70) %
Investment income	(30,076)	59,603	(89,679)	(150.46) %
Other nonoperating revenues	248	322	(74)	(22.98) %
Proceeds from the sale of capital assets	14,775	125	14,650	11,720.00 %
Total nonoperating revenues	283,611	397,677	(114,065)	(28.68) %
Total revenues	1,290,638	1,265,512	25,127	1.99 %
Expenses:				
Compensation and employee benefits	719,502	743,857	(24,355)	(3.27) %
Services and supplies	344,453	275,874	68,579	24.86 %
Utilities	22,719	19,217	3,502	18.22 %
Depreciation and amortization	72,352	68,024	4,328	6.36 %
Scholarships and fellowships	42,609	42,112	497	1.18 %
Total operating expenses	1,201,635	1,149,084	52,551	4.57 %
Interest on capital asset related debt	21,270	21,596	(326)	(1.51) %
Loss on disposal of capital assets	1,648	322	1,326	411.80 %
Refunds to grantors	538	514	24	4.67 %
Facilities and administrative remittances to the State	287	292	(5)	(1.71) %
Total nonoperating expenses	23,743	22,724	1,019	4.48 %
Total expenses	1,225,378	1,171,808	53,570	4.57 %
Income (loss) before other revenues, expenses, gains or losses	65,260	93,704	(28,443)	(30.36) %
State capital appropriations	50,620	—	50,620	100.00 %
Capital grants and gifts	4,572	3,155	1,417	44.91 %
Additions to permanent endowments	29	83	(54)	(65.06) %
Increase in net position	120,481	96,942	23,540	24.28 %
Net position, beginning of year, as originally stated	423,543	326,601	96,942	29.68 %
Cumulative effect of accounting changes	(280)	—	(280)	(100.00) %
Net position, end of year	\$ 543,744	\$ 423,543	\$ 120,202	28.38 %

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Total Revenues
\$1,290,638 (thousands of dollars)



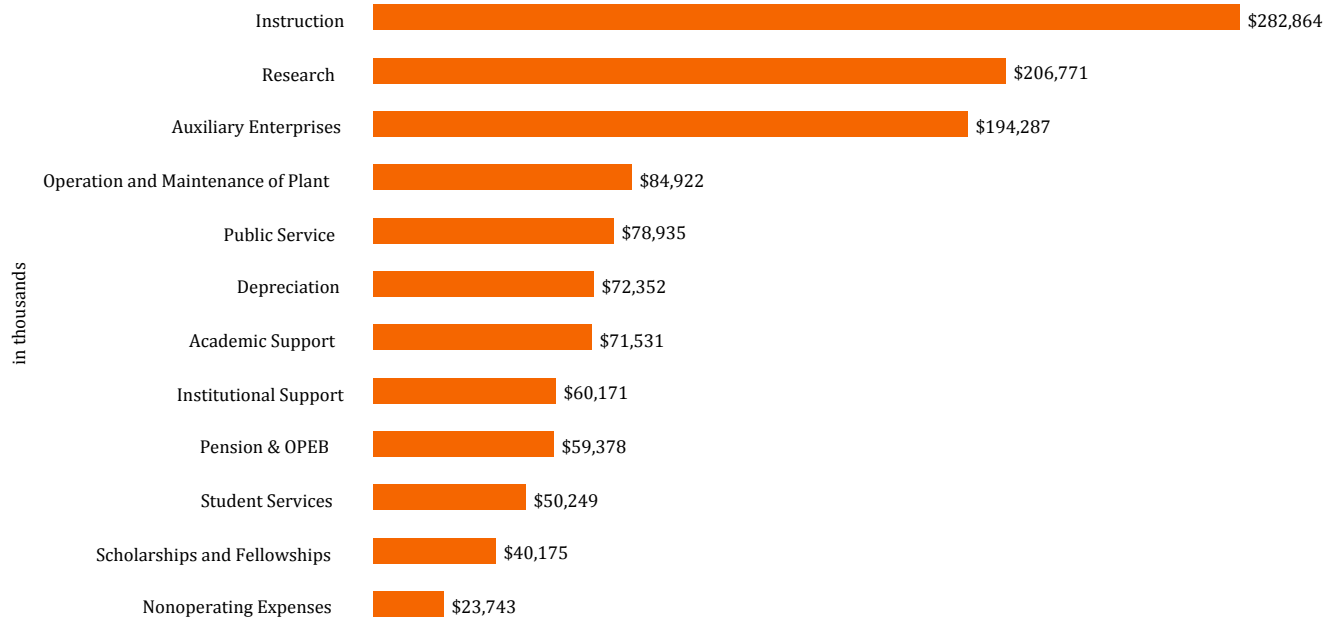
Nonoperating Revenues



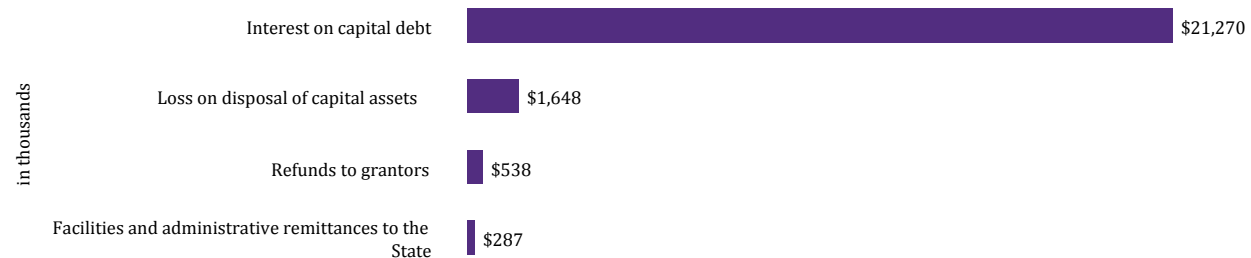
Total Expenses – increase of \$53.6 million

- Operating expenses increased \$52.6 million, based on the following:
 - Compensation & employee benefits decreased by \$24.4 million. Compensation increased by \$12.5 million. As the University returned to normal operations, faculty and staff hiring and other compensation actions resumed under careful consideration of executive leadership. Faculty and staff also received merit increases and cost of living adjustments. Fringe benefit expenses decreased \$7.2 million, as a lower fringe rate was assessed for 12-month administrator/staff - the largest employee category at the University. 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 decreased by \$29.5 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 \$59.3 million and \$26.4 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 \$4.1 million and \$52.4 million, respectively.
 - Services and supplies expenses increased \$68.6 million. Instruction costs increased by \$3.4 million across all areas as University operations returned to normal. The largest increases were in the areas of architecture, performing arts, and psychology. Research costs for federal sponsored research projects were higher than the prior fiscal year, reflecting an overall increase of \$9.4 million. Public service costs increased \$5.4 million and were related to higher beef, poultry and dairy farm costs. Academic support costs increased \$2.9 million, primarily due to information technology support costs and a rebound in costs that support study abroad programs. Student services expenses decreased \$7.8 million. As operations returned to normal, there were fewer costs associated with housing and dining safety precautions that were implemented in the prior year. These decreases were offset by increases in costs associated with student organizations. Institutional support expenses increased \$2.6 million due to increased insurance premiums and higher costs associated with the University's various administrative IT systems. Operation and maintenance of plant costs related to non-capitalized repairs and renovations increased by \$22.1 million. Scholarship and fellowships decreased by \$77,000. Auxiliary services expenses increased \$30.6 million as students returned to campus and operations returned to normal. Housing, dining, and athletic operations expenses increased \$6.0 million, \$7.1 million, and \$17.4 million, respectively.
 - Utilities expenses increased \$3.5 million, as students and employees returned to campus full-time.
 - Depreciation and amortization expense increased \$4.3 million, due to the capitalization of major construction projects including the T. Ed Garrison Expo Center, Samuel J. Cadden Memorial Chapel, and Center for Manufacturing Innovation (CMI). Additionally, the University implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, which expanded the scope of capital assets to be amortized.
 - Scholarship and fellowship expenses increased \$497,000. An increase in Pell grant funding was offset by a decrease in federal Supplemental Educational Opportunity Grants (SEOG).
- Nonoperating expenses increased \$1.0 million based on the following:
 - Interest expense decreased \$326,000, as the University continued to pay down debt and had smaller outstanding principal balances on bonds.
 - Losses on disposal of capital assets increased \$1.3 million due to disposals of obsolete equipment.
 - Refunds to grantors increased \$24,000 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 \$5,000. The State requires such costs collected for non-research sponsored projects in excess of \$200,000 to be remitted.

Total Expenses by Function \$1,225,378 (thousands of dollars)

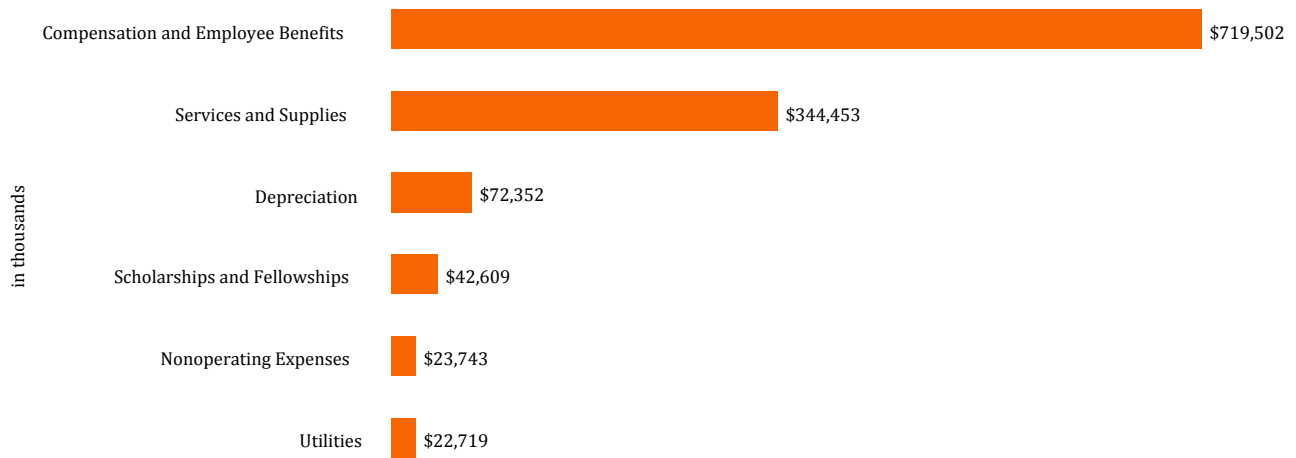


Nonoperating Expenses

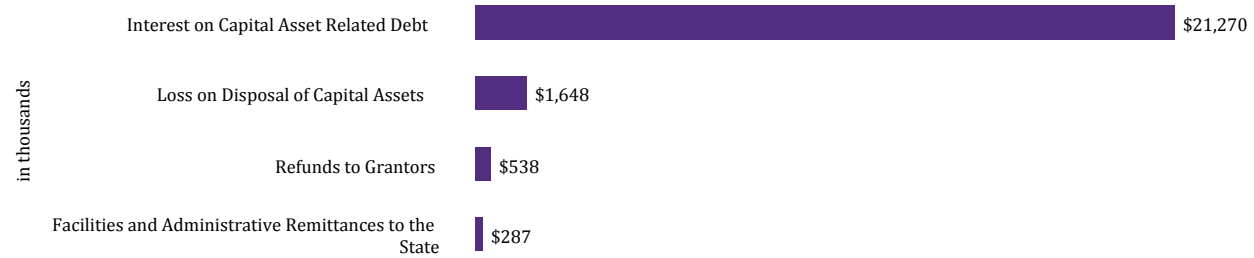


- Nonoperating expenses increased \$1.0 million based on the following:
 - Interest expense decreased \$326,000, as the University continued to pay down debt and had smaller outstanding principal balances on bonds.
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 - Refunds to grantors increased \$24,000 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 \$5,000. The State requires such costs collected for non-research sponsored projects in excess of \$200,000 to be remitted.
- State capital appropriations increased by \$50.6 million. The University received \$25.0 million from the State Capital Reserve Fund for HVAC maintenance and repairs, \$22.6 million to fund maintenance, renovation and replacement of various building components (roofs, elevators, and electrical work) and \$2.9 million for public service activities (greenhouse construction and research building repairs).
- Capital grants and gifts increased \$1.4 million due to private donor giving and gifts-in-kind donated to the University.
- Additions to permanent endowments decreased by \$54,000.

Total Expenses by Natural Classification
\$1,225,378 (thousands of dollars)



Nonoperating Expenses



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 \$384.3 million

- Current assets increased \$328.1 million. Unrestricted cash balances increased \$103.0 million and restricted cash increased \$181.0 million. The unrestricted cash increase was driven by an increase in student fee collections resulting from enrollment growth and maintenance, repairs, and renovation funding. Restricted cash increased, primarily as a result of unspent proceeds from State Institution and Athletic Facilities Revenue bonds issued during the year. Accounts receivable increased \$29.0 million as a result of state capital reserve funds that will be drawn as work progresses on capital projects.

Condensed Summary of Net Position (<i>thousands of dollars</i>)				
Description	2022	2021	Increase/ (Decrease)	Percent Change
Assets				
Current assets	1,100,383	\$ 772,316	\$ 328,067	42.48 %
Capital assets, net	1,492,955	1,455,245	37,710	2.59 %
Other noncurrent assets	252,201	265,050	(12,849)	(4.85) %
Total assets	2,845,539	2,492,611	352,928	14.16 %
Deferred outflows of resources	358,598	327,192	31,406	9.60 %
Total assets and deferred outflows of resources	3,204,137	2,819,803	384,334	13.63 %
Liabilities				
Current liabilities	184,798	161,958	22,840	14.10 %
Noncurrent liabilities	2,328,581	2,180,829	147,752	6.78 %
Total liabilities	2,513,379	2,342,787	170,592	7.28 %
Deferred inflows of resources	147,013	53,473	93,540	174.93 %
Total liabilities and deferred inflows of resources	2,660,392	2,396,260	264,132	11.02 %
Net Position				
Net investment in capital assets	862,368	823,730	38,638	4.69 %
Restricted - nonexpendable	58,973	59,504	(531)	(0.89) %
Restricted - expendable	282,768	244,504	38,264	15.65 %
Unrestricted	(660,364)	(704,475)	44,111	(6.26) %
Total net position	\$ 543,745	\$ 423,263	\$ 120,482	28.47 %

Grants and contracts receivable increased \$10.0 million due to increased receivables on sponsored projects. Lease obligations receivable increased \$398,000 due to implementation of GASB 87, *Leases*, which required the University to record a receivable for the present value of all future lease payments due from lessees. Contributions receivable decreased \$194,000. Interest income receivable on cash balances held by the State Treasurer's Office increased \$713,000. Inventories increased \$466,000. Prepaid items increased \$3.8 million as a result of renewed IT license and maintenance agreements, prepayment of insurance premiums, and travel related to study abroad programs. Other current assets decreased \$79,000.

- Net capital assets increased \$37.7 million. Non-depreciable assets decreased \$27.1 million as construction concluded on major projects including the Samuel J. Cadden Chapel, T. Ed Garrison Expo Center and Center for Manufacturing Innovation (CMI). Other capital assets increased \$64.8 million. Buildings decreased \$25.7 million, as current operational buildings were depreciated and as a result of implementing GASB 87, *Leases*, which required the University to reclassify capital leases as right of use (leased) assets. A University-wide electrical system upgrade, offset by depreciation of existing utilities contributed to the increase of \$76.7 million in utilities and other non-structural improvements. Equipment decreased \$4.1 million, with depreciation offsetting new additions. The decrease in vehicles of \$1.3 million was a result of current year depreciation and disposals or trade-ins of previously owned departmental vehicles. Leased assets increased \$19.3 million as the University implemented GASB 87, *Leases*, which required capitalization of leased equipment and office space. Leases that were formerly identified as operating were reclassified as intangible, right of use (leased) assets.
- Other noncurrent assets decreased \$12.8 million. The balance on loan to the Clemson University Foundation (CUF) decreased \$11.0 million. Income, realized gains and transfers from CUF were offset by unrealized losses. Noncurrent contributions receivable decreased \$150,000 due to payment of existing pledges. Investments decreased \$517,000 due to unrealized losses on balances held at Wells Fargo. Restricted noncurrent cash balances decreased \$11,000. Student loans receivable decreased \$1.3 million due to collections of Perkins Federal student loans.
- Deferred outflows of resources increased \$31.4 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 \$26.5 million. Deferred outflows related to the University's proportionate share of the state's retiree health benefits liability increased \$58.3 million.

Liabilities and Deferred Inflows of Resources – increase of \$264.1 million

- Current liabilities increased \$22.8 million. Amounts due at fiscal year-end for capital projects led to an increase in accounts payable of \$10.1 million. Accrued payroll and related liabilities decreased by \$4.9 million as bonuses accrued in the previous year were paid during the current fiscal year. Current compensated absences decreased \$3.5 million, resulting from a decline in the balance of accrued leave. Accrued interest payable increased \$158,000. Unearned revenues increased by \$7.9 million due to growth in athletic ticket sales for the upcoming football season, deferred student payments for the summer semester, and grants and contracts funding received in advance of expenditures. Lease obligations payable increased \$3.0 million as a result of the University implementing GASB 87, *Leases*, which required recording a payable equal to the value of the leased assets. Bonds payable increased \$7.7 million as the University issued new State Institution and Athletic Facilities Revenue bonds during the fiscal year. Current deposits increased by \$2.7 million due to an over-recovery of pooled fringes for the fiscal year ending June 30, 2021 that will be absorbed/adjusted through the approved pooled fringe rate established for the fiscal year ended June 30, 2023. The current portion of funds held for others decreased \$258,000.
- Noncurrent liabilities increased by \$147.8 million. The University's proportionate share of the State's net pension liability decreased by \$118.9 million, offset by an increase in the University's proportionate share of the State's liability for retiree health benefits of \$111.4 million. Net investment income and plan contributions were not substantial enough to offset the plans' benefit payments and administrative costs, resulting in a decrease to the plans' overall net liability. Long-term debt increased \$154.4 million mostly due to the University issuing Athletic Facilities Revenue and State Institution bonds during the fiscal year. The long-term liability for compensated absences and related liabilities increased \$1.4 million. The noncurrent portion of deposits increased by \$666,000 due to an over-recovery of pooled fringe benefits for the fiscal year ended June 30, 2022 that will be absorbed through the approved pooled fringe rate established for the fiscal year ending June 30, 2024. The noncurrent portion of funds held for others related to Perkins loans decreased \$1.2 million.
- Deferred inflows of resources increased \$93.5 million. Deferred inflows of resources related to the University's net pension liability increased by \$93.4 million. Deferred inflows of resources related to the University's net retiree health benefit liability decreased by \$741,000. Deferred inflows of resources include the calculated difference between actual and projected investment earnings on the state's pension and retiree health benefit plans.

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Net Position – increase of \$120.5 million

- Net investment in capital assets increased \$38.6 million due to an increase in capital assets of \$37.7 million, less an increase in capital debt of \$165.1 million and an decrease in unspent bond proceeds of \$166.3 million, and a \$451,000 decrease in deferred outflows of resources as discussed above. The University restated beginning net position as a result of the implementation of GASB 87, *Leases*, which resulted in a \$280,000 decrease in net investment in capital assets.
- Restricted – nonexpendable net position for scholarships and fellowships decreased \$532,000 as the result of investment losses on endowment balances held by Wells Fargo.
- Restricted for expendable net position increased \$38.3 million, based on the following:
 - Restricted – expendable net position for scholarships and fellowships decreased \$2.1 million due to a decrease in investment earnings on funds held by the State Treasurer's Office.
 - Restricted – expendable net position for research increased \$3.4 million, driven by an increase in sponsored research activities.
 - Restricted – expendable net position for instructional/departmental use decreased \$2.8 million due to the expenditure of previously recognized gift amounts.
 - Restricted – expendable net position for student loans decreased \$174,000.
 - Restricted – expendable net position for capital projects increased \$42.4 million resulting, in large part, from increases in operating transfers to housing, dining, parking and athletic improvement funds. The University also issued State Institution bonds for improvements to Daniel Hall and Athletic Facilities Revenue bonds for improvements to Memorial Stadium, the tennis and soccer operations complexes, and softball stadium.
 - Restricted – expendable net position for debt service decreased \$2.5 million, as investment earnings decreased on funds held by the State Treasurer's Office.
- Unrestricted net position increased \$44.1 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 \$56.3 million reduction of unrestricted net position.
 - Unrestricted - educational and general increased \$76.6 million as the result of increased student tuition and fee revenues and self-generated, entrepreneurial activities.
 - Unrestricted – unexpended plant increased \$30.3 million as the result of selling land in Myrtle Beach, SC and transfers for facilities planned maintenance projects and other University initiatives.
 - Unrestricted – board designated endowments decreased \$10.4 million as the result of investment losses.
 - Unrestricted – public services net position increased \$3.2 million.
 - Unrestricted – auxiliaries net position increased \$698,000 as auxiliary and athletic operations returned to normal.

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.

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Capital Assets

Capital assets, net of accumulated depreciation, at June 30, 2022 and June 30, 2021 were as follows:

Capital Assets (net of accumulated depreciation)				
Description	2022	2021	Increase/ (Decrease)	Percent Change
Capital Assets:				
Land and improvements	\$ 34,506,121	\$ 34,362,728	\$ 143,393	0.42 %
Construction in progress	75,151,451	102,431,552	(27,280,101)	(26.63) %
Utilities systems and other non-structural improvements	142,014,982	65,355,772	76,659,210	117.30 %
Buildings and improvements	1,105,630,645	1,131,308,395	(25,677,750)	(2.27) %
Equipment	111,707,527	115,832,053	(4,124,526)	(3.56) %
Vehicles	4,674,789	5,954,363	(1,279,574)	(21.49) %
Leased equipment	1,270,514	—	1,270,514	100.00 %
Leased office space	17,999,000	—	17,999,000	100.00 %
Total Capital Assets	<u>\$1,492,955,029</u>	<u>\$1,455,244,863</u>	<u>\$ 37,710,166</u>	2.59 %

- Land increased \$143,400. The University purchased 3.908 acres of land in Greenville County for approximately \$150,000 and sold 59.11 acres of land in Myrtle Beach, which had a historical book value of \$7,000.
- Construction in Progress decreased \$27.3 million as construction was completed on major University projects, including the Manufacturing Innovation Building, Garrison Arena, Samuel J. Cadden Memorial Chapel, Child Care Facility, and an update to the campus electrical distribution system.
- Utilities Systems and Other Non-Structural Improvements increased approximately \$76.7 million, due to depreciation expense on new and existing assets.
- Buildings decreased \$25.7 million, as current operational buildings were depreciated and as a result of implementing GASB Statement No. 87, *Leases*, which required the University to reclassify assets held under capital lease as right of use (leased) assets.
- Equipment decreased \$4.1 million, largely due to implementing GASB Statement No. 87, *Leases*, as well as normal depreciation and disposals. The new accounting standard required the University to reclassify assets held under capital lease as right of use (leased) assets..
- Vehicles decreased \$1.3 million as a result of departmental vehicle purchases, offset by depreciation expense.
- Leased equipment increased \$1.3 million due to implementation of GASB Statement No. 87, *Leases*, which required the University to capitalize leased equipment.
- Leased office space increased \$18.0 million due to implementation of GASB Statement No. 87, *Leases*, which required the University to capitalize leased office space.

For more detailed information on capital asset activity, please refer to Note 4 – Capital Assets in the notes to the financial statements. For more detailed information on leased assets, please refer to Note 7 - Leases in the notes to the financial statements.

Debt Administration

The University's financial statements indicate \$781,870,917 in bonds payable and \$18,160,309 in lease obligations payable at June 30, 2022.

The University's bonded indebtedness consisted of: General Obligation Bonds of \$320,222,722, Athletic Facilities Revenue Bond issues totaling \$191,130,322, and Revenue Bonds of \$270,517,874. 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.

Lease obligations payable as of June 30, 2022, totaling \$18,160,309, include leases for multiple office spaces, a 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. The outstanding liability on leased equipment as of June 30, 2022 was \$1,206,937. The outstanding liability on leased office space as of June 30, 2022 was \$16,953,372.

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 2022 with a \$1.205 billion budgetary surplus. As a result of the increase in revenue collections, a supplemental spending bill of \$4.263 billion was introduced to fund discretionary supplemental appropriations and agency requests. The deficit in the state's five retirement plans and retiree health insurance plan were not included in the spending bill but represents \$24.5 billion of debt - down from \$47.0 billion in 2021. Comptroller General Richard Eckstrom stated, "The crippling impact from the system's high debt level is clear. Year after year, unpaid interest on the debt continues to accumulate, thereby increasing the overall debt. Consequently, the state's largest pension plan, which exists to provide retirement benefits to schoolteachers and state and local government retirees, is ranked as one of the worst funded major public pension plans in the nation today".

State appropriations to fund University operations are expected to increase by \$20.2 million for fiscal year 2023. Educational and General (E&G) and Public Service activities (PSA) from base appropriations are expected to increase by \$14.1 million and \$6.0 million, respectively. Drivers for E&G increases include \$10.0 million tuition mitigation, \$3.0 million for 3% cost of living adjustment, \$400,000 for state-mandated one-time bonuses, and \$700,000 for health insurance and retirement. State funding for PSA is expected to increase by \$2.0 million for rural health, \$1.6 million for cost of living adjustments, health insurance and retirement, \$800,000 for state-mandated one-time bonuses, and \$800,000 for integrated agriculture.

The University's Board of Trustees adopted a budget for 2023 that "reflects an acceleration of Clemson's goals and strategy." Controlling compensation growth and overhead expenses, combined with tuition mitigation support from the State, are a few of the most impactful ways the University plans to achieve its goals and strategic priorities. Increased University enrollment is expected as a result of continued strong student demand and is expected to increase tuition and fee revenue. A series of facilities projects were approved and include continued updates to core campus, renovations to Memorial Stadium, and additions/upgrades to the Hendrix Center food court.

CLEMSON UNIVERSITY

STATEMENT OF NET POSITION

June 30, 2022

Description	Amount
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current Assets:	
Cash and cash equivalents	\$ 570,817,646
Restricted Assets - Current:	
Cash and cash equivalents	408,818,299
Accounts receivable (net of provision for doubtful accounts of \$598,565)	61,062,144
Grants and contracts receivable	40,502,748
Lease obligations receivable	398,247
Contributions receivable, net	1,090,021
Interest and income receivable	3,102,971
Inventories	2,617,008
Prepaid items	11,973,933
Total current assets	1,100,383,017
Noncurrent Assets:	
Notes receivable	240,447,398
Lease obligations receivable	187,089
Contributions receivable, net	2,170,234
Investments	4,603,365
Restricted Assets - Noncurrent:	
Cash and cash equivalents	2,201,519
Student loans receivable	2,591,444
Capital assets, not being depreciated	109,657,572
Capital assets, net of accumulated depreciation	1,383,297,457
Total noncurrent assets	1,745,156,078
Total assets	2,845,539,095
Deferred Outflows of Resources:	
Deferred losses on bond refunding	3,231,830
Deferred outflows on net pension liability	113,864,782
Deferred outflows on net retiree health benefits liability	241,501,512
Total deferred outflows of resources	358,598,124
Total assets and deferred outflows of resources	\$ 3,204,137,219
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Current Liabilities:	
Accounts and retainages payable	\$ 30,409,225
Accrued payroll and related liabilities	28,517,311
Accrued compensated absences and related liabilities	13,652,774
Accrued interest payable	4,404,629
Unearned revenues	62,915,332
Bonds payable, net	32,766,738
Lease obligations payable	4,008,461
Deposits	7,535,591
Funds held for others	588,206
Total current liabilities	184,798,267
Noncurrent Liabilities:	
Accrued compensated absences and related liabilities	20,269,226
Deposits	7,855,500
Funds held for others	2,960,877
Net pension liability	646,105,138
Net retiree health benefits liability	888,134,610
Bonds payable, net	749,104,179
Lease obligations payable	14,151,848
Total noncurrent liabilities	2,328,581,378
Total liabilities	2,513,379,645
Deferred Inflows of Resources:	
Deferred inflows on lease obligations receivable	841,282
Deferred inflows on net pension liability	96,368,984
Deferred inflows on net retiree health benefits liability	49,802,066
Total deferred inflows of resources	147,012,332
Total liabilities and deferred inflows of resources	\$ 2,660,391,977
NET POSITION	
Net investment in capital assets	\$ 862,368,297
Restricted for nonexpendable purposes:	
Scholarships and fellowships	58,972,772
Restricted for expendable purposes:	
Scholarships and fellowships	27,063,456
Research	437,723
Instructional/departmental use	13,688,785
Loans	2,095,588
Capital projects	230,427,884
Debt service	9,054,468
Unrestricted	(660,363,731)
Total net position	\$ 543,745,242

See accompanying notes to basic financial statements.

CLEMSON UNIVERSITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended June 30, 2022

Description	Amount
REVENUES	
Operating Revenues:	
Student tuition and fees (net of scholarship allowances of \$124,952,449)	\$ 511,455,039
Federal grants and contracts	140,260,084
State grants and contracts	82,659,400
Local grants and contracts	2,161,090
Nongovernmental grants and contracts	9,159,389
Sales and services of educational and other activities	24,753,369
Sales and services of auxiliary enterprises - pledged for revenue bonds (net of scholarship allowances of \$17,973,507)	166,413,672
Sales and services of auxiliary enterprises - not pledged	35,429,208
Other operating revenues	34,735,977
Total operating revenues	<u>1,007,027,228</u>
EXPENSES	
Operating Expenses	
Compensation and employee benefits	719,502,412
Services and supplies	344,453,190
Utilities	22,718,853
Depreciation and amortization	72,351,554
Scholarships and fellowships	42,608,697
Total operating expenses	<u>1,201,634,706</u>
Operating (loss)	<u>(194,607,478)</u>
NONOPERATING REVENUES (EXPENSES)	
State appropriations	156,829,601
Federal appropriations	12,470,775
Gifts and grants	129,363,886
Interest loss	(25,680,624)
Unrealized loss on endowment	(4,395,428)
Interest on capital asset related debt	(21,269,914)
Other nonoperating revenues	247,914
Gain on disposal of capital assets	13,127,267
Refunds to grantors	(537,906)
Facilities and administrative remittances to the State	(287,293)
Net nonoperating revenues	<u>259,868,278</u>
Income before other revenues, expenses, gains or losses	65,260,800
State capital appropriations	50,620,332
Capital grants and gifts	4,571,968
Additions to permanent endowments	29,141
Increase in net position	<u>120,482,241</u>
NET POSITION	
Net position, beginning of year, as originally stated	423,543,270
Cumulative effect of accounting changes	(280,269)
Net position, end of year	<u>\$ 543,745,242</u>

See accompanying notes to basic financial statements.

CLEMSON UNIVERSITY

STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

Description	Amount
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from customers	\$ 758,379,524
Grants and contracts	200,830,891
Payments to suppliers	(320,740,228)
Payments to employees	(512,657,194)
Payments for benefits	(165,629,379)
Payments to students	(79,707,805)
Inflows from Stafford loans	66,719,719
Outflows from Stafford loans	(9,812,586)
Loans to students	(639,179)
Collection of loans	1,364,883
Net cash provided (used) by operating activities	(61,891,354)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	156,829,601
Federal appropriations	14,441,459
Gifts and grants	128,544,224
Net cash flow provided (used) by noncapital financing activities	299,815,284
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt	184,522,629
State capital appropriations	25,620,332
Capital grants and gifts received	3,640,901
Proceeds from sale of property	14,773,898
Purchases of capital assets	(112,707,631)
Lease payments	(4,548,697)
Principal payments and redemption premiums on long term debt	(23,770,000)
Interest and fees	(24,051,985)
Net cash provided (used) by capital activities	63,479,447
CASH FLOWS FROM INVESTING ACTIVITIES	
Change in unrealized gain/loss on investments	(25,454,128)
Proceeds from notes receivable with Clemson University Foundation	8,000,000
Net cash flows provided (used) by investing activities	(17,454,128)
Net change in cash	283,949,249
Cash beginning of year	697,888,215
Cash end of year	\$ 981,837,464
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (194,607,478)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	72,351,554
Amortization of net pension liability	1,145,788
Amortization of net retiree health benefit liability	52,457,656
Change in assets and liabilities:	
Receivables, net	(10,500,049)
Grants and contracts receivable	(3,383,563)
Student loans receivable	1,350,854
Prepaid items	(3,753,401)
Inventories	(466,097)
Pooled fringe adjustment	(41,921)
Accounts and retainages payable	22,604,068
Accrued payroll and related liabilities	(6,192,410)
Accrued compensated absences and related liabilities	(2,145,000)
Unearned revenue	7,415,836
Deposits held for others	1,872,809
Net cash provided (used) by operating activities	\$ (61,891,354)
NON-CASH TRANSACTIONS	
Decrease in fair value of investments and notes receivable	\$ (12,516,255)
Assets acquired through gifts	931,066
State capital appropriations receivable	29,823,751
Collection of capital gift receivable	1,900,709
Loss on disposal of capital assets	(1,647,716)
Assets acquired through right of use lease agreements	13,652,427
RECONCILIATION OF CASH AND CASH EQUIVALENT BALANCES	
Current assets:	
Cash and cash equivalents	\$ 570,817,646
Restricted cash and cash equivalents	408,818,299
Noncurrent assets	2,201,519
Total cash and cash equivalent balances	\$ 981,837,464

See accompanying notes to basic financial statements.

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

June 30, 2022

DESCRIPTION	AMOUNT
ASSETS	
Cash and cash equivalents	\$ 76,978,527
Contributions receivable, net	72,997,389
Trusts held by others	6,014,155
Due from related organizations	3,716,667
Investments	699,188,068
Investments held for Clemson University	240,447,398
Cash surrender value of life insurance	3,749,580
Land, buildings and equipment, net	9,156,613
Funds held in trust for affiliates:	
Non-pooled assets, net	22,821,161
Pooled investments	52,979,235
Contributions receivable, net	29,163,512
Other assets	1,467,426
Total Assets	\$ 1,218,679,731
LIABILITIES AND NET ASSETS	
Liabilities:	
Accounts payable and accrued liabilities	\$ 426,439
Due to related organizations	708,793
Accrued liability to Clemson University due to net investment appreciation	93,769,743
Note payable to Clemson University	146,677,655
Actuarial liability of annuities payable	3,240,933
Funds administered for affiliates	104,963,908
Total Liabilities	\$ 349,787,471
Net Assets:	
Without donor restrictions	59,045,075
With donor restrictions	809,847,185
Total Net Assets	868,892,260
Total Liabilities and Net Assets	\$ 1,218,679,731

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, 2022

DESCRIPTION	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Revenues, Gains, and Other Support:			
Gifts and bequests	\$ 5,115,739	\$ 36,275,244	\$ 41,390,983
Investment return, net	1,186,746	(18,581,370)	(17,394,624)
Program income	522,225	251,598	773,823
Other income	539,051	8,936	547,987
Change in value of split-interest agreements	39,117	(1,891,546)	(1,852,429)
Total	7,402,878	16,062,862	23,465,740
Net assets released from restrictions	28,716,013	(28,716,013)	—
Total Revenues, Gains and Other Support	36,118,891	(12,653,151)	23,465,740
Expenses:			
Program expenses in support of Clemson University	31,431,179	—	31,431,179
Administrative and investment support	3,241,201	—	3,241,201
Fundraising	4,955,977	—	4,955,977
Total Expenses	39,628,357	—	39,628,357
Change in net assets before other changes	(3,509,466)	(12,653,151)	(16,162,617)
Other Changes:			
Transfers to related entities	(100,287)	228,829	128,542
Total Other Changes	(100,287)	228,829	128,542
Change in net assets	(3,609,753)	(12,424,322)	(16,034,075)
Net assets, beginning of year	62,654,828	822,271,507	884,926,335
Net assets, end of year	\$ 59,045,075	\$ 809,847,185	\$ 868,892,260

See accompanying notes to basic financial statements.

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

June 30, 2022

DESCRIPTION	AMOUNT
ASSETS	
Cash and cash equivalents	\$ 4,186,985
Other assets	160,401
Real estate investments	88,505,312
Real estate and equipment, net	11,480,314
Direct financing lease	9,020,675
Development costs	737,347
Total Assets	<u>\$ 114,091,034</u>
LIABILITIES AND NET ASSETS	
Accounts payable	\$ 129,269
Accrued interest payable	45,259
Deposits held for others	56,379
Unearned revenue	24,771
Deferred rent revenue	356,272
Due to Clemson University Foundation	22,938,544
Notes payable, net	42,150,048
Total Liabilities	<u>\$ 65,700,542</u>
Net Assets Without Donor Restrictions	<u>48,390,492</u>
Total Net Assets	<u>48,390,492</u>
Total Liabilities and Net Assets	<u>\$ 114,091,034</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, 2022

DESCRIPTION	AMOUNT
Revenues, Gains, and Other Support:	
Rental revenues	\$ 4,937,800
Direct financing	3,110
Common area and management fees	224,930
Income on short-term investments	1,154
Real estate investment return, net	62,920
Total Revenues and Gains	<u>5,229,914</u>
Program expenses:	
CU-ICAR campus	1,831,293
Greenville One	389,176
Administrative and other	402,163
Total Program Expenses	<u>2,622,632</u>
Interest expense	<u>1,640,533</u>
Total expenses	<u>4,263,165</u>
Change in net assets without donor restrictions before other changes	966,749
Change in net assets without donor restrictions	966,749
Net assets without donor restrictions, beginning of year	<u>47,423,743</u>
Net assets without donor restrictions, end of year	<u>\$ 48,390,492</u>

See accompanying notes to basic financial statements.

IPTAY

NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT

STATEMENT OF FINANCIAL POSITION

June 30, 2022

DESCRIPTION	AMOUNT
ASSETS	
Cash and cash equivalents	\$ 11,106,556
Due from related organizations	283,690
Annual fund receivable, net	231,901
Investments	27,749,185
Funds held in trust by an affiliate:	
Non-pooled assets	21,563,004
Pooled investments	34,992,223
Contributions receivable, net	29,063,043
Total Assets	<u>\$ 124,989,602</u>
LIABILITIES AND NET ASSETS	
Accounts payable and accrued expenses	\$ 88,200
Due to related organizations	4,901,581
Notes payable	5,000,000
Total Liabilities	<u>\$ 9,989,781</u>
Net assets	
Without Donor Restrictions:	
Undesignated	30,337,151
Quasi-endowment	36,169,525
Total Without Donor Restrictions	66,506,676
With Donor Restrictions	48,493,145
Total Net Assets	<u>114,999,821</u>
Total Liabilities and Net Assets	<u>\$ 124,989,602</u>

See accompanying notes to basic financial statements.

IPTAY

NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT

STATEMENT OF ACTIVITIES

For the year ended June 30, 2022

DESCRIPTION	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Revenues, Gains, and Other Support:			
Contributions from the public	\$ 58,739,440	\$ 11,030,686	\$ 69,770,126
Investment return, net	(8,059,542)	(182,936)	(8,242,478)
Interest income	76,349	—	76,349
	<u>50,756,247</u>	<u>10,847,750</u>	<u>61,603,997</u>
Net assets released from restrictions:			
Satisfaction of time restrictions	7,530,804	(7,530,804)	—
Satisfaction of purpose restrictions	1,392,562	(1,392,562)	—
Total Revenues, Gains, and Other Support	<u>59,679,613</u>	<u>1,924,384</u>	<u>61,603,997</u>
Expenses:			
Program services:			
Support of Clemson University:			
Athletic operations	41,235,143	—	41,235,143
Debt service	7,576,583	—	7,576,583
Other construction costs	12,000,000	—	12,000,000
Other athletic support	1,603,678	—	1,603,678
Management and general	1,762,559	—	1,762,559
Total Expenses	<u>64,177,963</u>	<u>—</u>	<u>64,177,963</u>
Excess of revenues over expenses	(4,498,350)	1,924,384	(2,573,966)
Contributions of net assets from a related party	—	738	738
Change in net assets	(4,498,350)	1,925,122	(2,573,228)
Net assets, beginning of year	71,005,026	46,568,023	117,573,049
Net assets, end of year	<u>\$ 66,506,676</u>	<u>\$ 48,493,145</u>	<u>\$ 114,999,821</u>

See accompanying notes to basic financial statements.

NOTES TO 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 Annual Comprehensive 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.

NOTES TO FINANCIAL STATEMENTS

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.

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, deferred outflows, liabilities, deferred inflows, 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 inter-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.

NOTES TO FINANCIAL STATEMENTS

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.

Lease obligations receivable consist of amounts due to the University for various leased spaces for which the University serves as the lessor.

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.

NOTES TO FINANCIAL STATEMENTS

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The University follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The University capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets, 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 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) net pension and net postemployment benefit liabilities.

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.

NOTES TO FINANCIAL STATEMENTS

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 a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position - Nonexpendable:

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

Restricted Net Position - Expendable: Restricted expendable net position includes resources in which the University is legally or contractually obligated to spend 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. Certain activities of the University may be subject to taxation as unrelated business income.

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.

NOTES TO FINANCIAL STATEMENTS

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

For the fiscal year ended June 30, 2022, the University implemented the following pronouncements issued by the Governmental Accounting Standards Board (GASB):

Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, while a lessor is required to recognize a lease receivable and a deferred inflow of resources. As a result of the implementation, the University restated net position as of June 30, 2021 on the Statement of Revenues, Expenses and Changes in Net Position. The effect of this implementation is discussed in Note 7 and Note 21.

Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*, requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result of the implementation, interest costs incurred before the end of a construction period were expensed during the current fiscal year.

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The adoption of this standard had no effect on the University's financial statements in the current fiscal year.

Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*, establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The adoption of this standard had no effect on the University's financial statements in the current fiscal year.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The adoption of this standard had no effect on the University's financial statements in the current fiscal year.

Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term annual comprehensive report and its acronym ACFR. That new term and acronym replaces references of the term comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

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	\$ 224,786
Current - unrestricted	\$ 570,817,646	Deposits held by State Treasurer	981,530,893
Current - restricted	408,818,299	Other deposits	81,785
Noncurrent - restricted	2,201,519	Investments held by State Treasurer	154,439
Investments	4,603,365	Other investments	4,448,926
Total	\$ 986,440,829	Total	\$ 986,440,829

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 Annual Comprehensive Financial Report of the State of South Carolina. For the fiscal year ended June 30, 2022, an unrealized loss of \$25,183,257 is included in the \$981,530,893 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 \$2,291,894 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 \$1,782,073. 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 coaches. The University has recorded investments with a fair value of \$2,157,032 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 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.

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.

NOTES TO FINANCIAL STATEMENTS

Other investments as of June 30, 2022 were as follows:

Other Investments			
Description	Effective Fair Value	Maturity (Years)	Credit Rating
Domestic bond fund	\$ 654,533	7.5	N/A
International bond fund	136,655	7.0	N/A
Equity funds	1,500,706	N/A	N/A
Split dollar life insurance	2,157,032	N/A	AA-
Total other investments	\$ 4,448,926		

NOTE 3. RECEIVABLES

University receivables reported in the Statement Net Position, as of June 30, 2022, were as follows:

University Receivables			
Description	Current	Noncurrent	Total
Accounts receivable	\$ 61,062,144	\$ —	\$ 61,062,144
Grants and contracts receivable	40,502,748	—	40,502,748
Lease obligations receivable	398,247	187,089	585,336
Notes receivable	—	240,447,398	240,447,398
Contributions receivable, net	1,090,021	2,170,234	3,260,255
Interest and income receivable	3,102,971	—	3,102,971
Student loans receivable	—	2,591,444	2,591,444
Total University receivables	\$ 106,156,131	\$ 245,396,165	\$ 351,552,296

Accounts receivable are reported net of allowances for doubtful accounts of \$598,565 based on credit losses experienced in prior years and evaluation of current portfolios. Student payment allowances of \$362,000, Sullivan Center allowances of \$39,801, parking services allowances of \$128,428, emergency medical service allowances of \$63,336, and telecommunications allowances of \$5,000 comprise this amount. Contributions receivable are reported net of allowances for current uncollectible pledges of \$226,661 and allowances for noncurrent uncollectible pledges of \$348,678.

Accounts receivable for the year ended June 30, 2022, were comprised of the following balances:

Accounts Receivable	
Description	Amount
Students/scholarships	\$ 7,681,880
State capital appropriations	29,823,751
Auxiliaries	18,268,407
Fees	2,627,524
Computer services	295,174
Educational programs	1,380,841
Other	984,567
Total accounts receivable	\$ 61,062,144

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, 2022, were comprised of the following balances:

Grants and Contracts Receivable					
Description	Federal	State	Local	Nongovernmental	Total
Sponsored research	\$ 34,060,503	\$ 1,646,902	\$ 252,174	\$ 1,899,365	\$ 37,858,944
Land-grant appropriations	1,301,987	—	—	—	1,301,987
Scholarship programs	1,341,817	—	—	—	1,341,817
Total grants and contracts receivable	\$ 36,704,307	\$ 1,646,902	\$ 252,174	\$ 1,899,365	\$ 40,502,748

Leases receivable are comprised of amounts due to the University for various leased spaces for which the University serves as the lessor. Leases receivable are accounted for as the present value of the remaining lease payments expected to be received during the lease term. See Note 7 - Lease Obligations for additional information regarding the University's lessor agreements. For the year ended June 30, 2022, leases receivable were as follows:

Lease Obligations Receivable			
Description	Current	Noncurrent	Total
Remaining lease payments from lessees	\$ 398,247	\$ 187,089	\$ 585,336
Total leases receivable	\$ 398,247	\$ 187,089	\$ 585,336

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.

Contributions Receivable			
Description	Current	Noncurrent	Total
University programs	\$ 1,090,021	\$ 2,170,234	\$ 3,260,255
Total contributions receivable	\$ 1,090,021	\$ 2,170,234	\$ 3,260,255

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, 2022, the University had notes receivable from the Clemson University Foundation, a related party, totaling \$240,447,398. This amount includes the original loan of \$35,358,188, additional net contributions totaling \$19,913,092 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 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, is summarized as follows:

Capital Assets							
Description	Beginning Balance July 1, 2021	GASB 87 Restatement	Beginning Balance July 1, 2021 - Restated	Increases	Decreases	Transfers	Ending Balance June 30, 2022
Capital assets not being depreciated:							
Land and improvements	\$ 34,362,728	\$ —	\$ 34,362,728	\$ 150,835	\$ 7,442	\$ —	\$ 34,506,121
Construction in progress	102,431,552	—	102,431,552	68,511,637	35,800	(95,755,938)	75,151,451
Total capital assets not being depreciated	136,794,280	—	136,794,280	68,662,472	43,242	(95,755,938)	109,657,572
Other capital assets:							
Utilities systems and other non-structural improvements	114,103,601	—	114,103,601	3,542,446	—	77,779,858	195,425,905
Buildings and improvements	1,668,690,531	(14,300,000)	1,654,390,531	5,762,269	—	17,976,080	1,678,128,880
Computer software	24,283,309	—	24,283,309	—	—	—	24,283,309
Equipment	370,219,326	(1,902,996)	368,316,330	21,139,329	14,192,648	—	375,263,011
Vehicles	22,797,563	—	22,797,563	765,239	586,027	—	22,976,775
Leased equipment	—	1,103,382	1,103,382	836,073	—	—	1,939,455
Leased office space	—	7,968,699	7,968,699	12,816,354	170,469	—	20,614,584
Total other capital assets at historical cost	2,200,094,330	(7,130,915)	2,192,963,415	44,861,710	14,949,144	95,755,938	2,318,631,919
Less accumulated depreciation for:							
Utilities systems and other non-structural improvements	48,747,829	—	48,747,829	4,663,094	—	—	53,410,923
Buildings and improvements	537,382,136	(4,599,834)	532,782,302	39,715,933	—	—	572,498,235
Computer software	24,283,309	—	24,283,309	—	—	—	24,283,309
Equipment	254,387,273	(919,062)	253,468,211	22,678,910	12,591,637	—	263,555,484
Vehicles	16,843,200	—	16,843,200	1,996,434	537,648	—	18,301,986
Less accumulated amortization for:							
Leased equipment	—	—	—	668,941	—	—	668,941
Leased office space	—	—	—	2,628,242	12,658	—	2,615,584
Total accumulated depreciation and amortization	881,643,747	(5,518,896)	876,124,851	72,351,554	13,141,943	—	935,334,462
Other capital assets, net	1,318,450,583	(1,612,019)	1,316,838,564	(27,489,844)	1,807,201	95,755,938	1,383,297,457
Capital assets, net	\$ 1,455,244,863	\$ (1,612,019)	\$ 1,453,632,844	\$ 41,172,628	\$ 1,850,443	\$ —	\$ 1,492,955,029

NOTE: The University recognized \$14,774,983 in proceeds from the sale of capital assets.

NOTES TO FINANCIAL STATEMENTS

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, 2022.

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:

Unearned Revenues	
Description	Amount
Athletic event receipts	\$ 23,423,402
Sponsored research programs	11,732,078
Academic and other fees	27,281,144
Educational programs	118,299
Public service programs	128,400
Other	232,009
Total unearned revenues	\$ 62,915,332

Deposits consist of a current and noncurrent component. Pooled fringe benefits over-recoveries represent the largest current deposit balance and the entire noncurrent deposit balance. 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 of actual charges.

DHHS has approved the University's pooled fringe benefit rates through the fiscal year ending June 30, 2023. Actual under-recovery or over-recovery of costs are reflected in future rate proposals and approvals. The \$7,189,922 balance in current deposits represents an over-recovery for the fiscal year ended June 30, 2021, and will be absorbed/adjusted through the pooled fringe rate established for the fiscal year ending June 30, 2023. The \$7,855,500 balance in noncurrent deposits represents over-recoveries for the fiscal year ended June 30, 2022, and will be absorbed/adjusted through the pooled fringe rate established for the fiscal year ending June 30, 2024. Other current deposits are comprised of football game guarantees, student campus card balances, and miscellaneous departmental amounts.

Deposits		
Description	Current Amount	Noncurrent Amount
Athletics	\$ 71,465	\$ —
Student campus card balances	199,164	—
Miscellaneous departmental	75,041	—
Pooled fringe benefits over-recoveries	7,189,922	7,855,500
Total deposits	\$ 7,535,591	\$ 7,855,500

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.

Funds Held for Others		
Description	Current Amount	Noncurrent Amount
Federal Perkins Loans	\$ —	\$ 2,960,877
Amounts held in trust	588,206	—
Total funds held for others	\$ 588,206	\$ 2,960,877

NOTES TO FINANCIAL STATEMENTS

NOTE 6. BONDS PAYABLE

At June 30, 2022, bonds payable consisted of the following:

Bonds Payable					
Description	Original Debt	Interest Rate (outstanding)	Maturity Dates	June 30, 2022 Balance	Debt Retired in Fiscal Year 2022
General Obligation Bonds					
Bonds dated 6/01/14 (Series 2014B)	33,030,000	3.00-5.00%	04/01/2034	22,970,000	1,445,000
Bonds dated 10/01/16 (Series 2016F)	52,395,000	2.00-5.00%	06/01/2036	42,140,000	2,255,000
Bonds dated 8/24/17 (Series 2017A)	120,885,000	2.25-5.00%	04/01/2037	107,975,000	6,880,000
Bonds dated 5/23/19 (Series 2019A)	5,635,000	3.00-5.00%	04/01/2039	5,055,000	190,000
Bonds dated 1/02/21 (Series 2021E)	6,385,000	3.00-5.00%	04/01/2040	6,175,000	210,000
Bonds dated 6/29/22 (Series 2022A)	100,310,000	5.00%	04/01/2042	100,310,000	—
				<u>284,625,000</u>	
Revenue Bonds					
Bonds dated 5/01/15 (Series 2015)	90,285,000	4.00-5.00%	05/01/2045	81,340,000	1,965,000
Bonds dated 12/01/15 (Series 2015B)	191,000,000	2.75-5.00%	05/01/2046	172,900,000	4,860,000
				<u>254,240,000</u>	
Athletic Facilities Revenue Bonds					
Bonds dated 2/01/12 (Series 2012)	12,335,000	2.00 - 2.125%	05/01/2023	1,010,000	985,000
Bonds dated 12/01/14 (Series 2014A)	30,695,000	3.00 - 5.00%	05/01/2045	30,695,000	—
Bonds dated 12/01/14 (Series 2014B)	9,240,000	2.00 - 4.00%	05/01/2027	3,215,000	950,000
Bonds dated 12/01/14 (Series 2014C)	10,545,000	2.00 - 5.00%	05/01/2025	5,390,000	920,000
Bonds dated 5/01/15 (Series 2015)	60,695,000	4.00 - 5.00%	05/01/2045	52,635,000	1,305,000
Bonds dated 12/01/15 (Series 2015B)	18,875,000	3.00 - 5.00%	05/01/2046	15,890,000	555,000
Bonds dated 1/01/18 (Series 2018A)	11,300,000	3.00 - 5.00%	05/01/2047	11,165,000	135,000
Bonds dated 12/02/21 (Series 2021A)	51,990,000	2.00 - 5.00%	05/01/2051	51,990,000	—
Bonds dated 12/02/21 (Series 2021B)	12,520,000	1.00 - 3.00%	05/01/2030	11,405,000	1,115,000
				<u>183,395,000</u>	
Subtotal bonds payable				722,260,000	23,770,000
Plus unamortized bond premium				59,610,917	3,391,738
Total Bonds Payable				<u>\$ 781,870,917</u>	<u>\$ 27,161,738</u>

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.

Tuition fees for the fiscal year ended June 30, 2021 were \$50,388,525, which results in a legal annual debt service limit at June 30, 2022 of \$45,349,673. This amount is equal to 90% of tuition fees collected for the prior fiscal year.

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.

NOTES TO FINANCIAL STATEMENTS

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.

The Series 2021E General Obligation State Institution Bonds mature on April 1 in each of the years 2022 through 2040 and are not subject to redemption prior to maturity.

During the fiscal year ended June 30, 2022, the University issued Athletic Facilities Revenue Bonds, Series 2021A, in the amount of \$51,990,000. The Series 2021A Athletic Facilities Revenue Bonds were issued to (i) defray the costs of planning, developing, constructing and equipping various athletic facilities projects on the University's campus and (ii) to pay the costs of issuance of the bonds. The Series 2021A Athletic Facilities Revenue Bonds are secured by a pledge of the net revenues of the University's Athletic department and gross receipts from the imposition, by the University, of any admission fee and any special student fee. The Series 2021A bonds are subject to maturity prior to redemption. The \$3,098,969 bond premium associated with this issuance is being amortized over the thirty-year life of the bonds, using the straight-line method.

During the fiscal year ended June 30, 2022, the University also issued Athletic Facilities Revenue Bonds, Taxable Series 2021B, in the amount of \$12,520,000. The Series 2021B Athletic Facilities Revenue Bonds were issued to (i) defray the costs planning, developing, constructing and equipping various athletic facilities projects on the University's campus and (ii) to pay the costs of issuance of the bonds. The Series 2021B Athletic Facilities Revenue Bonds are secured by a pledge of the net revenues of the University's Athletic department and gross receipts from the imposition, by the University, of any admission fee and any special student fee. The Series 2021B bonds are subject to maturity prior to redemption. The \$134,452 bond premium associated with this issuance is being amortized over the nine-year life of the bonds, using the straight-line method.

During the fiscal year ended June 30, 2022, the University issued State Institution Bonds, Series 2022A, in the amount of \$100,310,000. The Series 2022A State Institution Bonds were issued to (i) defray the costs of (a) constructing, reconstructing, improving, furnishing and refurbishing Daniel Hall and expansions thereto, (b) constructing, reconstructing, improving, furnishing and refurbishing improvements to the primary vehicular roadway accessing the University and related improvements and infrastructure on the campus of the University, to include safety lighting, pedestrian and bicycle paths and signals, (c) defray the costs of constructing, improving, furnishing, and refurbishing shop, warehouse, storage, and shed facilities, and allow for the relocation of certain existing maintenance, utility, custodial and related functions from the core to the perimeter of the campus of the University, and (d) constructing, improving, and furnishing a new alumni center facility, and (ii) to pay the costs of issuance of the bonds. The \$16,469,207 bond premium associated with this issuance is being amortized over the twenty-year life of the bonds, using the straight-line method.

The Revenue bonds are payable in semiannual installments, plus interest. Amounts, including interest, required to complete payment of the Revenue bond obligations as of June 30, 2022, are as follows:

Revenue Bonds			
Description	Principal	Interest	Total
Years Ending June 30:			
2023	\$ 7,170,000	\$ 10,225,952	\$ 17,395,952
2024	7,530,000	9,867,451	17,397,451
2025	7,900,000	9,490,952	17,390,952
2026	8,295,000	9,095,951	17,390,951
2027	8,710,000	8,681,201	17,391,201
2028 through 2032	44,115,000	37,836,166	81,951,166
2033 through 2037	52,555,000	29,383,975	81,938,975
2038 through 2042	63,220,000	18,733,800	81,953,800
2043 through 2046	54,745,000	5,259,800	60,004,800
Total Revenue Bonds	\$ 254,240,000	\$ 138,575,248	\$ 392,815,248

NOTES TO FINANCIAL STATEMENTS

The Athletic Facilities Revenue bonds are payable in semiannual installments, plus interest. Amounts, including interest, required to complete payment of the Athletics Facilities Revenue bonds as of June 30, 2022 are as follows:

Athletic Facilities Revenue Bonds			
Description	Principal	Interest	Total
Years Ending June 30:			
2023	\$ 6,510,000	\$ 6,426,790	\$ 12,936,790
2024	6,865,000	6,181,175	13,046,175
2025	7,160,000	5,888,228	13,048,228
2026	4,995,000	5,628,325	10,623,325
2027	5,170,000	5,449,411	10,619,411
2028 through 2032	28,940,000	24,163,541	53,103,541
2033 through 2037	34,755,000	18,353,369	53,108,369
2038 through 2042	41,130,000	11,969,050	53,099,050
2043 through 2046	32,500,000	4,172,800	36,672,800
2047 through 2051	15,370,000	1,188,488	16,558,488
Total Athletic Facilities Revenue Bonds	\$ 183,395,000	\$ 89,421,177	\$ 272,816,177

The General Obligation Bonds are paid periodically throughout the year. Amounts, including interest, required to complete payment of the General Obligation Bonds as of June 30, 2022, are as follows:

General Obligation Bonds			
Description	Principal	Interest	Total
Years Ending June 30:			
2023	\$ 15,695,000	\$ 10,872,251	\$ 26,567,251
2024	15,260,000	11,313,513	26,573,513
2025	16,020,000	10,550,512	26,570,512
2026	16,820,000	9,749,512	26,569,512
2027	17,650,000	8,926,063	26,576,063
2028 through 2032	92,615,000	33,355,844	125,970,844
2033 through 2037	73,950,000	17,039,494	90,989,494
2038 through 2042	36,615,000	5,453,350	42,068,350
Total General Obligation Bonds	\$ 284,625,000	\$ 107,260,539	\$ 391,885,539

The University reported net principal retirements and interest expenditures related to the bonds as follows for the year ended June 30, 2022:

Principal Retirements and Interest Expenses		
Bond Type	Net Principal	Interest
General obligation bonds	\$ 10,980,000	\$ 5,323,276
Revenue bonds	6,825,000	9,823,270
Athletic facilities revenue bonds	5,965,000	5,343,899
Total Net Principal Retirements and Interest	\$ 23,770,000	\$ 20,490,445

NOTES TO FINANCIAL STATEMENTS

NOTE 7.

LEASE OBLIGATIONS

The University implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* on July 1, 2021, which had substantial accounting and financial reporting impacts on lease activity. Prior to implementation, the University was obligated under capital leases for equipment provided by Presidio Technology Capital, LLC and leased office space in the Greenville One building with Clemson University Land Stewardship Foundation, Inc. (CULSF). Upon implementation, the University reclassified the assets underlying its capital leases as intangible leased assets. The table below shows the University's transition from capital lease accounting to lease accounting prescribed by GASB Statement No. 87 and the resulting reclassification of capital assets:

GASB 87 Implementation			
Description	Assets Held Under Capital Lease - June 30, 2021	GASB 87 Restatement	Intangible Leased Assets - July 1, 2021
Buildings	\$ 9,700,166	\$ (9,700,166)	\$ —
Equipment	983,934	(983,934)	—
Leased office space	—	7,968,699	7,968,699
Leased equipment	—	1,103,382	1,103,382
Total assets	\$ 10,684,100	\$ (1,612,019)	\$ 9,072,081

Lessee Arrangements

The University leases equipment and office space from external parties for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2038 and some provide for renewal options ranging from one year to five years. In accordance with GASB Statement No. 87, the University records right-of-use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using an estimated incremental borrowing rate. The University used guidance from the State of South Carolina Comptroller General's Office in determining the interest rate by which expected payments should be discounted when it was not stated in the lease agreement. The University does not have any leases featuring payments tied to an index or market rate. The University also does not have any leases subject to a residual value guarantee. See Note 4 - Capital Assets for information on leased assets and associated accumulated amortization. Future commitments for leases having remaining terms in excess of one year as of June 30, 2022 were as follows:

Lease Commitments		
Description	Lease Obligations Payable	Interest
Years Ending June 30:		
2023	\$ 4,008,461	\$ 312,168
2024	3,308,400	247,693
2025	2,836,564	197,789
2026	1,989,181	155,655
2027	580,375	129,783
2028 through 2032	2,379,313	484,800
2033 through 2037	2,668,752	200,165
2038	389,263	3,389
Total remaining lease commitments	\$ 18,160,309	\$ 1,731,442

NOTES TO FINANCIAL STATEMENTS

Lease commitments consist of:

Description	Lease Obligations Payable
Agreements between the University and third-party vendors as well as related parties for real estate space payable in monthly and annual installments ranging from \$600-\$86,123 and \$1-\$90,203, respectively, with fixed and implicit interest rates ranging from 0.13% - 2.26%. The agreements expire in various fiscal years from 2023-2038, with some agreements that offer the option to extend through 2032.	\$ 16,953,372
Agreements between the University and third-party vendors for various types of equipment. Payable in monthly and annual installments ranging from \$280-\$4,500 and \$118-\$100,800, respectively, with fixed and implicit interest rates ranging from 2.97%-7.71%. The agreements expire in various fiscal years from 2023-2028.	1,206,937
Present value of minimum lease commitments	\$ 18,160,309

Lessor Arrangements

The University leases office space to both external and related parties. The leases expire at various dates through 2026, and some provide renewal options through 2040. Lease receivables and deferred inflows of resources are recorded based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate charged on the lease or are otherwise discounted using an estimated incremental borrowing rate. The University used guidance from the State of South Carolina Comptroller General's Office in determining the interest rate by which expected payments should be discounted when it was not stated in the lease agreement. During the year ended June 30, 2022, the University recognized revenues related to these lease agreements in other operating revenue and sales and services of educational activities, totaling \$497,709. Total minimum lease payments to be received under lessor agreements are as follows:

Lease Obligations Receivable		
Description	Lease Obligations Receivable	Interest
Years Ending June 30:		
2023	\$ 398,247	\$ 2,343
2024	162,361	972
2025	24,728	272
Total Remaining Lease Obligation Receivable	\$ 585,336	\$ 3,587

The University has a sublease with Precision Genetics, Inc. payable in monthly installments of \$6,298 with a fixed implicit interest rate of .13%. During the year ended June 30, 2022, the University recognized revenue of \$75,576. The agreement expires in fiscal year 2023.

NOTES TO FINANCIAL STATEMENTS

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

Plan Descriptions

The 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 at or after the November 2012 general election have the option to participate in the State ORP. Employee and employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. 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.

NOTES TO FINANCIAL STATEMENTS

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

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

	Fiscal Year 2022	Fiscal Year 2021
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

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

	Fiscal Year 2022	Fiscal Year 2021
SCRS		
Employer Class Two	16.41%	15.41%
Employer Class Three	16.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution (2)	16.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	18.84%	17.84%
Employer Class Three	18.84%	17.84%
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, 2022, the University's SCRS contributions totaled \$31,109,025. The University's PORS contributions totaled \$1,130,273. Total contributions directly to the ORPs were approximately \$10,416,344 (excluding the surcharge) from Clemson University as employer and approximately \$18,749,420 from its employees as plan members. The remaining employer contribution amounts sent to SCRS (excluding the surcharge) were \$24,083,038.

NOTES TO FINANCIAL STATEMENTS

Net Pension Liability

At June 30, 2022, the University reported liabilities of \$636,543,931 and \$9,561,207 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively. The net pension liabilities were measured as of June 30, 2021, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2020 projected forward to June 30, 2021. 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 decreased by 0.004554% from the prior year. The University's proportionate share of the PORS plan increased by 0.001390% over the prior year. At June 30, 2022, the University's proportionate shares of the SCRS and PORS plans were 2.941342% and 0.371610%, respectively.

For the year ended June 30, 2022, the University recognized pension expense of \$58,876,639 and \$1,548,089 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, 2021, 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	\$55,131,579,363	\$33,490,305,970	\$21,641,273,393	60.7%
PORS	8,684,586,488	6,111,672,064	2,572,914,424	70.4%

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 pension 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, 2021 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 an increase to state grants and contracts revenue in the year ended June 30, 2022.

NOTES TO FINANCIAL STATEMENTS

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

At June 30, 2022, 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	\$ 55,178,647	\$ —
Differences between expected and actual experience	10,842,791	859,102
Assumption changes	34,842,327	—
Net difference between projected and actual earnings on pension plan investments	—	92,466,394
Differences due to changes in proportionate share of contributions	10,011,229	862,519
Total outflows and inflows of resources	\$ 110,874,994	\$ 94,188,015

Police Officers Retirement System		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
University contributions subsequent to the measurement date	\$ 1,130,273	\$ —
Differences between expected and actual experience	325,264	29,777
Assumption changes	681,951	—
Net difference between projected and actual earnings on pension plan investments	—	2,143,580
Difference due to changes in proportionate share of contributions	852,300	7,612
Total outflows and inflows of resources	\$ 2,989,788	\$ 2,180,969

The \$55,178,647 and \$1,130,273 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, 2022 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2023. 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:

Years ended June 30:	SCRS	PORS
2023	\$ 3,803,074	\$ 380,077
2024	577,866	192,964
2025	(8,272,878)	(137,340)
2026	(34,599,730)	(757,155)

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, 2019.

The June 30, 2021 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, 2020. The total pension liability was rolled-forward from the valuation date to the Systems' fiscal year ended June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In fiscal year 2021 the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

NOTES TO FINANCIAL STATEMENTS

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2021.

Actuarial cost method	SCRS	PORS
Actuarial assumptions:		
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ⁽¹⁾	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service) ⁽¹⁾	3.5% to 10.5% (varies by service) ⁽¹⁾
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
⁽¹⁾ includes inflation at 2.25%		

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020. Assumptions used in determination of the June 30, 2021 total pension liability are as follows:

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

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 2021 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 7.00 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 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
Public Equity ¹	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity ^{1,2}	9.0%	9.68%	0.87%
Private Debt ²	7.0%	5.47%	0.39%
Real Assets	12.0%		
Real Estate ²	9.0%	6.01%	0.54%
Infrastructures ²	3.0%	5.08%	0.15%
Total Expected Real Return ³	100.0%		5.18%
Inflation for Actuarial Purposes			2.25%
			7.43%

¹ The target weight to Private Equity will be equal to its actual weight, reported by the custodial bank, as of prior month end. When flows have occurred, flow adjusted weights are used to more accurately reflect the impact of the asset class weight. Private Equity and Public Equity combine for 55% of the entire portfolio.

² Staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

³ Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 20% of total assets.

NOTES TO FINANCIAL STATEMENTS

Discount Rate

The discount rate used to measure the total pension liability was 7.00 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 7.00 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 (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	\$833,793,299	\$636,543,931	\$472,588,910
PORS	13,872,088	9,561,207	6,029,935

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, 2021 (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, 2021.

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.

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), which were established by the State of South Carolina as Act 195, effective May 2008. The SCRHITF was created to provide for the employer costs of retiree post-employment health and dental insurance benefits for retired state employees and retired employees of public school districts. 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.

NOTES TO FINANCIAL STATEMENTS

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. Benefits become effective when the former employee retires under a State retirement system. Basic Long-Term Disability (BLTD) benefits are provided to active state, public school district, and participating local government employees approved for disability.

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.

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, 2021 was 6.25 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, 2021. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

PEBA, Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the Insurance Benefits' link on PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA, Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the annual comprehensive financial report of the State.

For the year ended June 30, 2022, the University's SCRHITF contributions totaled \$26,386,837. The University's SCLTDITF contributions totaled \$178,023. The University's proportionate share of the implicit subsidy recognized for the year ended June 30, 2022 was \$138,221.

NOTES TO FINANCIAL STATEMENTS

Net OPEB (Retiree Health Benefit) Liability

At June 30, 2022 the University reported liabilities of \$888,055,362 and \$79,248 for its proportionate shares of the SCRHITF and SCLTDITF net OPEB liabilities, respectively. At June 30, 2022, the University's proportionate shares of the SCRHITF and SCLTDITF plans were 4.264744% and 2.493876% respectively. For the year ended June 30, 2022, the University recognized OPEB expense of \$78,652,935 and \$213,799 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, 2022:

OPEB Trust	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 22,506,597,989	\$ 1,683,416,992	\$ 20,823,180,997	7.48%
SCLTDITF	44,378,931	41,201,247	3,177,684	92.84%

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, 2022, 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	\$ 26,386,837	\$ —
Net differences between projected and actual earnings on OPEB plan investments	—	240,135
Differences between expected and actual experience	17,971,451	22,762,259
Assumption changes	180,545,875	21,383,202
Change in proportion and differences between University contributions and proportionate share of plan contributions	16,353,640	5,325,096
Total outflows and inflows of resources	\$ 241,257,803	\$ 49,710,692

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	\$ 178,023	\$ —
Net differences between projected and actual earnings on OPEB plan investments	—	24,300
Differences between expected and actual experience	—	58,441
Assumption changes	65,432	3,175
Change in proportion and differences between University contributions and proportionate share of plan contributions	254	5,458
Total outflows and inflows of resources	\$ 243,709	\$ 91,374

NOTES TO FINANCIAL STATEMENTS

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:

Years ended June 30:	SCRHITF	SCLTDITF
2023	\$ 27,217,218	\$ (9,169)
2024	26,824,007	(16,172)
2025	33,647,141	(8,526)
2026	35,021,554	6,359
2027	28,970,580	(781)
2028 and thereafter	13,479,774	2,601

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, 2020 census data; rolled forward to June 30, 2021
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:	1.92% as of June 30, 2021
Demographic assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality:	For healthy retirees, the 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 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Retiree participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for Partially Funded Premiums 20% participation for retirees who are eligible for Non-Funded Premiums
Notes:	The discount rate changed from 2.45% as of June 30, 2020 to 1.92% as of June 30, 2021. Also, the demographic and salary increase assumptions were updated to reflect the 2020 SCRS experience study, and the healthcare trend rates were reset to better reflect the plan's anticipated experience.

NOTES TO FINANCIAL STATEMENTS

Additional information as of the latest actuarial valuation for SCLTDITF:

Actuarial Assumptions	SCLTDITF
Valuation date:	June 30, 2020 census data; rolled forward to June 30, 2021
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:	2.48% as of June 30, 2021
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Disability Incidence:	The disability rates used in the valuation are 165% of 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 93% were assumed to recover after the first two years.
Offsets:	45% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses:	Third party administrative expenses are included in the benefit projections
Notes:	The single discount rate changed from 2.83% as of June 30, 2020 to 2.48% as of June 30, 2021. Additionally, the salary, termination rates and retirement rates assumptions were updated to reflect the 2020 experience study for the SCRS pension valuations, and the disability incidence, disability recovery, administration fee and offset assumptions were updated to better reflect the plan's anticipated experience.

The actuarial valuation was performed as of June 30, 2020. Update procedures were used to roll forward the total OPEB liability to June 30, 2021.

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 tables:

South Carolina Retiree Health Insurance Trust Fund			
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%	0.35%	0.07%
Total	100.00%		0.55%
Expected Inflation			2.25%
Total Return			2.80%
Investment Return Assumption			2.75%

South Carolina Long-Term Disability Insurance Trust Fund			
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%	0.95%	0.76%
Cash	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			3.00%

NOTES TO FINANCIAL STATEMENTS

Discount Rate

The Single Discount Rate of 1.92% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 2.48% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 3.00% and a municipal bond rate of 1.92%. 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 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity Analysis

The following table presents the University's proportionate share of the SCRHITF net other postemployment benefits (OPEB) liability calculated using the discount rate of 1.92 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 (.92 percent) or 1 percentage point higher (2.92 percent) than the current rate:

Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Discount Rate		
1.00% Decrease (0.92%)	Current Discount Rate (1.92%)	1.00% Increase (2.92%)
\$1,070,326,361	\$888,055,362	\$744,357,126

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 it were calculated using a trend rate that is one percent lower or one percent higher.

1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
\$712,459,409	\$888,055,362	\$1,122,031,139

The following table presents the University's proportionate share of the SCLTDITF net OPEB liability calculated using the discount rate of 2.48 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 (1.48 percent) or 1 percentage point higher (3.48 percent) than the current rate:

Sensitivity of the SCLTDITF Net OPEB Liability to Changes in the Discount Rate		
1.00% Decrease (1.48%)	Current Discount Rate (2.48%)	1.00% Increase (3.48%)
\$115,284	\$79,248	\$42,924

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, 2021, and the accounting and financial reporting actuarial valuation as of June 30, 2021. 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.

NOTES TO FINANCIAL STATEMENTS

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 Annual Comprehensive Financial Report of the State of South Carolina. Compensation deferred under the Section 401(k), 457 and 403(b) plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate 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 403(b) plan document. Under the plan, loans and financial hardship distributions are permitted. Fifteen years of service catch-up contributions are not permitted.

NOTE 11.

LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2022 was as follows:

Long-Term Liabilities							
Description	July 1, 2021	GASB 87 Restatement	July 1, 2021 - Restated	Additions	Reductions	June 30, 2022	Due Within One Year
Bonds and lease obligations payable:							
General obligation bonds	\$ 195,295,000	\$ —	\$ 195,295,000	\$100,310,000	\$ 10,980,000	\$ 284,625,000	\$15,695,000
Revenue bonds	261,065,000	—	261,065,000	—	6,825,000	254,240,000	7,170,000
Athletic facilities revenue bonds	124,850,000	—	124,850,000	64,510,000	5,965,000	183,395,000	6,510,000
Subtotal bonds payable	581,210,000	—	581,210,000	164,820,000	23,770,000	722,260,000	29,375,000
Unamortized revenue bond premium	43,300,027	—	43,300,027	19,702,629	3,391,739	59,610,917	3,391,738
Total bonds payable	624,510,027	—	624,510,027	184,522,629	27,161,739	781,870,917	32,766,738
Leases	10,407,745	(1,331,749)	9,075,996	13,551,075	4,466,762	18,160,309	4,008,461
Total bonds and leases payable	634,917,772	(1,331,749)	633,586,023	198,073,704	31,628,501	800,031,226	36,775,199
Other liabilities:							
Accrued compensated absences	36,067,000	—	36,067,000	12,755,746	14,900,746	33,922,000	13,652,774
Funds held for others	4,181,495	—	4,181,495		1,220,618	2,960,877	—
liability	765,005,756	—	765,005,756	99,814,058	218,714,676	646,105,138	—
Net postemployment benefit liability	776,737,845	—	776,737,845	136,497,766	25,101,001	888,134,610	—
Total other liabilities	1,581,992,096	—	1,581,992,096	249,067,570	259,937,041	1,571,122,625	13,652,774
Total long-term liabilities	\$2,216,909,868	\$ (1,331,749)	\$2,215,578,119	\$447,141,274	\$291,565,542	\$2,371,153,851	\$50,427,973

Additional information regarding Bonds Payable is included in Note 6. Additional information regarding Lease Obligations is included in Note 7. "Funds held for others" represents the federal liability for the Perkins Loan program and longevity incentives for athletic coaches. See Note 5 for additional information.

NOTES TO FINANCIAL STATEMENTS

NOTE 12.

CONSTRUCTION COSTS AND COMMITMENTS

Capitalized Costs and Commitments

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 \$472,636,550. The \$472,636,550 includes estimated costs of \$286,053,443 for capital projects currently in progress plus \$186,583,107 estimated costs for other capital projects already in service. Of the total estimated cost, \$218,721,618 was unexpended at June 30, 2022. Of the total expended through June 30, 2022, the University has capitalized substantially complete and in use projects in the amount of \$101,312,973. Of the unexpended balance the University has remaining commitment balances of \$86,355,789 with certain property owners, engineering firms, construction contractors, and vendors related to these projects. Retainages payable on these capitalized projects as of June 30, 2022, was \$1,393,468. Capital projects at June 30, 2022, which constitute construction in progress that are to be capitalized when completed, are listed below.

Construction Costs and Commitments		
Project	Approximate Cost	Amount Expended
Advanced Materials Innovation Complex Construction	\$ 1,800,000	\$ 1,148
Bryan Mall High Rise Renovation	1,500,000	918,915
Campus Classrooms Card Access	1,069,400	370,522
Coastal REC Vegetable Greenhouses	830,000	41,363
Core Campus Safety and Revitalization	21,000,000	2,046,709
CU-ICAR GEC Propulsion Lab Upfit	5,000,000	1,895,928
Daniel Renovation & Expansion	63,284,100	30,404,105
Development and Alumni Center Building Construction	56,000,000	904,551
Douthit Hills R10 Parking Lot	1,400,000	726,622
Johnstone/Core Campus Demolition	180,000	—
Memorial Stadium Renovations	59,200,000	20,380,044
Network Upgrade	22,097,743	5,024,699
Parking Lot 4 Sidewalk	324,700	15,455
Pee Dee REC Dargan's Pond Dam	1,800,000	—
Pee Dee REC Greenhouse Construction	30,000	—
Poe Indoor Practice Field Addition	4,500,000	1,291,478
Reeves Football Operations Complex Expansion	4,900,000	3,722,816
Roadway Pedestrian Safety Improvements	21,000,000	4,448,418
Sandhill Research & Education Building Renovation	990,000	101,816
SCBG Horticultural New Office	500,000	19,047
Snow Complex Davidson Field	4,200,000	254,000
Soccer Champions Plaza Construction	1,147,500	280,004
South of Chapel Student Memorial Wall	350,000	30,000
West Cherry/Old Stone Church Rd	250,000	91,882
Williamson Road/Old Stadium Rd	4,200,000	367,054
Women's Sports Program Expansion	500,000	—
WWTP Improvements	8,000,000	1,814,875
	\$ 286,053,443	\$ 75,151,451

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, 2022. No non-capitalized expenditures are included in these totals.

NOTES TO FINANCIAL STATEMENTS

Non-Capitalized Costs and Commitments

At June 30, 2022 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 \$112,313,368. This amount includes costs incurred to date of \$61,671,344 and estimated costs to complete of \$50,642,024. The University has remaining commitment balances with certain parties related to these projects of \$11,631,238. Retainages payable on the non-capitalized projects as of June 30, 2022, was \$172,382. The University anticipates funding these projects out of current resources, current and future bond issues, state capital appropriations, 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, 2022.

The University remitted \$290,654 to CURF, per the operating agreement between the two entities. CURF reimbursed the University \$38,320 for salaries for time devoted by University employees to CURF and \$263,420 for other service-related expenses.

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 \$983,659 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 \$846,789 to the Alumni Association, primarily consisting of licensing royalties, for the fiscal year ended June 30, 2022.

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 \$22,669 for salaries for time devoted by University employees to the Finance Corporation.

NOTES TO FINANCIAL STATEMENTS

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 \$800,551 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 material transactions with the University and did not significantly require the time or service of any University employees.

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 2021-22 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, 2022:

State Appropriations			
Description	Educational and General	Public Service	Total
Original appropriation	\$ 101,776,093	\$ 49,297,943	\$ 151,074,036
Allocation for health and dental plan contributions	84,278	33,772	118,050
Allocation for SCRS and PORS retirement contributions	699,606	267,504	967,110
Allocation for Recurring Adjustment - Salary & Fringes (COLA)	2,477,176	947,184	3,424,360
Appropriation allocations from the State Commission on Higher Education:			
For Academic Endowment Match	35,990	—	35,990
For Clemson Agriculture Education Teachers - teacher recruitment	—	1,210,055	1,210,055
Total state appropriations	\$ 105,073,143	\$ 51,756,458	\$ 156,829,601

NOTES TO FINANCIAL STATEMENTS

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, 2022:

Other Amounts Recognized from State Agencies				
Description	Operating Revenues	Nonoperating Revenues	Capital and Endowment Proceeds	Total
Received from the Commission on Higher Education (CHE):				
LIFE Scholarships	\$ 31,780,277	\$ —	\$ —	\$ 31,780,277
Palmetto Scholarships	31,771,885	—	—	31,771,885
Need-Based Grants	6,935,278	—	—	6,935,278
HOPE Scholarships	219,800	—	—	219,800
Received from the Department of Education - STEM	1,750,000	—	—	1,750,000
Received from the Department of Education - Other	574,583	—	—	574,583
Received from various other state agencies	5,720,711	—	—	5,720,711
Received from agencies outside South Carolina	835,546	—	—	835,546
Received from PEBA (nonemployer contributions for retiree health care and LTD plans)	101,300	—	—	101,300
Received from PEBA (nonemployer contributions for pension plans)	2,970,020	—	—	2,970,020
Capital Reserve Funding for FY22 Maintenance, Renovation & Replacement - HVAC Only	—	—	25,000,000	25,000,000
State appropriated funds for Pee Dee REC Greenhouse Construction	—	—	2,000,000	2,000,000
State appropriated funds for Sandhill Research & Education	—	—	990,000	990,000
State appropriated funds for FY22 Maintenance, Renovation & Replacement - Roofs Only	—	—	8,305,000	8,305,000
State appropriated funds for FY22 Maintenance, Renovation & Replacement - Envelopes Only	—	—	1,725,000	1,725,000
State appropriated funds for FY22 Maintenance, Renovation & Replacement - Electrical Only	—	—	5,385,000	5,385,000
State appropriated funds for FY22 Maintenance, Renovation & Replacement - Elevators Only	—	—	1,770,000	1,770,000
State appropriated funds for FY22 Maintenance, Renovation & Replacement - HVAC Only	—	—	5,445,332	5,445,332
Total other amounts recognized from state agencies	\$ 82,659,400	\$ —	\$ 50,620,332	\$133,279,732

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 \$31,037,393 comprised of \$345,680 in fees for computer services classified as other operating revenues, and \$30,691,713 in information and systems development fees classified as sales and services of auxiliary enterprises.

Also, the University collected and remitted \$16,403 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 2022 expenditures applicable to related transactions with state entities are not readily available.

NOTES TO FINANCIAL STATEMENTS

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 are 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 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, 2022, based on the requirements of GASB Statement's No. 10 and No. 30, which state that a liability for claims must be reported only if information prior to issuance of the financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before June 30, 2022, and the amount of the loss is reasonably estimable.

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

NOTES TO FINANCIAL STATEMENTS

Enterprise Risk Management Statement

Clemson University defines Enterprise Risk Management (ERM) as a process-driven tool that enables visualization, assessment, and management of significant risks that may adversely impact the attainment of key organizational objectives and to maximize opportunities for enhancement in all Clemson University activities.

It is the responsibility of the President to lead and cultivate a culture of awareness to identify, assess, and manage risks using the ERM process. It is the responsibility of the Board members, institutional leaders, faculty, staff and students to identify, analyze, evaluate, respond, monitor and communicate risks associated with any activity, function or process within their relevant scope of responsibility and authority.

Risk, when appropriately identified and managed, is a part of regular business activities. However, in certain cases there are types of risks which may not be acceptable, such as:

- (1) Willful exposure of students, employees, or others to hazardous environments or activities;
- (2) Intentional violation of laws;
- (3) Waste, fraud, and abuse; or,
- (4) Unethical behavior

Clemson's approach to risk management is to minimize the effects of compliance, financial, operational, reputational, and strategic risks, while accepting a reasonable degree of managed risk in pursuit of its mission and objectives. Clemson recognizes that risk varies according to the activity undertaken, and that acceptance of risk is always subject to ensuring potential benefits and risks are fully understood, and that prudent measures to mitigate risk are established.

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 2022 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 17.

OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2022 are summarized as follows:

Operating Expenses by Function							
Description	Salaries and Wages	Fringe Benefits	Services and Supplies	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 195,331,204	\$ 57,174,032	\$ 28,872,805	\$ 1,170,517	\$ 315,248	\$ —	\$ 282,863,806
Research	109,131,630	31,609,177	61,871,706	1,826,488	2,332,160	—	206,771,161
Public Service	39,259,684	15,717,462	22,475,979	1,482,146	—	—	78,935,271
Academic Support	31,927,392	19,983,057	22,583,067	(2,975,937)	13,000	—	71,530,579
Student Services	21,996,736	8,299,195	19,397,470	331,512	223,905	—	50,248,818
Institutional Support	29,059,765	15,460,068	15,212,060	438,624	—	—	60,170,517
Operation and Maintenance of Plant	8,938,659	9,220,727	54,825,126	11,937,987	—	—	84,922,499
Scholarships and Fellowships	274,207	15,315	161,273	—	39,724,384	—	40,175,179
Auxiliary Enterprises	51,706,685	15,019,208	119,053,704	8,507,516	—	—	194,287,113
Depreciation	—	—	—	—	—	72,351,554	72,351,554
Pension and OPEB	—	59,378,209	—	—	—	—	59,378,209
Total Operating Expenses by Function	\$487,625,962	\$231,876,450	\$344,453,190	\$22,718,853	\$42,608,697	\$72,351,554	\$1,201,634,706

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 2022, this rate was 4.0%. At June 30, 2022, net unrealized losses of \$3,010,970 were recorded and reported in the Statement of Net Position as unrestricted.

NOTES TO FINANCIAL STATEMENTS

NOTE 19.

DETAILS OF RESTRICTED ASSETS

The purposes and amounts of Restricted Assets are as follows:

Details of Restricted Assets	
Description	Amount
Current:	
Cash and cash equivalents:	
As specified by sponsors/donors	\$ 13,691,626
University administered loans	401,079
Payment of maturing debt	13,172,991
Unspent bond proceeds	166,288,513
Amounts restricted for capital projects	214,910,671
Funds held for others	353,419
Total current restricted assets	<u>\$ 408,818,299</u>
Noncurrent:	
Cash and cash equivalents:	
Endowments	\$ 173,510
Federal Perkins Loan Program	2,028,009
Total noncurrent restricted cash and cash equivalents	<u>\$ 2,201,519</u>
Student Loans Receivable:	
Total Federal Perkins Loan Program	<u>\$ 2,591,444</u>

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 2022 were recorded by the University as nonoperating gift revenues totaling \$27,848,492.

Equipment donated by CUF to the University totaled \$29,953 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 \$2,140,901 for University building projects. As of June 30, 2022, unexpended funds held by CUF designated for University building projects totaled \$14,513,431.

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 \$240,447,398. Current year losses and depreciation on the loan totaled \$(3,010,970).

CUF charges an annual fee for managing the University's owned endowments. For the fiscal year ending June 30, 2022, this fee was 1.25% of the 12 quarter market value average of these University owned funds or \$2,057,413. At fiscal year-end, \$538,100 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.

NOTES TO FINANCIAL STATEMENTS

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, 2022 follows:

Investments	
Description	Amount
Money market	\$ 4,552,234
Treasury/Agency	51,700,860
Mortgage backed securities	27,190,783
Corporate bonds	16,799,772
International bonds	1,359,965
US equities	362,228,522
Global equities	126,415,790
Commodities	51,892,184
Hedge funds	1,124,541
Private equity	128,915,163
Public real assets	166,334,051
Private real assets	32,627,630
Other	1,473,206
Subtotal - marketable investments	972,614,701
Subordinated note receivable from Clemson University Real Estate Foundation, Inc.	20,000,000
Total Investments	\$ 992,614,701

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 ended June 30, 2022, \$280,057 was paid by the University to CULSF for common area maintenance costs and \$2,121,226 for leases and operating expenses at the CU-ICAR campus and Greenville One building.

CULSF reimbursed the University \$570,305 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, 2022, IPTAY contributed \$62,415,404 to the University for qualifying athletic scholarships, operating expenses, capital project funding, and debt service obligations. As of June 30, 2022, IPTAY had remaining commitments of approximately \$294,137 for University building projects.

At June 30, 2022, the Statement of Net Position includes accounts receivable from IPTAY of \$1,556,745.

NOTES TO FINANCIAL STATEMENTS

NOTE 21.

ACCOUNTING CHANGES

Effective for the fiscal year ended June 30, 2022, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-of-use asset, while a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities.

Previously, the University reported capital leases as a capital asset, with corresponding short and long-term liabilities, in the Statement of Net Position. Additionally, operating lease payments were recorded as services and supplies expense and operating lessor leases as other operating revenue in the Statement of Revenue, Expenses and Changes in Net Position. Upon implementation of GASB 87, "capital" lease assets were reclassified as intangible, leased assets and "capital" leases payable were reclassified as lease obligations payable. This resulted in a restatement of beginning net position as of the date of implementation, July 1, 2021.

Adjustment to Beginning Net Position			
Description	June 30, 2021 as originally stated	GASB 87 Restatement	June 30, 2021 as restated
Net investment in capital assets	\$ 824,009,978	\$ (280,269)	\$ 823,729,709
Restricted for nonexpendable purposes:			
Scholarships and fellowships	59,504,350		59,504,350
Restricted for expendable purposes:			
Scholarships and fellowships	29,136,643		29,136,643
Research	(2,960,831)		(2,960,831)
Instruction/departamental use	16,475,840		16,475,840
Loans	2,269,264		2,269,264
Capital projects	188,037,697		188,037,697
Debt service	11,545,785		11,545,785
Unrestricted	(704,475,456)		(704,475,456)
Total net position, as restated	\$ 423,543,270	\$ (280,269)	\$ 423,263,001

NOTE 22.

SUBSEQUENT EVENTS

In May 2021, the University was awarded \$36,192,610 in Higher Education Emergency Relief (HEERF) funds authorized by the American Rescue Plan. The award included \$18,105,028 to be used to provide emergency financial aid grants to students and \$18,087,582 in institutional funds to defray expenses associated with coronavirus. The University disbursed \$18,105,028 in emergency financial aid grants to students during the 2021-2022 fiscal year. The University drew and expended \$18,087,582 in institutional funds in August 2022.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

South Carolina Retirement System (SCRS)						
For the Year	University's Proportionate Share of the Net Pension Liability	University's Proportionate Share of the Net Pension Liability	University's Covered Payroll During the Measurement Period	University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	
2022	2.941342%	\$ 636,543,931	\$ 398,868,041	159.59%	60.70%	
2021	2.945896%	752,728,463	391,028,661	192.50%	50.70%	
2020	2.902484%	662,757,449	368,957,711	179.63%	54.40%	
2019	2.814404%	630,618,329	353,863,380	178.21%	54.10%	
2018	2.706197%	609,208,463	342,899,971	177.66%	53.30%	
2017	2.649480%	565,925,017	323,787,717	174.78%	52.90%	
2016	2.657194%	503,949,653	313,711,782	160.64%	56.99%	
2015	2.601067%	447,817,506	308,864,854	144.99%	59.92%	
2014	2.601067%	441,495,608	292,367,473	151.01%	56.39%	

Police Officers Retirement System (PORS)						
For the Year	University's Proportionate Share of the Net Pension Liability	University's Proportionate Share of the Net Pension Liability	University's Covered Payroll During the Measurement Period	University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	
2022	0.371610%	\$ 9,561,207	\$ 5,596,490	170.84%	70.40%	
2021	0.370220%	12,277,294	5,602,769	219.13%	58.80%	
2020	0.333467%	9,556,980	4,828,640	197.92%	62.70%	
2019	0.290328%	8,226,555	4,026,706	204.30%	61.70%	
2018	0.29435%	8,063,788	3,963,883	203.43%	60.90%	
2017	0.28558%	7,243,538	3,640,094	198.99%	60.40%	
2016	0.26576%	5,792,207	3,300,804	175.48%	64.57%	
2015	0.26743%	5,119,734	3,238,913	158.07%	67.55%	
2014	0.26743%	5,127,588	2,973,675	172.43%	62.98%	

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF UNIVERSITY CONTRIBUTIONS TO PENSION PLANS

South Carolina Retirement System (SCRS)							
For the Year		Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (excess)		University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$	55,178,647	\$ 55,178,647	\$ —	\$	413,909,076	13.33%
2021		48,649,289	48,649,289	—		398,868,041	12.20%
2020		48,191,395	48,191,395	—		391,028,661	12.32%
2019		41,685,052	41,685,052	—		368,957,711	11.30%
2018		36,234,136	36,234,136	—		353,863,380	10.24%
2017		31,566,642	31,566,642	—		342,899,971	9.21%
2016		28,386,836	28,376,288	10,548		323,787,717	8.77%
2015		27,147,096	27,156,699	(9,603)		313,711,782	8.65%
2014		25,031,158	25,031,158	—		308,864,854	8.10%
2013		24,089,283	24,089,283	—		292,367,473	8.24%

Police Officers Retirement System (PORS)							
For the Year		Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (excess)		University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$	1,130,273	\$ 1,130,273	\$ —	\$	6,068,766	18.62%
2021		1,331,211	1,331,211	—		5,596,490	23.79%
2020		982,682	982,682	—		5,602,769	17.54%
2019		1,087,404	1,087,404	—		4,828,640	22.52%
2018		614,762	614,762	—		4,026,706	15.27%
2017		564,457	564,457	—		3,963,883	14.24%
2016		500,233	500,233	—		3,640,094	13.74%
2015		441,480	441,508	(28)		3,300,804	13.37%
2014		412,997	412,997	—		3,238,913	12.75%
2013		364,346	364,346	—		2,973,675	12.25%

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	
2022	4.264744%	\$ 888,055,362	\$ 404,464,531	219.56%	7.48%	
2021	4.302870%	776,730,275	396,631,430	195.83%	8.39%	
2020	4.273880%	646,275,814	373,786,351	172.90%	8.44%	
2019	4.150069%	588,089,053	357,890,086	164.32%	7.91%	
2018	4.113249%	557,132,840	346,863,854	160.62%	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	
2022	2.493876%	\$ 79,248	N/A	N/A	92.84%	
2021	2.496725%	7,570	N/A	N/A	99.29%	
2020	2.483323%	48,878	N/A	N/A	95.17%	
2019	2.418150%	74,025	N/A	N/A	92.20%	
2018	2.377844%	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	Contractually Required Contributions	Contributions Recognized by the Plan	Contribution Deficiency (excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll		
2022	\$ 26,386,837	\$ 26,386,837	\$ —	\$ 419,977,842	6.28%		
2021	25,279,033	25,279,033	—	404,464,531	6.25%		
2020	24,789,464	24,789,464	—	396,631,430	6.25%		
2019	22,614,074	22,614,074	—	373,786,351	6.05%		
2018	19,241,272	19,241,272	—	357,890,086	5.38%		
2017	16,929,079	16,929,079	—	346,863,854	4.88%		
2016	16,371,391	16,371,391	—	327,427,811	5.00%		
2015	15,850,629	15,850,629	—	317,012,586	5.00%		
2014	14,783,300	14,783,300	—	312,103,767	4.74%		
2013	12,988,807	12,988,807	—	295,341,148	4.40%		

South Carolina Basic Long-Term Disability Plan							
For the Year	Contractually Required Contributions	Contributions Recognized by the Plan	Contribution Deficiency (excess)	University's Covered Payroll*	Contributions as a Percentage of Covered Payroll*		
2022	\$ 178,023	\$ 178,023	\$ —	N/A	N/A		
2021	176,082	176,082	—	N/A	N/A		
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		

*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 Annual Comprehensive 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.

Contents	Page
Financial Trends	89
These schedules contain trend information to help the reader understand how the University's financial performance and well-being have changed over time.	
Debt Capacity	95
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.	
Operating Information	98
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.	
Demographic and Economic Information	104
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)										
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Revenues:										
Student tuition and fees (net of scholarship allowances)	\$ 511,455	\$ 478,014	\$ 466,846	\$ 425,219	\$ 397,740	\$ 364,126	\$ 341,077	\$ 316,893	\$ 300,711	\$ 288,778
Federal grants and contracts	140,260	101,160	95,749	90,469	83,570	81,924	71,500	63,540	62,079	64,467
State grants and contracts	82,659	87,704	85,256	78,533	68,444	62,055	58,828	57,352	53,189	51,377
Local grants and contracts	2,161	1,151	1,156	968	776	1,772	912	882	1,640	796
Nongovernmental grants and contracts	9,159	11,812	11,733	12,289	11,447	11,616	12,844	11,223	11,174	9,446
Sales and services of educational and other activities	24,753	18,348	18,317	22,587	22,193	21,303	20,441	20,104	18,778	17,203
Sales and services of auxiliary enterprises (net of scholarship allowances)	201,843	140,234	180,667	189,684	161,667	169,527	163,635	129,119	121,927	114,618
Other operating revenues	34,736	29,413	38,398	40,605	38,648	34,037	31,638	38,322	34,840	31,372
Total operating revenues	1,007,027	867,835	898,122	860,354	784,485	746,360	700,875	637,435	604,338	578,057
State appropriations	156,830	143,174	144,251	136,487	123,914	119,309	108,812	106,345	99,591	92,784
Federal appropriations	12,471	13,016	13,126	11,115	11,208	12,240	11,632	11,338	10,566	10,948
Gifts and grants	129,364	181,437	102,743	94,905	85,056	67,552	48,189	33,586	62,951	56,403
Interest income (loss)	(25,681)	6	16,805	18,080	2,397	3,700	4,071	670	3,077	1,073
Endowment income (loss)	(4,395)	59,597	1,900	9,829	15,669	19,955	(2,979)	4,086	23,664	14,744
Other nonoperating revenues	248	322	500	4,665	2,150	330	78	340	648	310
Proceeds from the sale of capital assets	14,775	125	114	1,283	189	1,397	252	188	376	458
Total nonoperating revenues	283,611	397,677	279,439	276,364	240,583	224,483	170,055	156,553	200,873	176,720
Total revenues	\$1,290,638	\$1,265,512	\$1,177,561	\$1,136,718	\$1,025,068	\$ 970,843	\$ 870,930	\$ 793,988	\$ 805,211	\$ 754,777

**For the Year Ended June 30,
(percent of total revenues)**

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Revenues:										
Student tuition and fees (net of scholarship allowances)	39.6 %	37.8 %	39.6 %	37.3 %	38.7 %	37.4 %	39.3 %	40.0 %	37.4 %	38.2 %
Federal grants and contracts	10.9 %	8.0 %	8.1 %	8.0 %	8.2 %	8.4 %	8.2 %	8.0 %	7.7 %	8.5 %
State grants and contracts	6.4 %	6.9 %	7.2 %	6.9 %	6.7 %	6.4 %	6.8 %	7.2 %	6.6 %	6.8 %
Local grants and contracts	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %	0.2 %	0.1 %	0.1 %	0.2 %	0.1 %
Nongovernmental grants and contracts	0.7 %	0.9 %	1.0 %	1.1 %	1.1 %	1.2 %	1.5 %	1.4 %	1.4 %	1.3 %
Sales and services of educational and other activities	1.9 %	1.4 %	1.6 %	2.0 %	2.2 %	2.2 %	2.3 %	2.5 %	2.3 %	2.3 %
Sales and services of auxiliary enterprises (net of scholarship allowances)	15.6 %	11.1 %	15.3 %	16.7 %	15.8 %	17.5 %	18.8 %	16.3 %	15.1 %	15.2 %
Other operating revenues	2.7 %	2.3 %	3.5 %	3.6 %	3.8 %	3.5 %	3.6 %	4.8 %	4.3 %	4.2 %
Total operating revenues	<u>78.0 %</u>	<u>68.6 %</u>	<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>
State appropriations	12.2 %	11.3 %	12.2 %	12.0 %	12.1 %	12.3 %	12.5 %	13.5 %	12.5 %	12.3 %
Federal appropriations	1.0 %	1.0 %	1.1 %	1.0 %	1.1 %	1.3 %	1.3 %	1.4 %	1.3 %	1.5 %
Gifts and grants	10.0 %	14.3 %	8.7 %	8.3 %	8.3 %	7.0 %	5.5 %	4.2 %	7.8 %	7.4 %
Interest income	(2.0) %	0.0 %	1.4 %	1.6 %	0.2 %	0.4 %	0.4 %	0.1 %	0.4 %	0.1 %
Endowment income (loss)	(0.3) %	4.7 %	0.2 %	0.9 %	1.5 %	2.1 %	(0.3) %	0.5 %	2.9 %	2.0 %
Other nonoperating revenues	0.0 %	0.0 %	0.0 %	0.4 %	0.2 %	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %
Proceeds from the sale of capital assets	1.1 %	0.0 %	0.0 %	0.1 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.1 %
Total nonoperating revenues	<u>22.0 %</u>	<u>31.4 %</u>	<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>
Total revenues	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

Source: Clemson University Annual Comprehensive Financial Reports.

SCHEDULE OF EXPENSES BY USE

For the Year ended June 30, (amounts expressed in thousands)										
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Expenses:										
Compensation and employee benefits	\$ 719,502	\$ 743,857	\$ 709,455	\$ 632,151	\$ 617,355	\$ 556,537	\$ 513,401	\$ 478,991	\$ 444,913	\$ 419,665
Services and supplies	344,453	275,874	316,186	319,566	278,228	265,758	267,423	262,955	243,893	219,962
Utilities	22,719	19,217	16,656	20,548	20,593	19,730	18,910	19,783	20,344	17,961
Depreciation	72,352	68,024	66,648	59,346	57,491	51,759	49,872	49,316	42,974	32,715
Scholarships and fellowships	42,609	42,112	47,700	33,579	30,668	27,269	27,726	25,411	23,846	26,380
Total operating expenses	<u>1,201,635</u>	<u>1,149,084</u>	<u>1,156,645</u>	<u>1,065,190</u>	<u>1,004,335</u>	<u>921,053</u>	<u>877,332</u>	<u>836,456</u>	<u>775,970</u>	<u>716,683</u>
Interest on capital asset related debt	21,270	21,596	22,523	23,416	22,056	21,471	17,091	7,341	5,512	5,875
(Gain) loss on disposal of capital assets	1,648	322	1,655	1,540	826	1,965	340	4,343	(1,200)	254
Refunds to grantors	538	513	491	499	90	120	71	137	178	515
Facilities and administrative remittances to the State	287	292	269	280	252	317	450	375	413	339
Total nonoperating expenses	<u>23,743</u>	<u>22,724</u>	<u>24,938</u>	<u>25,735</u>	<u>23,224</u>	<u>23,873</u>	<u>17,952</u>	<u>12,196</u>	<u>4,903</u>	<u>6,983</u>
Total expenses	<u>\$1,225,378</u>	<u>\$1,171,808</u>	<u>\$1,181,583</u>	<u>\$1,090,925</u>	<u>\$1,027,559</u>	<u>\$ 944,926</u>	<u>\$ 895,284</u>	<u>\$ 848,652</u>	<u>\$ 780,873</u>	<u>\$ 723,666</u>

For the Year Ended June 30, (percent of total expenses)										
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Expenses:										
Compensation and employee benefits	58.7 %	63.7 %	60.1 %	58.1 %	60.1 %	58.9 %	57.3 %	56.5 %	57.0 %	58.0 %
Services and supplies	28.1 %	23.5 %	26.8 %	29.3 %	27.1 %	28.1 %	29.9 %	31.0 %	31.2 %	30.4 %
Utilities	1.9 %	1.6 %	1.4 %	1.9 %	2.0 %	2.1 %	2.1 %	2.3 %	2.6 %	2.5 %
Depreciation	5.9 %	5.8 %	5.7 %	5.4 %	5.6 %	5.5 %	5.6 %	5.8 %	5.5 %	4.5 %
Scholarships and fellowships	3.5 %	3.6 %	4.0 %	3.1 %	3.0 %	2.9 %	3.1 %	3.0 %	3.1 %	3.7 %
Total operating expenses	<u>98.1 %</u>	<u>98.2 %</u>	<u>98.0 %</u>	<u>97.8 %</u>	<u>97.8 %</u>	<u>97.5 %</u>	<u>98.0 %</u>	<u>98.6 %</u>	<u>99.4 %</u>	<u>99.1 %</u>
Interest on capital asset related debt	1.8 %	1.8 %	1.9 %	2.1 %	2.1 %	2.3 %	1.9 %	0.9 %	0.7 %	0.8 %
(Gain) loss on disposal of capital assets	0.1 %	0.0 %	0.1 %	0.1 %	0.1 %	0.2 %	0.0 %	0.5 %	(0.2) %	0.0 %
Refunds to grantors	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %
Facilities and administrative remittances to the State	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %	0.1 %	0.0 %
Total nonoperating expenses	<u>1.9 %</u>	<u>1.8 %</u>	<u>2.0 %</u>	<u>2.2 %</u>	<u>2.2 %</u>	<u>2.5 %</u>	<u>2.0 %</u>	<u>1.4 %</u>	<u>0.6 %</u>	<u>0.9 %</u>
Total expenses	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

Source: Clemson University Annual Comprehensive Financial Reports.

SCHEDULE OF EXPENSES BY FUNCTION

	For the Year Ended June 30, (amounts expressed in thousands)									
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Expenses:										
Instruction	\$ 282,864	\$ 269,269	\$ 282,039	\$ 270,130	\$ 253,820	\$ 238,535	\$ 229,362	\$ 225,965	\$ 216,977	\$ 201,731
Research	206,771	190,763	188,154	177,050	164,054	153,423	144,424	138,650	133,562	130,787
Public service	78,935	72,124	71,456	70,608	68,831	66,924	64,423	65,432	63,542	59,837
Academic support	71,531	71,209	73,424	62,996	58,640	51,740	45,218	47,169	42,231	38,926
Student services	50,249	58,691	47,265	46,942	43,468	39,686	36,061	37,137	35,578	26,694
Institutional support	60,171	60,850	59,972	49,459	46,434	40,112	38,600	42,053	38,019	34,640
Operation and maintenance of plant	84,922	65,274	78,212	69,346	73,406	67,762	70,306	76,975	64,116	62,754
Scholarships and fellowships	40,175	40,024	45,950	31,306	28,461	25,467	26,006	23,773	22,115	25,179
Auxiliary enterprises	194,287	163,959	182,774	188,064	168,030	164,425	162,394	125,739	116,856	103,420
Depreciation	72,352	68,024	66,648	59,346	57,491	51,759	49,872	49,316	42,974	32,715
Pension and OPEB	59,378	88,897	60,751	39,942	41,700	21,220	10,666	4,247	—	—
Interest on capital debt	21,270	21,596	22,523	23,417	22,056	21,471	17,091	7,341	5,512	5,875
Loss on disposal of capital assets	1,648	322	1,655	1,540	826	1,965	340	4,343	(1,200)	254
Refunds to grantors	538	514	491	499	90	120	71	137	178	515
Facilities and administrative remittances to the State	287	292	269	280	252	317	450	375	413	339
Total expenses	\$1,225,378	\$1,171,808	\$1,181,583	\$1,090,925	\$1,027,559	\$ 944,926	\$ 895,284	\$ 848,652	\$ 780,873	\$ 723,666

NOTE: Fiscal years 2015-2019 were restated to show pension and OPEB expense as a separate line instead of allocating across the various functions.

	For the Year Ended June 30, (percent of total expenses)									
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Expenses:										
Instruction	23.1 %	23.0 %	23.9 %	24.8 %	24.7 %	25.2 %	25.6 %	26.6 %	27.8 %	27.8 %
Research	16.9 %	16.3 %	15.9 %	16.2 %	16.0 %	16.2 %	16.1 %	16.3 %	17.1 %	18.1 %
Public service	6.4 %	6.2 %	6.0 %	6.5 %	6.7 %	7.1 %	7.2 %	7.7 %	8.1 %	8.3 %
Academic support	5.8 %	6.1 %	6.2 %	5.8 %	5.7 %	5.5 %	5.1 %	5.6 %	5.4 %	5.4 %
Student services	4.1 %	5.0 %	4.0 %	4.3 %	4.2 %	4.2 %	4.0 %	4.4 %	4.6 %	3.7 %
Institutional support	4.9 %	5.2 %	5.1 %	4.5 %	4.5 %	4.2 %	4.3 %	5.0 %	4.9 %	4.8 %
Operation and maintenance of plant	6.9 %	5.6 %	6.6 %	6.4 %	7.1 %	7.2 %	7.9 %	9.1 %	8.2 %	8.7 %
Scholarships and fellowships	3.3 %	3.4 %	3.9 %	2.9 %	2.8 %	2.7 %	2.9 %	2.8 %	2.8 %	3.5 %
Auxiliary enterprises	15.9 %	14.0 %	15.5 %	17.2 %	16.4 %	17.4 %	18.1 %	14.8 %	15.0 %	14.3 %
Depreciation	5.9 %	5.8 %	5.6 %	5.4 %	5.6 %	5.5 %	5.6 %	5.8 %	5.5 %	4.5 %
Pension and OPEB	4.8 %	7.6 %	5.1 %	3.7 %	4.1 %	2.2 %	1.2 %	0.5 %	0.0 %	0.0 %
Interest on capital debt	1.7 %	1.8 %	1.9 %	2.1 %	2.1 %	2.3 %	1.9 %	0.9 %	0.7 %	0.8 %
(Gain) loss on disposal of capital assets	0.1 %	0.0 %	0.1 %	0.1 %	0.1 %	0.2 %	0.0 %	0.5 %	(0.2)%	0.0 %
Refunds to grantors	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %
Facilities and administrative remittances to State	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %	0.1 %	0.0 %
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 Annual Comprehensive Financial Reports.

SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION

	For the Fiscal Year (amounts expressed in thousands)									
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Total revenues (from schedule of revenues by source)	\$ 1,290,638	\$ 1,265,512	\$ 1,177,561	\$ 1,136,718	\$ 1,025,068	\$ 970,843	\$ 870,930	\$ 793,988	\$ 805,211	\$ 754,777
Total expenses (from schedule of expenses by use and function)	(1,225,378)	(1,171,808)	(1,181,583)	(1,090,925)	(1,027,559)	(944,926)	(895,284)	(848,652)	(780,873)	(723,666)
Income (loss) before other revenues, expenses, gains or losses	65,260	93,704	(4,022)	45,793	(2,491)	25,917	(24,354)	(54,664)	24,338	31,111
State capital appropriations	50,620	—	10,900	9,850	—	5,240	15,886	4,457	9,397	9,612
Capital grants and gifts	4,572	3,155	19,619	24,094	17,561	56,006	37,580	6,448	6,198	21,945
Additions to permanent endowments	29	83	90	38	101	20	567	209	123	2,710
Total changes in net position	120,481	96,942	26,587	79,775	15,171	87,183	29,679	(43,550)	40,056	65,378
Net position, beginning	423,543	326,601	300,014	220,239	783,114	695,931	666,252	1,156,425	1,116,369	1,050,991
Cumulative effect of accounting changes	(280)	—	—	—	(578,046)	—	—	(446,623)	—	—
Net position, ending	\$ 543,744	\$ 423,543	\$ 326,601	\$ 300,014	\$ 220,239	\$ 783,114	\$ 695,931	\$ 666,252	\$1,156,425	\$1,116,369
Net investment in capital assets	\$ 862,368	\$ 824,010	\$ 836,774	\$ 814,368	\$ 789,141	\$ 770,325	\$ 759,323	\$ 680,331	\$ 639,236	\$ 604,854
Restricted - expendable	58,973	59,504	209,643	183,297	150,070	144,460	99,062	126,834	184,828	192,765
Restricted - nonexpendable	282,768	244,504	58,967	58,979	59,002	58,867	58,698	58,323	58,241	57,880
Unrestricted	(660,364)	(704,475)	(778,783)	(756,630)	(777,974)	(190,538)	(221,152)	(199,236)	(172,503)	260,870
Total	\$ 543,745	\$ 423,543	\$ 326,601	\$ 300,014	\$ 220,239	\$ 783,114	\$ 695,931	\$ 666,252	\$ 709,802	\$1,116,369

Source: Clemson University Annual Comprehensive Financial Reports.

SCHEDULE OF RATIOS OF OUTSTANDING DEBT

	For the Fiscal Year									
	<i>(amounts expressed in thousands except for outstanding debt per student)</i>									
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
General Obligation Bonds	\$ 284,625	\$ 195,295	\$ 199,360	\$ 209,600	213,380	\$ 150,350	\$ 104,435	\$ 110,615	\$ 116,770	\$ 88,420
Revenue Bonds	254,240	261,065	267,570	274,470	281,050	289,205	295,600	110,860	26,585	32,350
Athletic Facilities Revenue Bonds	183,395	124,850	129,385	133,730	137,900	130,605	134,450	118,875	22,680	24,150
Subtotal bonds payable	722,260	581,210	596,315	617,800	632,330	570,160	534,485	340,350	166,035	144,920
Unamortized bond premiums	59,611	43,300	44,246	46,896	48,761	36,097	33,984	20,425	9,387	7,145
Total bonds payable	781,871	624,510	640,561	664,696	681,091	606,257	568,469	360,775	175,422	152,065
Notes payable	—	—	—	—	—	—	—	—	—	150
Lease obligations payable	18,160	10,408	11,142	11,688	11,991	11,990	12,967	13,993	14,963	15,911
Total outstanding debt	\$ 800,031	\$ 634,918	\$ 651,703	\$ 676,384	\$ 693,082	\$ 618,247	\$ 581,436	\$ 374,768	\$ 190,385	\$ 168,126
Full-time equivalent students	25,679	24,906	24,324	23,663	23,215	22,307	21,654	20,823	20,202	19,800
Outstanding debt per student	31,155	25,493	26,793	28,584	29,855	27,715	26,851	17,998	9,424	8,491

Note: Outstanding debt per student calculated using fall semester full-time equivalent student enrollment data for the last ten academic years (page 99).

Source: Clemson University Annual Comprehensive 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	
2022	\$54,119	\$54,119	\$10,980	\$7,632	\$18,612	2.91
2021	50,389	50,389	10,450	7,890	18,340	2.75
2020	48,231	48,231	10,240	8,307	18,547	2.60
2019	43,155	43,155	9,415	8,566	17,981	2.40
2018	42,004	42,004	6,950	6,998	13,948	3.01
2017	35,818	35,818	6,480	5,967	12,447	2.88
2016	33,662	33,662	6,180	4,217	10,397	3.24
2015	29,525	29,525	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

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	
2022	\$158,293	\$131,184	\$27,109	\$1,908	\$29,017	\$5,965	\$5,601	\$11,566	2.51
2021	122,432	107,218	15,214	358	15,572	4,535	5,064	9,599	1.62
2020	140,679	121,802	18,877	2,208	21,085	4,345	5,254	9,599	2.20
2019	145,167	121,902	23,265	2,252	25,517	4,170	5,427	9,597	2.66
2018	128,631	109,270	19,361	2,179	21,540	4,005	5,327	9,332	2.31
2017	117,150	101,322	15,828	2,214	18,042	3,845	5,354	9,199	1.96
2016	112,996	92,274	20,722	1,927	22,649	3,300	5,030	8,330	2.72
2015	85,185	77,052	8,133	2,046	10,179	1,380	1,011	2,391	4.26
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

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	
2022	\$97,003	\$57,504	\$39,499	\$6,825	\$10,567	\$17,392	2.27
2021	67,786	36,648	31,138	6,505	10,892	17,397	1.79
2020	77,834	46,189	31,645	6,900	11,232	18,132	1.75
2019	90,776	52,687	38,089	6,580	11,556	18,136	2.10
2018	70,107	45,143	24,964	8,155	11,777	19,932	1.25
2017	68,185	42,855	25,330	6,395	11,914	18,309	1.38
2016	62,317	39,103	23,214	6,260	7,586	13,846	1.68
2015	58,653	38,667	19,986	6,010	724	6,734	2.97
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

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 Annual Comprehensive Financial Reports

SCHEDULE OF CAPITAL ASSET INFORMATION

Last Ten Fiscal Years

	For the Fiscal Year									
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Academic buildings:										
Net assignable square feet (in thousands)	1,734,377	1,559,309	1,477,334	1,362,528	1,347,951	1,347,951	1,326,740	1,370,476	1,427,870	1,391,955
Administrative and support buildings:										
Net assignable square feet (in thousands)	600,527	588,287	587,995	762,523	589,243	589,243	579,205	534,617	533,047	570,867
Laboratories:										
Net assignable square feet (in thousands)	639,589	588,478	588,478	605,671	604,448	604,448	597,556	597,540	674,059	604,045
Auxiliary and independent operations buildings:										
Net assignable square feet (in thousands)	2,455,888	2,424,461	2,424,461	1,954,624	1,692,580	1,692,580	1,644,622	1,644,622	1,719,202	1,726,207
Student housing:										
Residence halls	22	22	22	22	20	20	23	23	23	23
Suites	5	5	5	5	5	5	3	3	3	3
Apartments	8	8	8	8	4	4	4	4	4	4
Units available	7,791	7,598	7,598	7,579	6,473	6,469	6,236	6,275	6,248	6,162
Units in use	7,339	6,777	7,516	7,401	6,325	6,469	6,122	6,140	6,113	6,303
Percent occupancy	94.2 %	88.6 %	98.9 %	97.7 %	97.7 %	100.0 %	98.2 %	97.8 %	97.8 %	102.3 %
Dining facilities:										
Locations	21	22	22	22	19	19	17	17	17	17
Average daily customers	18,500	12,150	21,216	21,120	19,456	18,701	18,316	18,020	17,746	17,667
Parking facilities:										
Parking spaces available	14,875	14,901	14,403	14,290	14,404	12,784	12,125	12,457	12,303	12,159
Parking permits issued to students	18,380	11,897	15,241	15,934	15,834	15,812	15,625	17,188	16,007	15,547
Parking permits issued to faculty/staff	5,011	4,084	5,013	4,912	4,976	5,106	5,001	5,093	5,069	4,973

Sources:

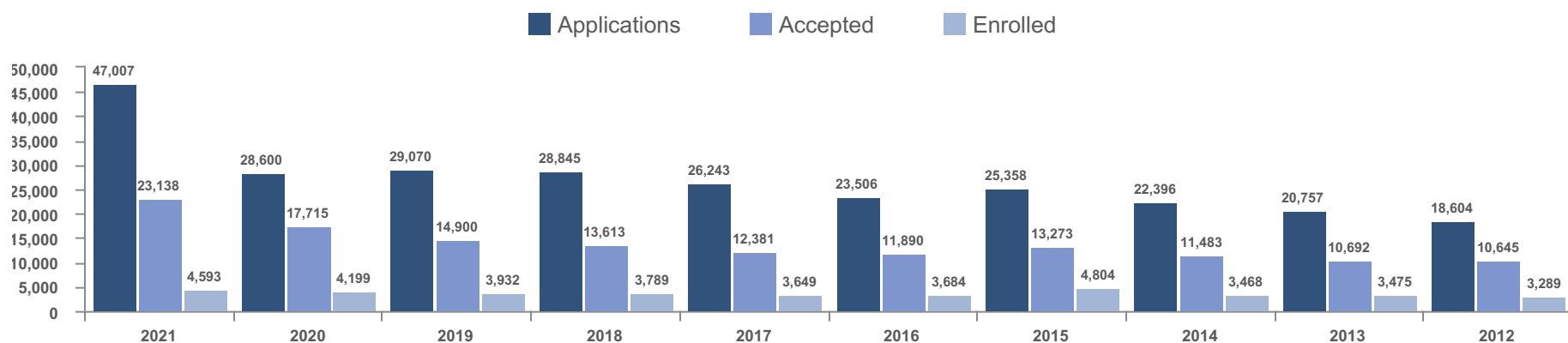
Building square footage	Clemson University Office of Institutional Research
Student housing	Clemson University Housing
Dining facilities	Clemson University Business Services
Parking facilities	Clemson University Parking Services

ADMISSIONS, ENROLLMENT AND DEGREE STATISTICS

Last Ten Academic Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Admissions-Freshman										
Accepted as a percentage of applications	49.2%	62.0%	51.0%	47.0%	47.0%	51.0%	51.0%	52.0%	57.0%	58.0%
Enrolled as a percentage of accepted	19.9%	24.0%	26.0%	28.0%	29.0%	31.0%	30.0%	33.0%	31.0%	32.0%
SAT scores-total	1,312	1,302	1,318	1,307	1,302	1,242	1,251	1,252	1,246	1,246
Verbal	652	649	654	649	650	611	613	611	609	610
Math	660	654	664	658	652	631	638	641	637	636
South Carolina average SAT score-total	1,036	1,058	1,030	1,070	1,064	987	978	978	971	969

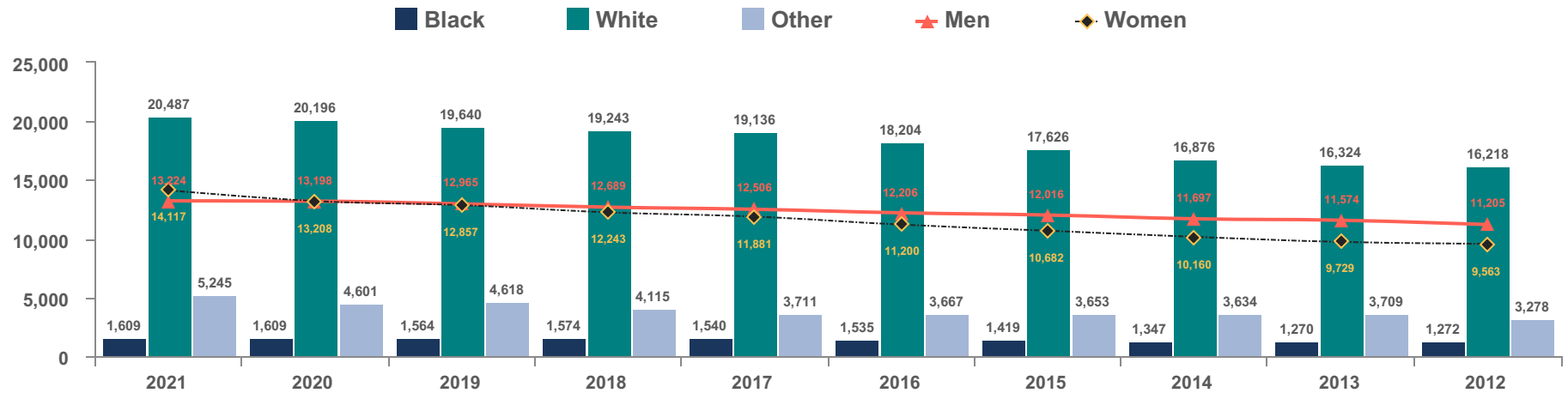
Admissions — Freshman Applied, Accepted and Enrolled



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.

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Enrollment										
Undergraduate and graduate FTE	25,679	24,906	24,324	23,663	23,215	22,307	21,654	20,823	20,202	19,800
Undergraduate and graduate headcount	27,341	26,406	25,822	24,932	24,387	23,406	22,698	21,857	21,303	20,768
Percentage of men	48.4 %	50.0 %	50.2 %	50.9 %	51.3 %	52.1 %	52.9 %	53.5 %	54.3 %	53.9 %
Percentage of women	51.6 %	50.0 %	49.8 %	49.1 %	48.7 %	47.9 %	47.1 %	46.5 %	45.7 %	46.1 %
Percentage of black	5.9 %	6.1 %	6.1 %	6.3 %	6.3 %	6.6 %	6.3 %	6.2 %	6.0 %	6.1 %
Percentage of white	74.9 %	76.5 %	76.1 %	77.2 %	78.5 %	77.8 %	77.6 %	77.2 %	76.6 %	78.1 %
Percentage of other	19.2 %	17.8 %	17.8 %	16.5 %	15.2 %	15.7 %	16.1 %	16.6 %	17.4 %	15.8 %

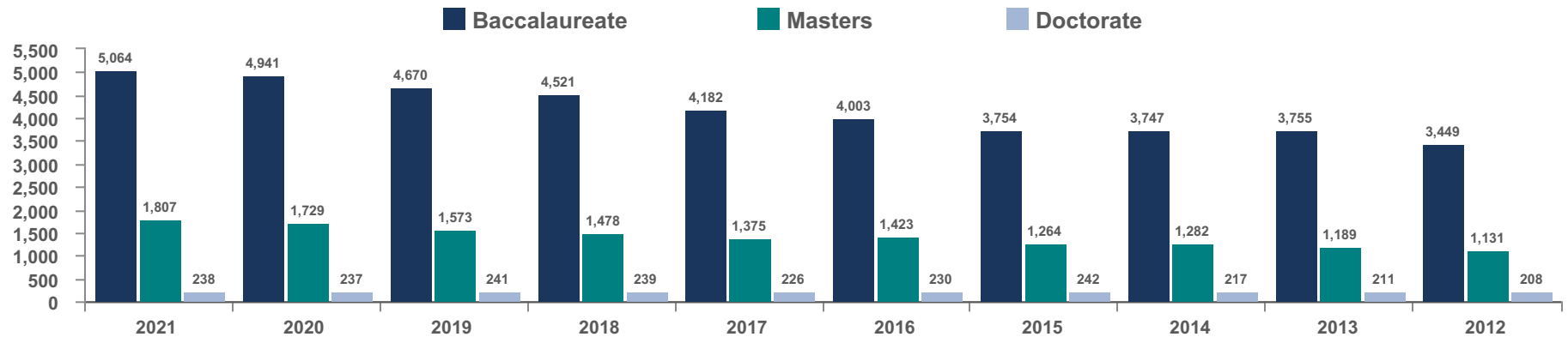
Enrollment — Undergraduate and Graduate Headcount



	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Degrees Earned*										
Baccalaureate	5,064	4,941	4,670	4,528	4,182	4,003	3,754	3,747	3,755	3,449
Masters**	1,807	1,729	1,573	1,478	1,375	1,423	1,264	1,282	1,189	1,131
Doctorate	238	237	241	239	226	230	242	217	211	208

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

** Masters awards include specialist degrees.



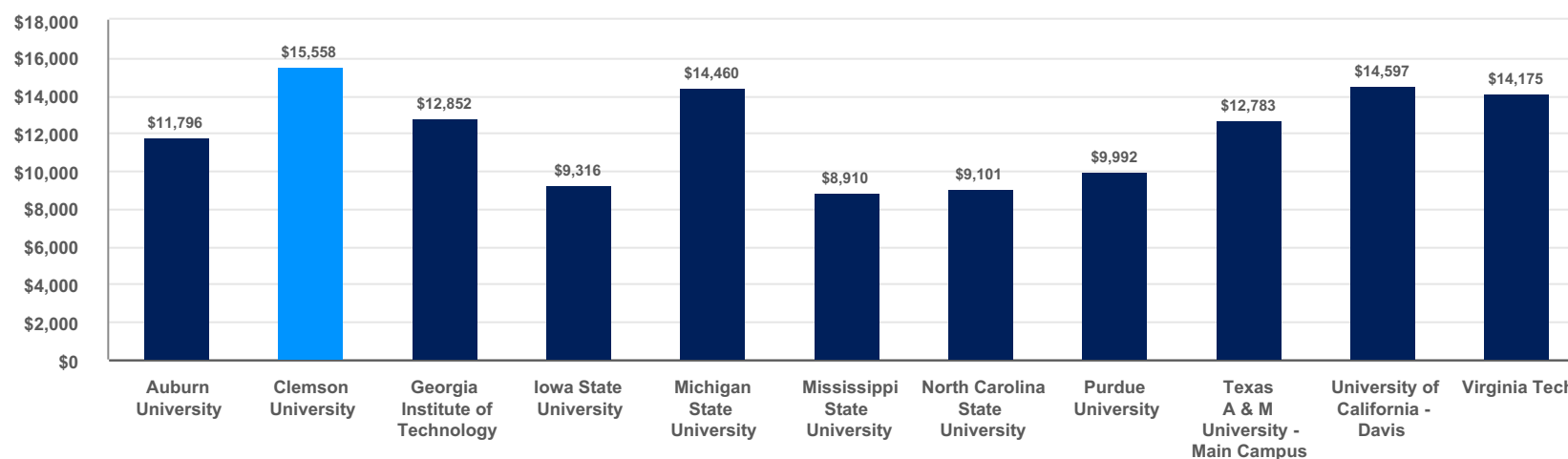
Source: Clemson University Office of Institutional Research (<https://www.clemson.edu/institutional-effectiveness/oir/factbook/>)

UNDERGRADUATE AVERAGE ANNUAL TUITION AND FEES

Clemson University in Comparison to Ten Peer Land-Grant Institutions
Last ten fiscal years

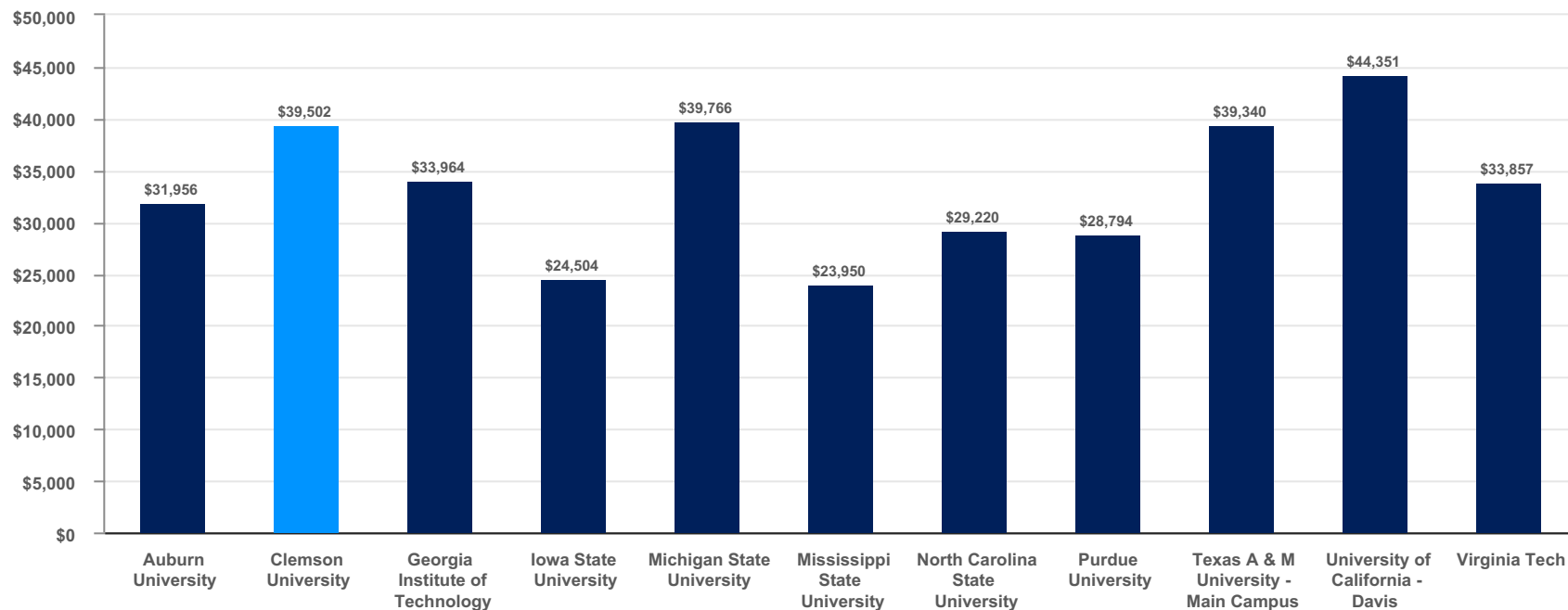
Institution - Resident	For the Fiscal Year									
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Auburn University	\$ 11,796	\$ 11,796	\$ 11,492	\$ 11,279	\$ 10,968	\$ 10,696	\$ 10,424	\$ 10,200	\$ 9,852	\$ 9,446
Clemson University	15,558	15,558	15,558	14,970	14,712	14,318	13,882	13,446	13,054	12,774
Georgia Institute of Technology	12,852	12,852	12,682	12,424	12,418	12,212	12,204	11,394	10,650	10,098
Iowa State University	9,316	9,316	9,320	8,988	8,636	8,219	7,736	7,731	7,726	7,726
Michigan State University	14,460	14,460	14,460	14,521	14,460	14,063	13,560	13,200	12,863	12,623
Mississippi State University	8,910	8,910	8,910	8,650	8,318	7,780	7,502	7,140	6,772	6,264
North Carolina State University	9,101	9,101	9,101	9,101	9,058	8,880	8,581	8,296	8,206	7,788
Purdue University	9,992	9,992	9,992	9,992	9,992	10,002	10,002	10,002	9,992	9,900
Texas A & M University - Main Campus	12,783	12,296	12,153	10,968	10,403	10,030	9,428	9,179	8,506	8,506
University of California - Davis	14,597	14,597	14,490	14,462	14,419	14,047	13,952	13,896	13,896	15,257
Virginia Tech	14,175	13,749	13,691	13,620	13,230	12,852	12,485	12,017	11,455	10,923

Undergraduate Tuition and Fees - Resident — FY 2021-2022



	For the Fiscal Year									
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Institution - Non Resident										
Auburn University	\$ 31,956	\$ 31,956	\$ 31,124	\$ 30,524	\$ 29,640	\$ 28,040	\$ 28,040	\$ 27,384	\$ 26,364	\$ 22,977
Clemson University	39,502	38,550	38,550	36,724	35,654	32,800	32,800	31,462	30,488	29,700
Georgia Institute of Technology	33,964	33,964	33,794	33,020	33,014	32,404	32,396	30,698	29,954	29,402
Iowa State University	24,504	24,504	24,508	23,392	22,472	21,583	20,856	20,617	20,278	19,838
Michigan State University	39,766	39,766	39,766	39,826	39,405	37,890	36,360	34,965	33,750	32,580
Mississippi State University	23,950	23,950	23,950	23,250	22,358	20,900	20,142	18,478	16,960	15,828
North Carolina State University	29,220	29,220	29,220	28,444	27,406	26,399	24,932	23,551	21,661	20,953
Purdue University	28,794	28,794	30,794	28,794	28,794	28,804	28,804	28,804	28,794	28,702
Texas A & M University - Main Campus	39,340	40,526	38,602	36,636	37,154	30,208	28,021	26,356	25,126	25,036
University of California - Davis	44,351	44,351	44,244	43,454	42,433	40,729	38,660	36,774	36,774	38,135
Virginia Tech	33,857	32,893	32,835	31,908	31,014	29,975	29,129	28,048	27,211	25,915

Undergraduate Tuition and Fees - Non Resident — FY 2021-2022



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

Source: 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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Faculty										
Part-time	288	110	125	122	132	287	244	217	172	196
Full-time	1,555	1,512	1,516	1,468	1,415	1,199	1,187	1,171	1,157	1,111
Percentage tenured	44.7 %	43.3 %	44.5 %	43.5 %	41.6 %	43.5 %	43.4 %	45.3 %	46.7 %	46.7 %
Staff and administrators with faculty rank										
Part-time	227	253	260	245	282	1,085	982	921	856	783
Full-time	3,628	3,719	3,663	3,557	3,439	2,651	2,650	2,591	2,542	2,475
Total employees										
Part-time	515	363	385	367	414	1,372	1,226	1,138	1,028	979
Full-time	5,183	5,231	5,179	5,025	4,854	3,850	3,837	3,762	3,699	3,586
Students per full-time										
Faculty	17.6	17.5	17.0	17.0	17.2	19.5	19.1	18.7	18.4	18.7
Staff	7.5	7.0	7.0	7.0	7.1	8.8	8.6	8.4	8.4	8.4
Average annual faculty salary*	\$ 104,078	\$ 103,099	\$ 104,678	\$ 99,157	\$ 95,413	\$ 94,510	\$ 92,110	\$ 91,984	\$ 89,788	\$ 89,474

*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/>)

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)
2022	\$270,300,772,170	5,190,705	\$52,074	4.0%
2021	247,867,336,080	5,218,040	47,502	6.2%
2020	233,308,826,196	5,148,714	45,314	2.8%
2019	217,275,251,000	5,084,127	42,736	3.4%
2018	203,087,627,000	5,024,369	40,421	4.3%
2017	198,762,651,000	4,987,575	39,852	4.8%
2016	186,285,746,000	4,869,991	38,252	6.0%
2015	178,485,001,000	4,832,482	36,934	6.6%
2014	169,282,713,000	4,774,839	35,453	7.6%
2013	161,595,079,000	4,723,723	35,056	9.1%

(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)

2021	2011
BMW Manufacturing Corp.	Bi-Lo, Inc.
Department of Defense	Blue Cross Blue Shield of South Carolina
Food Lion, LLC	Greenville County School District
Medical University of South Carolina Hospital Authority	Greenville Health System
Michelin North America, Inc.	Michelin North America, Inc.
Publix Super Markets, Inc.	Palmetto Health Alliance, Inc.
School District of Greenville County	U.S. Department of Defense
Spartanburg Regional Medical Center	U.S. Postal Service
Upstate Affiliate Organization	University of South Carolina
Walmart Associates, Inc.	Walmart 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 2011 and 2021



***Supplementary Information
to the Financial Statements
(unaudited)***

CLEMSON UNIVERSITY
SCHEDULE OF PLEDGED NET REVENUES
AUXILIARY REVENUE BONDS (SERIES 2015 and 2015B)

For the year ended June 30, 2022

Description	Dining Services	Vending Operations	Bookstore	Parking Services	Housing	Total
Revenues:						
Student meal plans	\$ 28,576,075	\$ —	\$ —	\$ —	\$ —	\$ 28,576,075
Other	2,060,191	75,114	—	38,221	65,385	2,238,911
Residence halls	—	—	—	—	56,748,444	56,748,444
Campus vending machines	—	13,874	—	—	—	13,874
ATM rental	—	144,093	—	6,989	—	151,082
Contract revenue	22,087	—	792,526	276,899	—	1,091,512
Parking permits	—	—	—	3,798,356	—	3,798,356
Transit fees	—	—	—	2,412,588	—	2,412,588
Parking citations	—	—	—	917,097	—	917,097
Meter revenue	—	—	—	717,259	—	717,259
Investment income	77,670	—	10,185	26,621	223,733	338,209
Total revenues	<u>30,736,023</u>	<u>233,081</u>	<u>802,711</u>	<u>8,194,030</u>	<u>57,037,562</u>	<u>97,003,407</u>
Expenses:						
Salaries	49,381	—	—	1,095,933	6,332,877	7,478,191
Fringe benefits	20,619	—	—	463,188	1,828,154	2,311,961
Travel	207	—	—	11,661	68,959	80,827
Contractual services	20,118,297	—	—	3,105,858	1,146,074	24,370,229
Repairs	269,227	—	1,088	171,919	557,536	999,770
Telecommunications	40	—	—	8,077	95,783	103,900
Heat, light, and power	1,297,860	—	29,120	64,651	3,676,745	5,068,376
Water, sewer and garbage	210,881	—	1,477	49,064	862,591	1,124,013
Rents	24,679	—	—	40,782	21,327	86,788
Supplies and materials	280,232	—	—	117,101	1,554,476	1,951,809
Insurance	18,372	878	—	36,186	423,936	479,372
Other operating expenses	3,069,489	30,430	88,500	1,051,465	9,032,691	13,272,575
Capital outlay	106,575	—	—	46,829	22,663	176,067
Total expenses	<u>25,465,859</u>	<u>31,308</u>	<u>120,185</u>	<u>6,262,714</u>	<u>25,623,812</u>	<u>57,503,878</u>
Net revenues	<u>\$ 5,270,164</u>	<u>\$ 201,773</u>	<u>\$ 682,526</u>	<u>\$ 1,931,316</u>	<u>\$ 31,413,750</u>	<u>\$ 39,499,529</u>

CLEMSON UNIVERSITY

SCHEDULE OF PLEDGED NET REVENUES ATHLETIC FACILITIES REVENUE BONDS (SERIES 2012, 2014A, 2014B, 2014C, 2015, 2015B, 2018A, 2021A and 2021B)

For the year ended June 30, 2022

Description	Football	Basketball	Other Sports	Non Program Specific	Total
Revenues:					
Ticket sales	\$ 29,218,017	\$ 1,508,661	\$ 1,253,677	\$ —	\$ 31,980,355
Direct institutional support	2,116,615	531,856	3,739,026	—	6,387,497
Guarantees & Away Game Sales	—	20,000	2,000	—	22,000
Contributions	6,267,772	1,603,110	6,025,757	46,807,275	60,703,914
In kind car leases	68,805	41,491	12,279	32,987	155,562
Media rights - broadcast, television, radio and internet	23,009,372	4,060,477	—	—	27,069,849
NCAA distributions including all tournament revenues	460,926	2,162,376	1,467,942	305,359	4,396,603
Conference distributions including all tournament revenues	6,610,627	480,544	218,896	910,498	8,220,565
Program sales, concessions, novelty sales and parking	773,373	86,036	175,694	173,515	1,208,618
Royalties, advertisements and sponsorships	960,000	343,000	992,000	13,609,910	15,904,910
Sports camp revenues	651,037	—	—	—	651,037
Endowment and investment income	25,633	28,696	16,450	157,440	228,219
Other revenue	—	—	183,050	660,275	843,325
Bowl revenues	520,240	—	—	—	520,240
Total revenues	70,682,417	10,866,247	14,086,771	62,657,259	158,292,694
Operating Expenditures:					
Athletic student aid	6,801,470	1,761,344	9,725,033	1,046,468	19,334,315
Guarantees	2,650,000	516,000	86,500	—	3,252,500
Coaching salaries, benefits and bonuses paid by the institution and related entities	13,832,440	4,755,424	6,756,003	—	25,343,867
Support staff/administrative salaries, benefits and bonuses paid by the institution and related entities	8,334,362	1,160,118	810,645	19,565,008	29,870,133
Recruiting	3,158,941	463,738	692,824	—	4,315,503
Team travel	2,285,256	1,449,431	3,866,317	—	7,601,004
Equipment, uniforms and supplies	1,502,591	376,804	1,427,303	480,262	3,786,960
Game expenses	2,604,976	625,233	950,025	659,751	4,839,985
Fund raising, marketing and promotion	208,151	390,778	110,156	6,083,391	6,792,476
Sports camp expenses	626,435	—	—	—	626,435
Spirit group expenses	—	—	—	309,335	309,335
Direct facilities, maintenance and rental	2,335,848	823,198	872,726	1,776,889	5,808,661
Medical and insurance expenses	565,434	72,963	666,577	381,347	1,686,321
Dues and membership expenses	8,784	2,465	11,469	60,969	83,687
Student-Athlete meals (non-travel)	2,023,436	159,206	159,811	1,063,849	3,406,302
Other operating expenses	5,002,122	626,906	957,907	5,399,734	11,986,669
Bowl expenses	1,604,788	—	—	—	1,604,788
Bowl bonuses	534,656	—	—	—	534,656
Total operating expenditures	54,079,690	13,183,608	27,093,296	36,827,003	131,183,597
Net Revenues	\$ 16,602,727	\$ (2,317,361)	\$ (13,006,525)	\$ 25,830,256	\$ 27,109,097

CLEMSON UNIVERSITY REPORTING ENTITY

COMBINED STATEMENT OF NET/FINANCIAL POSITION

For the year ended June 30, 2022

Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY22 Total	FY21 Total
Assets:								
Current Assets:								
Cash and cash equivalents	\$ 570,817,646	\$ 76,978,527	\$ 4,186,985	\$ 11,106,556	\$ 663,089,714	\$ —	\$ 663,089,714	\$ 555,346,176
Restricted Assets - Current:								
Cash and cash equivalents	408,818,299	—	—	—	408,818,299	—	408,818,299	227,772,038
Accounts receivable, net	61,062,144	9,730,822	160,401	283,690	71,237,057	(10,543,203)	60,693,854	39,111,205
Grants and contracts receivable	40,502,748	—	—	—	40,502,748	—	40,502,748	30,487,797
Lease obligation receivable	398,247	—	—	—	398,247	—	398,247	—
Contributions receivable, net	1,090,021	—	—	29,294,944	30,384,965	—	30,384,965	33,508,557
Interest and income receivable	3,102,971	—	—	—	3,102,971	—	3,102,971	2,389,818
Student loans receivable	—	—	—	—	—	—	—	3,382
Inventories	2,617,008	—	—	—	2,617,008	—	2,617,008	2,150,911
Prepaid items	11,973,933	1,455,526	—	—	13,429,459	—	13,429,459	8,213,541
Other current assets	—	—	—	—	—	—	—	79,024
Total current assets	1,100,383,017	88,164,875	4,347,386	40,685,190	1,233,580,468	(10,543,203)	1,223,037,265	899,062,449
Noncurrent Assets:								
Notes receivable	\$ 240,447,398	240,447,398	—	—	480,894,796	(240,447,398)	240,447,398	251,458,368
Lease obligation receivable	187,089	—	9,020,675	—	9,207,764	(9,020,675)	187,089	(574,408)
Contributions receivable, net	2,170,234	72,997,389	—	—	75,167,623	(104,963,908)	(29,796,285)	(17,219,821)
Investments	4,603,365	804,151,976	88,505,312	84,304,412	981,565,065	(22,006,072)	959,558,993	967,298,014
Cash surrender value of life insurance	—	3,749,580	—	—	3,749,580	—	3,749,580	2,608,902
Restricted Assets - Noncurrent								
Cash and cash equivalents	2,201,519	—	—	—	2,201,519	—	2,201,519	2,212,363
Student loans receivable	2,591,444	—	—	—	2,591,444	—	2,591,444	3,938,916
Other assets	—	—	737,347	—	737,347	—	737,347	1,900,572
Real estate held for resale	—	11,900	11,480,314	—	11,492,214	—	11,492,214	11,710,408
Capital assets, not being depreciated	109,657,572	—	—	—	109,657,572	—	109,657,572	136,794,280
Capital assets, net of accumulated depreciation	1,383,297,457	9,156,613	—	—	1,392,454,070	—	1,392,454,070	1,327,634,979
Total noncurrent assets	1,745,156,078	1,130,514,856	109,743,648	84,304,412	3,069,718,994	(376,438,053)	2,693,280,941	2,687,762,573
Total assets	2,845,539,095	1,218,679,731	114,091,034	124,989,602	4,303,299,462	(386,981,256)	3,916,318,206	3,586,825,022

Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY22 Total	FY21 Total
Deferred outflows of resources:								
Deferred losses on bond refunding	3,231,830	—	—	—	3,231,830	—	3,231,830	3,682,888
Deferred outflows on net pension liability	113,864,782	—	—	—	113,864,782	—	113,864,782	140,317,926
Deferred outflows on net retiree health benefits liability	241,501,512	—	—	—	241,501,512	—	241,501,512	183,190,594
Total deferred outflows of resources	358,598,124	—	—	—	358,598,124	—	358,598,124	327,191,408
resources	\$3,204,137,219	\$1,218,679,731	\$ 114,091,034	\$ 124,989,602	\$4,661,897,586	\$(386,981,256)	\$4,274,916,330	\$3,914,016,430
Liabilities:								
Current Liabilities								
Accounts and retainages payable	\$ 30,409,225	\$ 1,135,232	\$ 129,269	\$ 4,989,781	\$ 36,663,507	\$ (9,610,731)	\$ 27,052,776	\$ 22,102,278
Accrued payroll and related liabilities	28,517,311	—	—	—	28,517,311	—	28,517,311	33,451,553
Accrued compensated absences and related liabilities	13,652,774	—	—	—	13,652,774	—	13,652,774	17,177,593
Accrued interest payable	4,404,629	—	45,259	—	4,449,888	—	4,449,888	4,296,554
Unearned revenues	62,915,332	—	381,043	—	63,296,375	—	63,296,375	55,148,979
Bonds payable, net	32,766,738	—	—	—	32,766,738	—	32,766,738	25,105,040
Lease obligations payable	4,008,461	—	—	—	4,008,461	—	4,008,461	—
Capital leases payable	—	—	—	—	—	—	—	413,688
Deposits	7,535,591	—	56,379	—	7,591,970	—	7,591,970	4,791,572
Funds held for others	588,206	—	—	—	588,206	—	588,206	884,720
Total current liabilities	184,798,267	1,135,232	611,950	4,989,781	191,535,230	(9,610,731)	181,924,499	163,371,977
Noncurrent Liabilities:								
Accrued compensated absences and related liabilities	20,269,226	—	—	—	20,269,226	—	20,269,226	18,889,407
Due to the University	—	240,447,398	—	—	240,447,398	(240,447,398)	—	—
Deposits	7,855,500	—	—	—	7,855,500	—	7,855,500	7,189,922
Funds held for others	2,960,877	104,963,908	22,938,544	—	130,863,329	(127,902,452)	2,960,877	4,181,496
Net pension liability	646,105,138	—	—	—	646,105,138	—	646,105,138	765,005,756
Net retiree health benefits liability	888,134,610	—	—	—	888,134,610	—	888,134,610	776,737,845
Bonds payable, net	749,104,179	—	—	—	749,104,179	—	749,104,179	599,404,987
Lease obligations payable	14,151,848	—	—	—	14,151,848	(9,020,675)	5,131,173	—
Capital leases payable	—	—	—	—	—	—	—	(175,434)
Notes payable	—	—	42,150,048	5,000,000	47,150,048	—	47,150,048	48,562,513
Annuities payable	—	3,240,933	—	—	3,240,933	—	3,240,933	3,909,010
Total noncurrent liabilities	2,328,581,378	348,652,239	65,088,592	5,000,000	2,747,322,209	(377,370,525)	2,369,951,684	2,223,705,502
Total liabilities	2,513,379,645	349,787,471	65,700,542	9,989,781	2,938,857,439	(386,981,256)	2,551,876,183	2,387,077,479

Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY22 Total	FY21 Total
Deferred inflows of resources:								
Deferred inflows on leases receivable	841,282	—	—	—	841,282	—	841,282	—
Deferred inflows on net pension liability	96,368,984	—	—	—	96,368,984	—	96,368,984	2,929,915
Deferred inflows on net retiree health benefits liability	49,802,066	—	—	—	49,802,066	—	49,802,066	50,542,639
Total deferred inflows of resources	147,012,332	—	—	—	147,012,332	—	147,012,332	53,472,554
Total liabilities and deferred inflows of resources	\$2,660,391,977	\$ 349,787,471	\$ 65,700,542	\$ 9,989,781	\$3,085,869,771	\$(386,981,256)	\$2,698,888,515	\$2,440,550,033
Net Position								
Net investment in capital assets	\$ 862,368,297	\$ 9,156,614	\$ —	\$ —	\$ 871,524,911	\$ —	\$ 871,524,911	\$ 833,194,374
Restricted for non expendable purposes:								
Scholarships and fellowships	58,972,772	—	—	—	58,972,772	—	58,972,772	59,504,350
Restricted for expendable purposes:								
Scholarships and fellowships	27,063,456	809,847,185	—	—	836,910,641	—	836,910,641	851,408,150
Research	437,723	—	—	—	437,723	—	437,723	(2,960,831)
Instructional/departmental use	13,688,785	—	—	—	13,688,785	—	13,688,785	16,475,840
Loans	2,095,588	—	—	—	2,095,588	—	2,095,588	2,269,264
Capital projects	230,427,884	—	—	—	230,427,884	—	230,427,884	188,037,697
Debt service	9,054,468	—	—	—	9,054,468	—	9,054,468	11,545,785
Unrestricted	(660,363,731)	49,888,461	48,390,492	114,999,821	(447,084,957)	—	(447,084,957)	(486,008,232)
Total net position	\$ 543,745,242	\$ 868,892,260	\$ 48,390,492	\$ 114,999,821	\$1,576,027,815	\$ —	\$1,576,027,815	\$1,473,466,397

CLEMSON UNIVERSITY REPORTING ENTITY

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

For the year ended June 30, 2022

Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY22 Total	FY21 Total
Revenues:								
<i>Operating Revenues:</i>								
Student tuition and fees (net of scholarship allowances of \$124,952,449)	\$ 511,455,039	\$ —	\$ —	\$ —	\$ 511,455,039	\$ —	\$ 511,455,039	\$ 478,013,851
Federal grants and contracts	140,260,084	—	—	—	140,260,084	—	140,260,084	101,160,105
State grants and contracts	82,659,400	—	—	—	82,659,400	—	82,659,400	87,703,523
Local grants and contracts	2,161,090	—	—	—	2,161,090	—	2,161,090	1,150,939
Nongovernmental grants and contracts	9,159,389	—	—	—	9,159,389	—	9,159,389	11,812,413
Sales and services of educational and other activities	24,753,369	—	—	—	24,753,369	—	24,753,369	18,347,963
Sales and services of auxiliary enterprises - pledged for revenue bonds (net of scholarship allowances of \$17,973,507)	166,413,672	—	—	—	166,413,672	—	166,413,672	104,931,336
Sales and services of auxiliary enterprises - not pledged	35,429,208	—	—	—	35,429,208	—	35,429,208	35,302,431
Other operating revenues	34,735,977	1,321,810	5,165,840	—	41,223,627	(1,347,305)	39,876,322	34,759,509
Total operating revenues	1,007,027,228	1,321,810	5,165,840	—	1,013,514,878	(1,347,305)	1,012,167,573	873,182,070
Expenses:								
<i>Operating Expenses:</i>								
Compensation and employee benefits	719,502,412	—	—	—	719,502,412	502,156	720,004,568	744,081,128
Services and supplies	344,453,190	39,600,574	2,393,448	64,177,963	450,625,175	(96,264,479)	354,360,696	285,803,178
Utilities	22,718,853	—	—	—	22,718,853	—	22,718,853	19,216,851
Depreciation and amortization	72,351,554	27,783	229,184	—	72,608,521	—	72,608,521	68,023,675
Scholarships and fellowships	42,608,697	—	—	—	42,608,697	—	42,608,697	42,112,014
Total operating expenses	1,201,634,706	39,628,357	2,622,632	64,177,963	1,308,063,658	(95,762,323)	1,212,301,335	1,159,236,846
Operating income/(loss)	(194,607,478)	(38,306,547)	2,543,208	(64,177,963)	(294,548,780)	94,415,018	(200,133,762)	(286,054,776)

Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY22 Total	FY21 Total
Nonoperating Revenues (Expenses):								
State appropriations	156,829,601	—	—	—	156,829,601	—	156,829,601	143,173,821
Federal appropriations	12,470,775	—	—	—	12,470,775	—	12,470,775	13,015,971
Gifts and grants	129,363,886	41,390,983	—	69,770,126	240,524,995	(93,717,303)	146,807,692	248,582,946
Interest income (loss)	(25,680,624)	(17,394,624)	1,154	76,349	(42,997,745)	—	(42,997,745)	7,008,295
Endowment income (loss)	(4,395,428)	(1,852,429)	62,920	(8,242,478)	(14,427,415)	—	(14,427,415)	262,260,320
Interest on capital asset related debt	(21,269,914)	—	(1,640,533)	—	(22,910,447)	—	(22,910,447)	(22,869,303)
Other nonoperating revenues	247,914	—	—	—	247,914	—	247,914	1,818,166
Gain/loss on disposal of capital assets	13,127,267	—	—	—	13,127,267	—	13,127,267	(197,359)
Refunds to grantors	(537,906)	—	—	—	(537,906)	—	(537,906)	(513,424)
Facilities and administrative remittances to the State	(287,293)	—	—	—	(287,293)	—	(287,293)	(292,132)
Net nonoperating revenues	259,868,278	22,143,930	(1,576,459)	61,603,997	342,039,746	(93,717,303)	248,322,443	651,987,301
Income before other revenues, expenses, gains or losses	65,260,800	(16,162,617)	966,749	(2,573,966)	47,490,966	697,715	48,188,681	365,932,525
State capital appropriations	50,620,332	—	—	—	50,620,332	—	50,620,332	—
Capital grants and gifts	4,571,968	—	—	—	4,571,968	(568,435)	4,003,533	2,986,293
Intra-entity contributions	—	128,542	—	738	129,280	(129,280)	—	(4,920)
Additions to permanent endowments	29,141	—	—	—	29,141	—	29,141	82,613
Increase (decrease) in net position	120,482,241	(16,034,075)	966,749	(2,573,228)	102,841,687	—	102,841,687	368,996,511
Net Position:								
Net position, beginning of year, as originally stated	423,543,270	884,926,335	47,423,743	117,573,049	1,473,466,397	—	1,473,466,397	1,104,469,886
Restatement	(280,269)	—	—	—	(280,269)	—	(280,269)	—
Net position, beginning of year, as restated	423,263,001	884,926,335	47,423,743	117,573,049	1,473,186,128	—	1,473,186,128	1,104,469,886
Net position, end of year	\$ 543,745,242	\$ 868,892,260	\$ 48,390,492	\$ 114,999,821	\$1,576,027,815	\$ —	\$1,576,027,815	\$1,473,466,397

**This Annual Comprehensive Financial Report is also available
on the Clemson University Controller's Office website located at
<http://www.clemson.edu/finance/controller/annualreports>**

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