



# Annual Comprehensive Financial Report

**For the Year Ended June 30, 2023**

*A component unit of the State of South Carolina*





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*A component unit of the State of South Carolina*

***For the Year Ended June 30, 2023***

***Prepared by the Controller's Office***







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***Introductory Section***  
***(unaudited)***





Clemson Elevate sets bold yet achievable goals that will further enhance our great University's reputation, which is already among the nation's best. The three strategic pillars are made of specific initiatives with corresponding metrics.



**Deliver the No. 1 student experience in the nation.**



Excel in experiential learning.



Amplify academic success.



Promote the Clemson Experience.



**Double research expenditures by 2035, position for AAU membership.**



Build an AAU-aligned faculty to address societal needs.



Create world-class research infrastructure.



Leverage Innovation Campuses and partnerships.



**Transform lives statewide and beyond through educational, economic, agricultural and health outreach.**



Enhance educational and economic opportunities for South Carolinians.



Improve agriculture, natural resources and animal health.



Raise health outcomes.

---

**OUR BOLD STRATEGY** *for Clemson*





# President's Letter 2023



Dear Friends of Clemson:

It has been another exciting year for Clemson University! While we continue to reach new heights in teaching, research and impact, we are finding new ways to elevate Clemson. With the incredible leadership from our Board of Trustees, we unveiled our bold new strategic plan, called Clemson Elevate which will guide us to even greater heights of excellence through delivering the number one student experience in the nation, doubling research by 2035, and transforming the lives of our citizens here in South Carolina and beyond. I am thankful for my leadership team, our volunteer boards, and everyone who played a role in our successes this year.

Fiscal year 2023 was another record-setting year for Clemson in admissions, enrollment, research, diversity, retention and graduation rates. As of July, we reached an all-time high of 60,182 applications. We also doubled our early admissions and expanded new student summer admissions. Research expenditures grew to \$263M – an increase of \$26M since 2022. Clemson was also ranked in the Top 10 nationally by Princeton Review in eight categories — Best Career Services, Best Town-Gown Relations, Most Trusted Public Universities, Students Love Their School Teams, Alumni Giving, Best Schools for Internships, Students Love These Colleges, and Best Alumni Network.

This spring, 48 of our students won nationally competitive scholarships or fellowships including: four Goldwater Scholars, five Fulbright Scholars, one Astronaut Scholar, nine National Science Foundation Graduate Research Fellowships, and our very first Churchill Scholar and first Gates Cambridge Scholar.

Important work continues as we maintain and upgrade our facilities, and this year we completed 48 Capital Projects. We also began or continued work on the new Advanced Materials Innovation Center, Bryan Mall High Rises renovation, Daniel Hall renovation and expansion, the new Development and Alumni Center building, Memorial Stadium renovations, Women's Sports Complex, and roadway pedestrian improvements.

Private gifts to Clemson University and IPTAY resulted in another extraordinary year of giving, with nearly \$217 million raised during the fiscal year – surpassing all previous fundraising achievements. In fact, this is the 12th consecutive year that annual fundraising at Clemson has exceeded \$100 million and the 3rd straight year it has topped \$200 million. These gifts will transform the lives of countless students, through the creation of 125 scholarships, 87 endowments, and resources and program expansions in both academics and athletics.

I am proud of all that we accomplished this year and am excited about what we will achieve in FY2024. Thanks to everyone who contributed to our successes.

Sincerely,

A handwritten signature in black ink that reads "James P. Clements". The signature is written in a cursive, flowing style.

James P. Clements, Ph.D.  
President

## LETTER OF TRANSMITTAL

September 27, 2023

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  
F 864-656-2008

We are pleased to present to you the Annual Comprehensive Financial Report of Clemson University (the "University") for the year ended June 30, 2023. 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, 2023, the University contracted with the independent certified public accounting firm of CliftonLarsonAllen, LLP 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, including establishing the State's first College of Veterinary Medicine in July 2023.

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

According to the South Carolina Department of Commerce, South Carolina's unemployment rate held at 3.1 percent at the end of June 2023. The national average was 3.6 percent and South Carolina ranked 25th, compared to other states. According to the South Carolina Department of Commerce's publication Economic Outlook, "South Carolina's total non-seasonally adjusted non-farm employment rose by 8,500 net jobs to 2,313,200 in June, which was 0.4 percent higher than May numbers and 3.8 percent higher than one year ago." The largest employment gains were made in the Leisure and Hospitality job sector.

According to the South Carolina Department of Commerce's publication Economic Outlook, during June 2023, the number of issued building permits for new residential construction fell 11.3 percent and was down 9.4 percent from one year ago. Valuation for the permits fell 8.2 percent month-over-month and was 6.7 percent lower than one year ago. By comparison, total closings were up 5.0 percent compared to May, while the median sales price was up 1.7 percent. Total closings rose in four of the six MSAs, with Columbia reporting the best gain (18.0 percent). Median sales price rose or remained stable in four of the six MSAs, with Charleston reporting the greatest increase at 7.7 percent.

In his January 25, 2023 State of the State address, Governor Henry McMaster shared that "South Carolina is the third fastest growing state in the nation according to the U.S. Census Bureau. People want to be here." McMaster reported, "Our booming economy has once again created a record budget surplus, this year totaling over \$3.5 billion in unexpected revenue. State government is in superior fiscal shape. Today, we have the largest rainy day reserve fund balance and lowest amount of debt than at any other time in recent memory."

One of many significant developments was the announcement from Berkeley County that Redwood Materials will invest \$3.5 billion - the single largest announcement in the history of South Carolina - and create 1,500 jobs for a new battery materials recycling facility.

### Major Initiatives

The 2022-23 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.

Clemson University closed another record-breaking year of philanthropy on June 30, with a total of \$216,909,099 raised during fiscal year 2023, topping last year's total of \$210,598,898 million. Philanthropic generosity transformed the lives of many by creating 125 new scholarships, four new fellowships, four endowed professorships and 87 new endowments.

A total of 37,857 donors contributed 101,674 gifts to compose the \$216 million amount. Of the total, \$147 million was given in cash, pledges and gifts in kind and \$21 million in planned gifts. More than \$135 million came in through IPTAY alone. Highlighting the giving, there were three Academic Cornerstone Gifts, two Athletic Cornerstone Gifts, 24 gifts of \$1 million or more and more than \$4 million in unrestricted dollars..

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

- ClemsonElevate, the University's new strategic plan, was launched.
- The College of Architecture, Arts and Humanities will be reorganized into two new colleges: the College of Architecture, Art and Construction and the College of Arts and Humanities, effective July 1, 2023.
  - The College of Architecture, Art and Construction will include the School of Architecture, the Department of Art, and the Nieri Department of Construction, Development and Planning.
  - The College of Arts and Humanities will consist of the existing departments of English, History and Geography, Languages, Performing Arts, and Philosophy and Religion as well as the newly created Department of Interdisciplinary Studies.
- The Youth Learning Institute (YLI), housed in the Division of Research, changed its name to the Learning Institute to better reflect the expanded scope of its outreach well beyond youth.

- The Clemson University Board of Trustees voted to approve the development of a new College of Veterinary Medicine.
  - The University's first professional school, the Clemson University College of Veterinary Medicine plans to enroll its first class of veterinarians in the fall of 2026.
  - Pending accreditation, the College of Veterinary Medicine will leverage the University's existing animal health programs and infrastructure to create a veterinary medicine workforce to fill a statewide shortage of veterinarians.
  - Dr. Steven Marks, associate dean and director of veterinary medical services and clinical professor of emergency and internal medicine at North Carolina State University, was chosen to lead the College of Veterinary Medicine at Clemson University as its founding dean.
- The University froze tuition and fees for both in-state and out-of-state undergraduates, marking the fourth consecutive year of no tuition increase for South Carolina residents.
- The University broke ground on a \$130-million building that is expected to herald a new era of innovation and workforce development in advanced materials for South Carolina and the broader region. The new Advanced Materials Innovation Complex (AMIC) will be a 143,000-square-foot facility designed for education and research and is scheduled to open at the end of 2025. The University also launched the first phase of its \$155M Bryan Mall High Rise residence hall building renovations with a groundbreaking ceremony on June 20, 2023.
- Sethuraman Panchanathan, director of the United States National Science Foundation (NSF), visited Clemson's International Center for Automotive Research (CU-ICAR) in November 2022 to discuss the agency's vision and priorities while meeting with University leaders, faculty and students.
- Clemson's Cooperative Education Program celebrated its 50-year milestone during an event held August 25, 2022. More than 1,300 Clemson students enroll each year with partner companies from more than 25 different states, with a 93 percent completion rate.
- In July 2022, staff from the College of Agriculture, Forestry and Life Sciences started making changes at The Bottoms to explore climate solutions in agriculture and how agriculture can feed people while also contributing solutions to some of the most difficult challenges of our times.
- Gabe Cutter ('23) was one of only six recent graduates nationwide to be named Marcus L. Urann Fellows by Phi Kappa Phi, America's oldest and most selective multidisciplinary collegiate honor society.
- The U.S. Space Force (USSF) welcomed Clemson University as an official member of its University Partnership Program (UPP) at a Memorandum of Understanding signing event on July 18, 2022. The USSF — the sixth and newest branch of the U.S. Armed Forces — established the UPP to identify, develop and retain a diverse, STEM (Science, Technology, Engineering and Math)-capable workforce to further its mission to protect U.S. and allied interests in space.
- The Sonoco FRESH initiative at Clemson University awarded three research grants to professors who addressed issues regarding the safety, security and sustainability of food throughout the value chain. With funding provided by Sonoco (a global provider of a variety of consumer packaging, industrial products, protective packaging, and displays and packaging supply chain services), each project focused on how packaging can extend the shelf life of food, with particular emphasis on perforation density, recyclable adhesives and gas permeability.
- Five students were named Fulbright Scholars.
- Grant Wilkins, Clemson University's first-ever Churchill scholar, is working on a solution that will keep our power on and running smoothly in any weather. Wilkins, a double major in computer engineering and mathematical sciences, became one of only 16 Churchill scholars selected this year from across the country in science, math and engineering.
- The University announced its undergraduate automotive engineering degree, the first of its kind in the nation.
- Clemson's International Center for Automotive Research was represented at the Consumer Electronics Show in Las Vegas in January 2023.
- GE Aerospace and Clemson University announced June 20, 2023, at the Paris Air Show they had received funding from the U.S. Air Force Research Laboratory (AFRL) to continue to develop next-generation materials that can withstand intense temperatures while flying at high speed.
- Renewed affiliation agreements were established for IPTAY and the Clemson University Foundation.
- The University responded well to an emergency during Winter Break when extreme temperatures over the holiday caused issues to numerous facilities on and around campus. Extreme cold and regional power disruptions caused frozen and broken pipes and water damage in more than 20 buildings. The University worked with SERVPRO and insurance to mitigate final costs.

- Throughout the state, construction projects were under way at the following locations: Coastal Research and Education Center (USDA Facilities, Vegetable Breeding Greenhouses, and Graduate Student Housing), the Sandhill Research and Education Building, Pee Dee Research and Education Center, the Clemson Health Clinic in Orangeburg, Edisto Research and Education Center (Museum to Student Housing and Research Area), Hardscramble Preserve, and the Poultry Science Research Facility.

### **Statewide Initiatives**

- In August 2022, the South Carolina Department of Education Office of Special Education Services (OSES) in the Division of College and Career Readiness partnered with researchers at Clemson University and the University of South Carolina to develop the Behavior Alliance of South Carolina (BASC) and used a \$4.6 million award from the OSES to work directly with the state to help districts and schools across South Carolina to build capacity for supporting students with social, emotional and behavioral needs.
- The School of Nursing received a grant totaling nearly \$4 million to help educate nurses on mobile health and ultimately increased the workforce to bring health care to patients living in rural areas in South Carolina.
- South Carolina Adopt-A-Stream Program celebrated five years of helping keep state's waterways clean.
- Clemson Rural Health opened a health clinic in Walhalla, S.C. to improve access to care for people in the community.
- The Clemson Health Clinic at Orangeburg joined Clemson Rural Health's network of hub clinics in South Carolina aiming to alleviate health disparities and improve health outcomes in rural and underserved communities. The third of its kind, the newest Clemson Health Clinic was established to support Clemson University's land grant vision by giving back to the community through its partnerships with local health care providers and innovative approach to health care delivery.

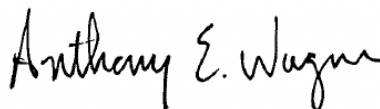
### **Awards and Acknowledgments**

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, 2022. 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. Wagner  
Executive Vice President for Finance and Operations,  
Chief Operating Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Clemson University**  
**South Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



# CLEMSON UNIVERSITY BOARD OF TRUSTEES

## TRUSTEES

Kim A. Wilkerson, *Chair*

President, Retired

South Carolina Bank of America

Robert L. (Bob) Peeler, *Vice Chair*

Senior Manager, Community Relations & Government Affairs  
Waste Management Inc.

David E. Dukes

Partner, Nelson Mullins Riley & Scarborough LLP

Nikki R. Haley

Founder, Stand for America

Ronald (Ronnie) D. Lee

Ronald D. Lee, DMD, P.C.

Louis B. Lynn

President, ENVIRO AgScience, Inc.

Patricia (Patti) H. McAbee

Consultant

John N. (Nicky) McCarter, Jr.

President, Defender Services, Inc.

E. Smyth McKissick, III

Chairman, Alice Company, Inc.

Cheri M. Phyfer

President, Fortune Brands Global Plumbing Group

Mark S. Richardson

Owner, MAR Real Estate, LLC

William (Bill) C. Smith, Jr.

CEO, Red Rock Developments

Joseph (Joe) D. Swann

President, Retired

Rockwell Automation Power Systems

## TRUSTEE EMERITI

J. J. Britton

Sumter Family Health Center

Leon (Bill) J. Hendrix, Jr.

Chairman, Retired

Remington Arms Company

Harold D. (Doug) Kingsmore

Retired

Thomas (Tom) B. McTeer, Jr.

President, McTeer Real Estate, Inc.

David H. Wilkins

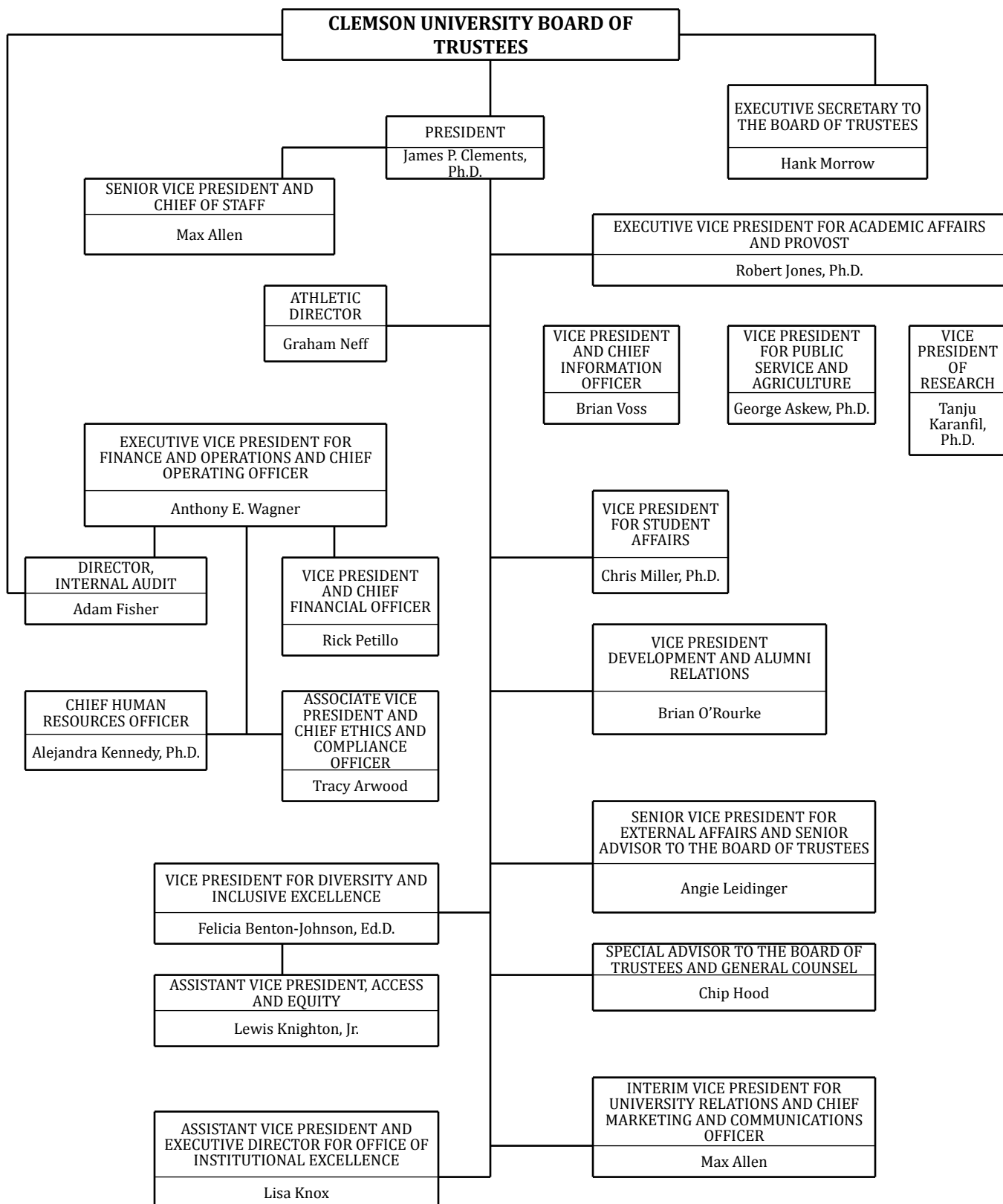
Partner, Nelson Mullins Riley & Scarborough LLP

Allen Wood

Retired

# CLEMSON UNIVERSITY

## ORGANIZATION CHART





## ***Financial Section***





## INDEPENDENT AUDITORS' REPORT

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 and the aggregate discretely presented component units of Clemson University (the University), a component unit of the State of South Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Clemson University Foundation, Clemson University Land Stewardship Foundation, and IPTAY, which represent 100 percent of the assets, net assets and revenues of the University's aggregate discretely presented component units. We did not audit Clemson Research Facilities Corporation, a blended component unit, which represents 0.04%, 0.16% and 0.01% of the assets, net position and revenues of the University. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the University are based solely on the reports of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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. The financial statements of Clemson University Foundation and IPTAY, discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

#### **Emphasis of a Matter**

During the fiscal year ended June 30, 2023, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result of the implementation of GASB Statement No. 96, the University reported a restatement for the change in accounting principle. The effect of this restatement is identified in Note 1, 8, and 22. Our auditors' opinion is not modified with respect to this restatement.

### ***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.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about University's ability to continue as a going concern for a reasonable period of time.

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



**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the University's Proportionate Share of the Net Pension Liability, the Schedule of the University's Contributions to Pension Plans, the Schedule of the University's Proportionate Share of the Net Retiree Health Benefits Liability, and the Schedule of the University's Contributions to Retiree Health Benefits Plan 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, Statistical Sections, Schedule of Pledged Net Revenues - Auxiliary Revenue Bonds (Series 2015, 2015B and 2023A), 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 but does not include the basic financial statements and our auditors' 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 27, 2023, 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 the University's 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 University's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Atlanta, Georgia  
September 27, 2023

## 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 2023. While audited financial statements for fiscal year 2022 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 and will not include the discretely presented component units.

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 \$190.3 million

- Operating revenues increased \$101.0 million, based on the following:
  - Student tuition and fees increased \$55.2 million due to enrollment growth and a modest 2.5% increase in out-of-state undergraduate tuition. In-state undergraduate and graduate academic fees remained unchanged from the prior academic year. Enrollment increased by 4% over the prior year.
  - Sales and services revenue increased by \$18.3 million. Sales and services of pledged auxiliaries increased by \$16.8 million. Athletic revenue increased \$6.8 million, primarily due to bowl revenue and conference distributions. Student auxiliaries revenue increased \$10 million as a result of increases in housing and dining rates and stronger than expected dining sales. Computer store sales contributed to the increase in non-pledged auxiliaries revenue of \$220,000. Sales and services of educational activities increased by \$1.3 million, due to growth in participation at Learning Institute camps.
  - Grants and contracts revenues increased by \$20.2 million. Federal grants and contracts increased \$13.2 million, with continued research awarded from the Department of Agriculture, United States Army, and Department of Health & Human Services. State grants and contracts increased by \$3.2 million due to increased awards for the South Carolina LIFE Scholarship as well as new projects including the Behavior Alliance of South Carolina, Education Oversight Committee, and Sustainable Packaging Research. Local grants and contracts increased by \$70,000. Nongovernmental grants and contracts increased by \$3.7 million due to the recognition of new grants such as the Black Heritage Trail, Civic Engagement and Voting Rights Teacher Scholars grant.
  - Other operating revenues increased by \$7.4 million due to an increase in study abroad activity, royalty income, educational program fees and testing service fees revenue.
- Nonoperating revenues increased \$89.3 million, based on the following:
  - State appropriations increased by \$23.4 million. Education & General (E&G) and Public Service (PSA) base appropriations increased \$13.2 million and \$4.7 million, respectively. Allocations for retirement contributions, nonrecurring bonus pay adjustments, health and dental plan contributions, and cost of living adjustments increased \$5.5 million.

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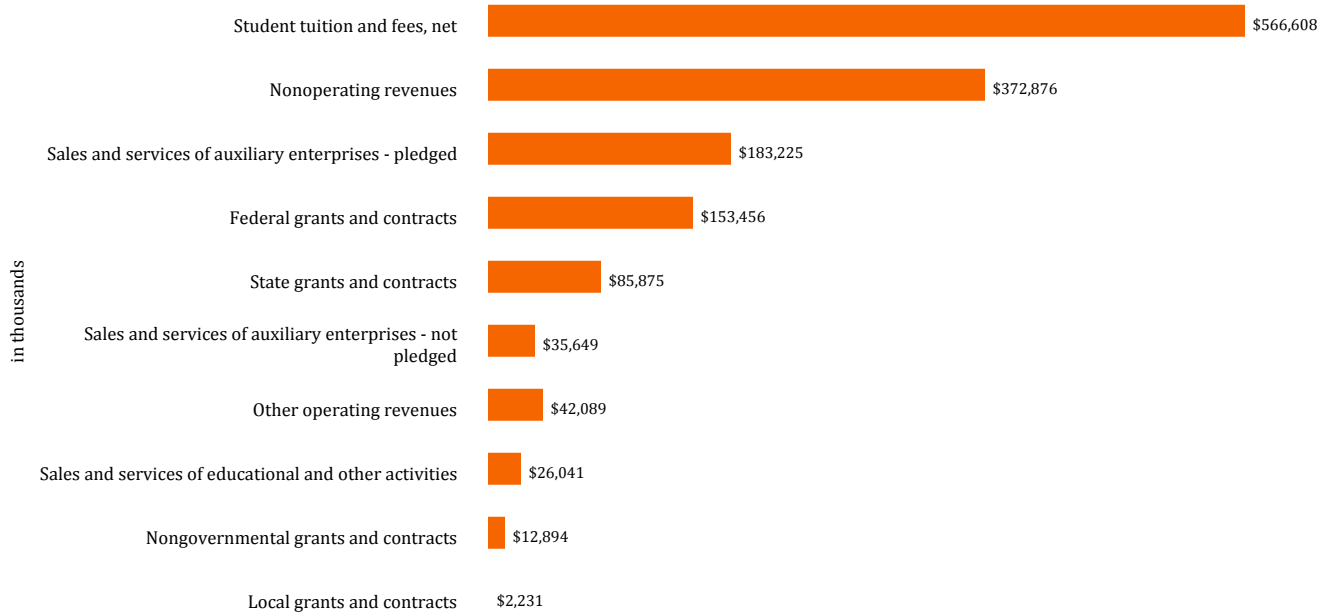
- Federal appropriations increased by \$374,000 due to increased funding for the University's land-grant Smith-Lever and Hatch programs.
- Gifts and grants revenue increased by \$26.2 million as the result of IPTAY gifts for qualifying scholarships and operating expenses.
- Investment income increased by \$54.0 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 \$130,000.
- Proceeds from the sale of capital assets decreased by \$14.6 million due to the sale of 59.11 acres of land in Myrtle Beach, SC that occurred in the prior fiscal year.

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

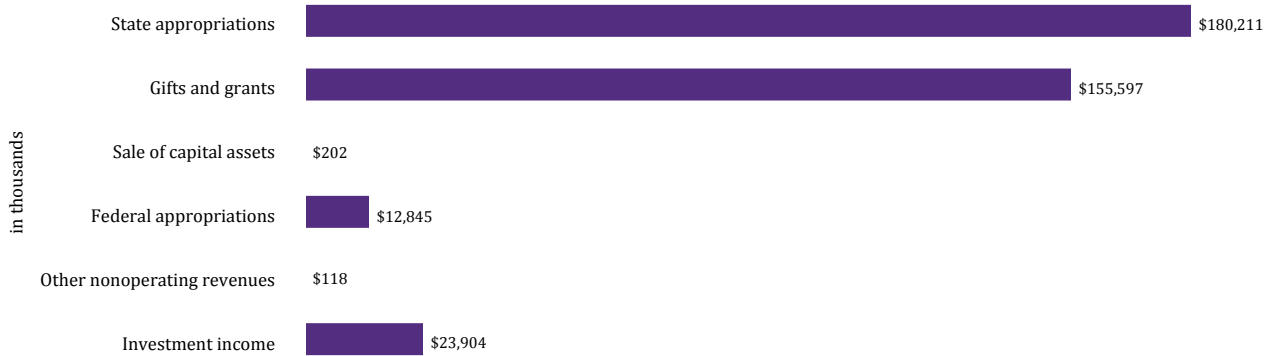
Description	2023	2022	Increase/ (Decrease)	Percent Change
<b>Revenues:</b>				
Student tuition and fees, net	\$ 566,608	\$ 511,455	\$ 55,153	10.78 %
Sales and services, net	244,915	226,596	18,319	8.08 %
Grants and contracts	254,456	234,240	20,216	8.63 %
Other operating revenues	42,089	34,736	7,353	21.17 %
Total operating revenues	1,108,067	1,007,027	101,041	10.03 %
State appropriations	180,211	156,830	23,381	14.91 %
Federal appropriations	12,845	12,471	374	3.00 %
Gifts and grants	155,597	129,364	26,233	20.28 %
Investment income	23,904	(30,076)	53,980	(179.48) %
Other nonoperating revenues	118	248	(130)	(52.42) %
Proceeds from the sale of capital assets	202	14,775	(14,573)	(98.63) %
Total nonoperating revenues	372,876	283,612	89,265	31.47 %
Total revenues	1,480,943	1,290,639	190,306	14.74 %
<b>Expenses:</b>				
Compensation and employee benefits	750,531	719,502	31,029	4.31 %
Services and supplies	394,159	344,453	49,706	14.43 %
Utilities	25,626	22,719	2,907	12.80 %
Depreciation and amortization	88,857	72,352	16,505	22.81 %
Scholarships and fellowships	40,202	42,609	(2,407)	(5.65) %
Total operating expenses	1,299,376	1,201,635	97,740	8.13 %
Interest on capital asset related debt	27,159	21,270	5,889	27.69 %
Loss on disposal of capital assets	675	1,648	(973)	(59.04) %
Refunds to grantors	1,088	538	550	102.23 %
Facilities and administrative remittances to the State	478	287	191	66.55 %
Total nonoperating expenses	29,400	23,743	5,657	23.83 %
Total expenses	1,328,776	1,225,378	103,397	8.44 %
Income before other revenues, expenses, gains or losses	152,167	65,261	86,909	133.17 %
State capital appropriations	64,001	50,620	13,381	100.00 %
Capital grants and gifts	8,317	4,572	3,745	81.91 %
Additions to permanent endowments	27	29	(2)	(6.90) %
Increase in net position	224,512	120,482	104,033	86.34 %
Net position, beginning of year, as originally stated	543,745	423,543	120,202	28.38 %
Cumulative effect of accounting changes	2,555	(280)	2,835	(100.00) %
<b>Net position, end of year</b>	<b>\$ 770,813</b>	<b>\$ 543,745</b>	<b>\$ 227,070</b>	<b>41.76 %</b>

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**Total Revenues**  
**\$1,480,943 (thousands of dollars)**



**Nonoperating Revenues**

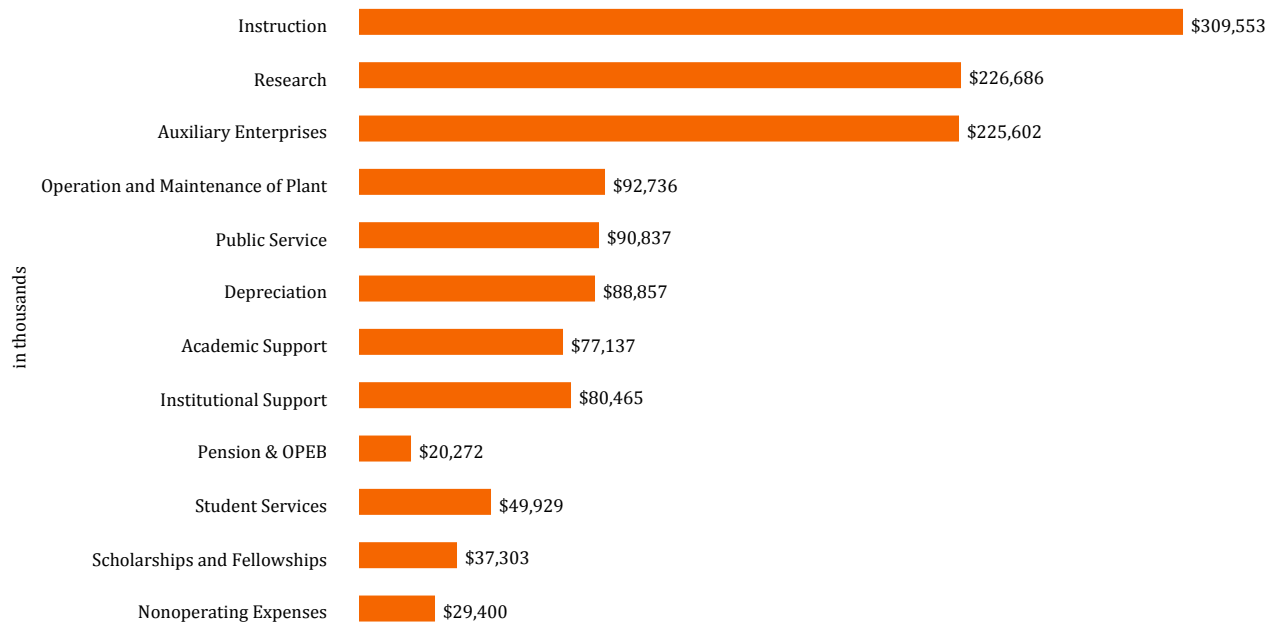


**Total Expenses – increase of \$103.4 million**

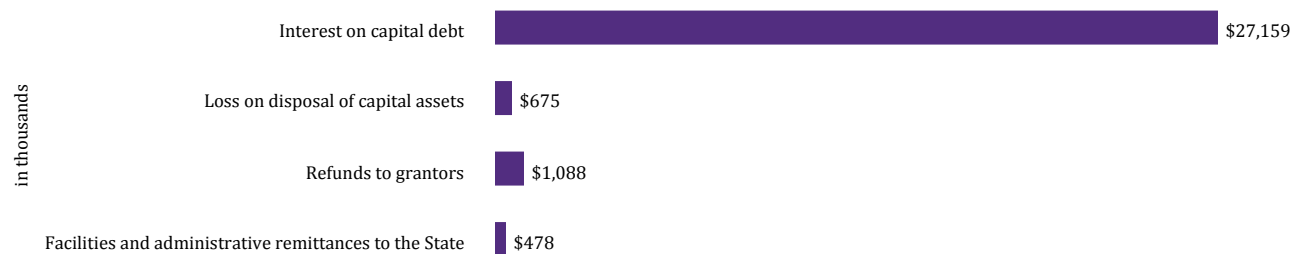
- Operating expenses increased \$97.7 million, based on the following:
  - Compensation & employee benefits increased by \$31.0 million. Cash compensation paid to employees increased by \$45.9 million. Faculty and staff received one-time bonuses and cost of living adjustments, while staff headcount increased over prior year. Fringe benefit expenses increased \$22.4 million, as a higher fringe rate was assessed for part-time/temporary staff and 12-month administrators/staff - the largest employee category at the University. Graduate assistant and other student-related compensation increased \$1.8 million. Pension and retiree health benefit expenses related to the amortization of the University's proportionate share of the state's net pension liability and net retiree health benefit liability decreased by \$39.1 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 \$65.5 million and \$28.6 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 \$3.7 million and \$16.5 million, respectively.
  - Services and supplies expenses increased \$49.7 million. Instruction costs related to study abroad, IT customer support services, and school of nursing increased by \$5.4 million. Research expenditures increased by \$7.4 million due to growth in sponsored research. Public service costs increased \$5.6 million and were related to higher beef, poultry and dairy farm costs. Academic support costs increased \$4.1 million, primarily due to information technology support costs and an increase in support for the University Libraries. Student services expenses decreased \$1.6 million due to fewer costs associated with pandemic response measures. These decreases were offset by increases in costs associated with campus recreation and TigerOne card services. Institutional support expenses increased \$6.1 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 \$4.2 million. Scholarship and fellowships decreased by \$8,000. Auxiliary services expenses increased \$18.6 million. Athletic operations, dining, and medicaid IT expenses increased \$12.4 million, \$2.4 million, and \$3.1 million, respectively.
  - Utilities expenses increased \$2.9 million, due mainly to the completion of the new video board in Memorial Stadium as well as the renovation and expansion of Daniel Hall.
  - Depreciation and amortization expense increased \$16.5 million, due to the University implementing Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, which expanded the scope of capital assets to be amortized. Additionally, depreciation increased for Utilities systems and other non-structural improvements as a result of new projects in the current and prior year.
  - Scholarship and fellowship expenses decreased \$2.4 million. An increase in Pell grant funding was offset by a decrease in federal Supplemental Educational Opportunity Grants (SEOG).
- Nonoperating expenses increased \$5.7 million based on the following:
  - Interest expense increased \$5.9 million, mainly due to interest payments on the Series 2022A State Institution Bonds in addition to interest payments on new debt incurred during the year.
  - Losses on disposal of capital assets decreased \$1.0 million.
  - Refunds to grantors increased \$550,000 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 increased \$191,000. The State requires such costs collected for non-research sponsored projects in excess of \$200,000 to be remitted.

### Total Expenses by Function

\$1,328,776 (thousands of dollars)



### Nonoperating Expenses

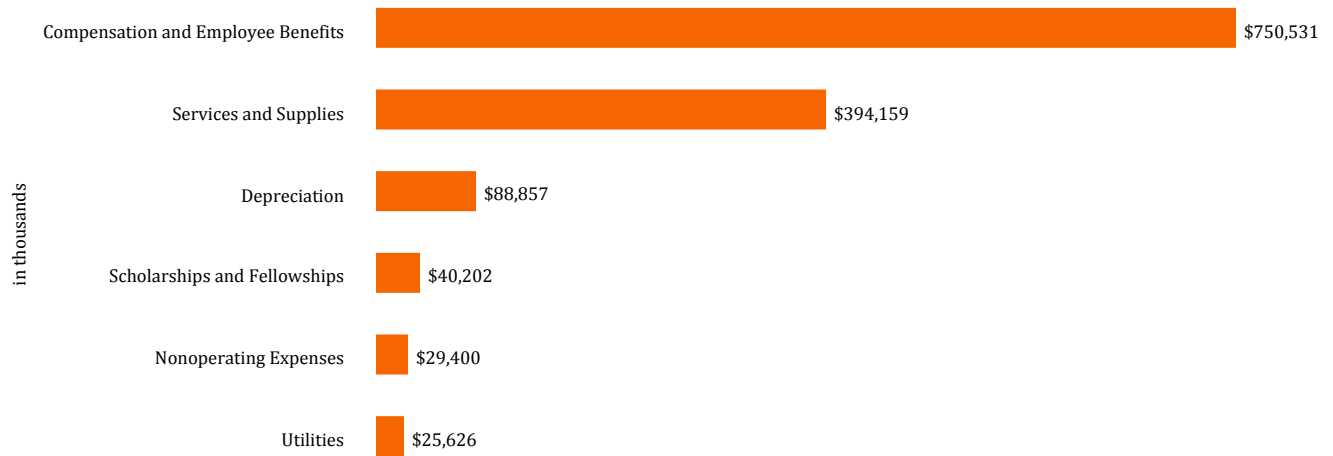


- State capital appropriations increased by \$13.4 million. The University received new funding for the College of Veterinary Medicine and Critical PSA Infrastructure.
- Capital grants and gifts increased \$3.7 million due to private donor giving and gifts-in-kind donated to the University.
- Additions to permanent endowments decreased by \$2,000.

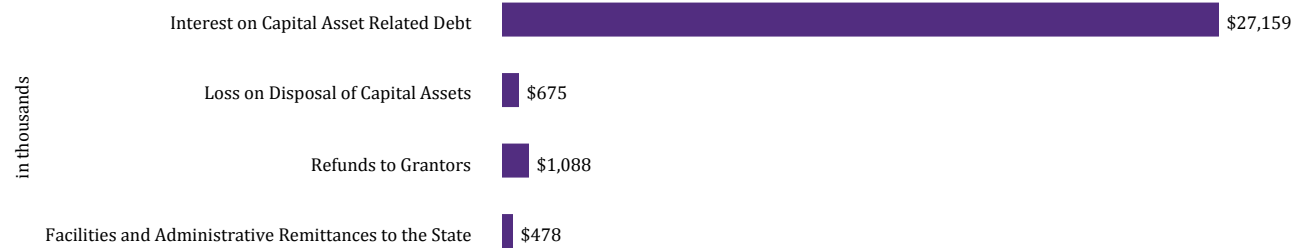


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**Total Expenses by Natural Classification**  
**\$1,328,776 (thousands of dollars)**



**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 \$322.8 million

- Current assets increased \$192.9 million. Unrestricted cash balances increased \$111.9 million and restricted cash increased \$40.4 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 proceeds received from the South Carolina Master Lease Program to finance energy conservation measures. Accounts receivable increased \$27.7 million as a result of state capital reserve funds that will be drawn as work progresses on capital projects.

<b>Condensed Summary of Net Position (<i>thousands of dollars</i>)</b>				
<b>Description</b>	<b>2023</b>	<b>2022</b>	<b>Increase/ (Decrease)</b>	<b>Percent Change</b>
<b>Assets</b>				
Current assets	1,293,306	\$ 1,100,383	\$ 192,923	17.53 %
Capital assets, net	1,667,363	1,492,955	174,408	11.68 %
Other noncurrent assets	254,970	252,201	2,769	1.10 %
<b>Total assets</b>	<b>3,215,639</b>	<b>2,845,539</b>	<b>370,100</b>	<b>13.01 %</b>
<b>Deferred outflows of resources</b>	<b>311,252</b>	<b>358,598</b>	<b>(47,346)</b>	<b>(13.20) %</b>
<b>Total assets and deferred outflows of resources</b>	<b>3,526,891</b>	<b>3,204,137</b>	<b>322,754</b>	<b>10.07 %</b>
<b>Liabilities</b>				
Current liabilities	232,052	184,798	47,254	25.57 %
Noncurrent liabilities	2,248,570	2,328,581	(80,011)	(3.44) %
<b>Total liabilities</b>	<b>2,480,622</b>	<b>2,513,379</b>	<b>(32,757)</b>	<b>(1.30) %</b>
<b>Deferred inflows of resources</b>	<b>275,457</b>	<b>147,013</b>	<b>128,444</b>	<b>87.37 %</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>2,756,079</b>	<b>2,660,392</b>	<b>95,687</b>	<b>3.60 %</b>
<b>Net Position</b>				
Net investment in capital assets	909,657	862,368	47,289	5.48 %
Restricted - nonexpendable	59,170	58,973	197	0.33 %
Restricted - expendable	365,126	282,768	82,358	29.13 %
Unrestricted	(563,139)	(660,364)	97,225	(14.72) %
<b>Total net position</b>	<b>\$ 770,814</b>	<b>\$ 543,745</b>	<b>\$ 227,069</b>	<b>41.76 %</b>

Grants and contracts receivable related to sponsored projects increased \$5.8 million. Lease obligations receivable decreased \$9,000. Contributions receivable decreased \$329,000. Interest income receivable on cash balances held by the State Treasurer's Office increased \$3.8 million. Student loans receivable increased \$9,000. Inventories decreased \$131,000. Prepaid items increased \$3.7 million as a result of renewed IT maintenance agreements, prepayment of insurance premiums, library e-journals and travel related to study abroad programs.

- Net capital assets increased \$174.4 million. Non-depreciable assets increased \$156.9 million due to continued construction, renovation and expansion projects including Daniel Hall, Memorial Stadium, the Development and Alumni Center, and Bryan Mall High Rise residence halls. Other capital assets increased \$17.5 million. Buildings decreased \$25.3 million, as current operational buildings were depreciated. A University-wide electrical system upgrade, offset by depreciation of existing utilities, contributed to the decrease of \$4.3 million in utilities and other non-structural improvements. Equipment increased \$5.9 million, with depreciation offsetting new additions. The University purchased additional departmental vehicles, resulting in an increase of \$1.8 million. Leased assets increased \$161,000. Software subscriptions increased \$39.3 million as the University implemented GASB 96, *Subscription-Based Information Technology Arrangements*, which required capitalization of software subscriptions with terms exceeding one year.
- Other noncurrent assets increased \$2.8 million. The balance on loan to the Clemson University Foundation (CUF) increased \$3.5 million. Income, realized gains and appreciation were offset by transfers from CUF. Lease obligations receivable decreased by \$88,000. Noncurrent contributions receivable decreased \$52,000 due to payment of existing pledges. Investments increased \$164,000 due to a rise in the value of split dollar life insurance policies. Restricted noncurrent cash balances increased \$116,000. Student loans receivable decreased \$880,000 due to collections of Perkins Federal student loans.
- Deferred outflows of resources decreased \$47.3 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 \$13.4 million. Deferred outflows related to the University's proportionate share of the state's retiree health benefits liability decreased \$33.5 million.

#### **Liabilities and Deferred Inflows of Resources – increase of \$95.7 million**

- Current liabilities increased \$47.3 million. The increase in accounts payable of \$26.2 million was largely attributable to amounts due at the end of the fiscal year for capital projects and routine maintenance and repairs.

Accrued payroll and related liabilities increased by \$4.3 million as a result of increased salaries and fringe benefits applied to the final payroll of the fiscal year. Current compensated absences increased \$1.8 million, resulting from larger balances of accrued leave held by employees. Accrued interest payable increased \$2.1 million, resulting from issuance of new bonded debt. Unearned revenues increased by \$2.0 million due to growth in athletic ticket sales for the upcoming football season, offset by a reduction in grants and contracts funding received in advance of expenditures from the prior fiscal year. Lease obligations payable increased \$55,000. Bonds payable increased \$352,000, as the University issued Higher Education Revenue bonds during the fiscal year, offset by payments on existing debt. Notes payable increased \$325,000 as a result of debt assumed by the University, via the South Carolina Master Lease Program, to finance energy conservation measures across campus. Subscription obligations payable increased \$9.7 million, as the University implemented GASB 96, *Subscription Based IT Arrangements*, which required recording a payable for the present value of IT subscription payments over the subscription term. Current deposits increased by \$587,000 due to an over-recovery of pooled fringes for the fiscal year ending June 30, 2022 that will be absorbed through the approved pooled fringe rate established for the fiscal year ended June 30, 2024. The current portion of funds held for others decreased \$170,000.

- Noncurrent liabilities decreased by \$80.0 million. The University's proportionate share of the State's net pension liability increased by \$79.8 million. Net investment income and plan contributions were not substantial enough to offset the pension plan's benefit payments and administrative costs, resulting in an increase to the plans' overall net liability. The University's proportionate share of the State's liability for retiree health benefits decreased by \$237.9 million. Net investment income and plan contributions exceeded the retiree health benefit plan's benefit payments and administrative costs, resulting in a decrease to the plans' overall net liability. Long-term debt increased \$60.2 million as a result of new debt issued in the form of new Higher Education Revenue bonds and debt from the South Carolina Master Lease Program. Subscription obligations payable increased \$21.6 million as the University implemented GASB 96, *Subscription Based IT Arrangements*, which required recording a payable for the present value of IT subscription payments over the subscription term. Lease obligations payable decreased \$927,000. The long-term liability for compensated absences and related liabilities decreased \$290,000. The noncurrent portion of deposits decreased by \$1.7 million due to a decrease in the over-recovery of pooled fringe benefits for the fiscal year ended June 30, 2023 that will be absorbed through the approved pooled fringe rate established for the fiscal year ending June 30, 2025 from amounts recognized in prior years. The noncurrent portion of funds held for others related to Perkins loans decreased \$928,000.

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- Deferred inflows of resources increased \$128.4 million. Deferred inflows of resources related to the University's net pension liability decreased by \$92.5 million. Deferred inflows of resources related to the University's net retiree health benefit liability increased by \$220.8 million. Deferred inflows of resources include the calculated difference between actual and projected investment earnings on the State's pension and retiree health benefit plans.

### Net Position – increase of \$227.1 million

- Net investment in capital assets increased \$47.3 million due to an increase in capital assets of \$174.4 million, less an increase in capital debt of \$92.1 million, a decrease in unspent bond proceeds of \$34.6 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 96, *Subscription-Based Information Technology Arrangements*, resulting in a \$2.5 million increase in net investment in capital assets.
- Restricted – nonexpendable net position for scholarships and fellowships increased \$197,000 as the result of investment gains on endowment balances held by Wells Fargo.
- Restricted for expendable net position increased \$82.4 million, based on the following:
  - Restricted – expendable net position for scholarships and fellowships decreased \$1.1 million due to a decrease in investment earnings on funds held by the State Treasurer's Office, offset by growth in gifts and pledged scholarship funding.
  - Restricted – expendable net position for research increased \$5.6 million, driven by an increase in sponsored research activities.
  - Restricted – expendable net position for instructional/departmental use decreased \$426,000 due to the expenditure of previously recognized gift amounts.
  - Restricted – expendable net position for student loans increased \$22,000.
  - Restricted – expendable net position for capital projects increased \$77.7 million resulting mainly from issuance of Revenue bonds and increases in operating transfers to housing, parking and athletic improvement funds.
  - Restricted – expendable net position for debt service increased \$575,000 as the result of debt service reserve fund requirements for bonded debt.
- Unrestricted net position increased \$97.2 million, based on the following:
  - The University's proportionate share of the state's net pension liability and net retiree health benefit liability and deferred inflows and outflows of resources resulted in a \$17.2 million reduction of unrestricted net position.
  - Unrestricted - educational and general increased \$79.1 million as the result of increased student tuition and fee revenues and self-generated, entrepreneurial activities.
  - Unrestricted – unexpended plant increased \$20.7 million as the result of investment earnings on funds held by the State Treasurer's Office and transfers for facilities planned maintenance projects and other University initiatives.
  - Unrestricted – board designated endowments increased \$4.4 million as the result of investment earnings.
  - Unrestricted – public services net position increased \$3.0 million.
  - Unrestricted – auxiliaries net position increased \$7.1 million due to increased revenue from housing and dining services, vending operations, and investment earnings on funds held by the State Treasurer's Office.

### Statement of Cash Flows

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

<b>Condensed Statement of Cash Flows (thousands of dollars)</b>		
<b>Description</b>	<b>Fiscal Year Ended</b>	
	<b>June 30, 2023</b>	<b>June 30, 2022</b>
Net cash provided (used by):		
Operating activities	\$ (57,370)	\$ (61,891)
Noncapital financing activities	353,564	299,815
Capital and related financing activities	(162,424)	63,479
Investing activities	18,702	(17,454)
<b>Net increase in cash and cash equivalents</b>	<b>152,472</b>	<b>283,949</b>
Beginning cash and cash equivalents	981,837	697,888
<b>Ending cash and cash equivalents</b>	<b>\$ 1,134,309</b>	<b>\$ 981,837</b>

**UNAUDITED**

**Capital Assets**

Capital assets, net of accumulated depreciation or amortization, at June 30, 2023 and June 30, 2022 were as follows:

<b>Capital Assets (net of accumulated depreciation or amortization)</b>				
<b>Description</b>	<b>2023</b>	<b>2022</b>	<b>Increase/ (Decrease)</b>	<b>Percent Change</b>
<b>Capital Assets:</b>				
Land and improvements	\$ 34,567,467	\$ 34,506,121	\$ 61,346	0.18 %
Construction in progress	231,959,497	75,151,451	156,808,046	208.66 %
Utilities systems and other non-structural improvements	137,685,100	142,014,982	(4,329,882)	(3.05) %
Buildings and improvements	1,080,283,734	1,105,630,645	(25,346,911)	(2.29) %
Equipment	117,643,068	111,707,527	5,935,541	5.31 %
Vehicles	6,453,602	4,674,789	1,778,813	38.05 %
Leased equipment	1,197,608	1,270,514	(72,906)	(5.74) %
Leased office space	18,232,947	17,999,000	233,947	1.30 %
Software subscriptions	39,340,048	—	39,340,048	100.00 %
<b>Total Capital Assets</b>	<b><u>\$1,667,363,071</u></b>	<b><u>\$1,492,955,029</u></b>	<b><u>\$ 174,408,042</u></b>	<b><u>11.68 %</u></b>

- Land increased \$61,300. 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 increased \$156.8 million as construction continued on major University projects, including Daniel Hall, Memorial Stadium, the Development and Alumni Center, Bryan Mall High Rise residence halls, and various pedestrian safety improvements across campus.
  - Utilities systems and other non-structural improvements decreased approximately \$4.3 million, as new and existing assets were depreciated.
  - Buildings decreased \$25.3 million, as current operational buildings were depreciated.
  - Equipment increased \$5.9 million. Additions totaling \$30.8 million were offset by depreciation of new and existing assets.
  - Vehicles increased \$1.8 million as a result of departmental vehicle purchases, offset by depreciation expense.
  - Leased equipment decreased \$73,000 and leased office space increased \$234,000.
  - Software subscriptions increased \$39.3 million due to implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which required the University to capitalize software subscriptions.
- For more detailed information on capital asset activity, refer to Note 4 – Capital Assets in the notes to the financial statements. For more detailed information on leased assets, refer to Note 7 - Leases in the notes to the financial statements. For more detailed information on software subscriptions, refer to Note 8 - Subscription Obligations in the notes to the financial statements.

### Debt Administration

The University's financial statements indicate \$802,508,566 in bonds payable, \$40,232,883 in notes payable, \$17,288,424 in lease obligations payable and \$31,378,297 in subscription obligations payable at June 30, 2023.

The University's bonded indebtedness consisted of: General Obligation Bonds of \$302,337,694, Athletic Facilities Revenue Bond issues totaling \$184,105,667, and Revenue Bonds of \$316,065,205. 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.

The \$40,232,883 in notes payable is comprised of the South Carolina Master Lease Program for the purpose of financing the cost of equipment and implementing energy conservation measures that will benefit the University long term.

Lease obligations payable as of June 30, 2023, totaling \$17,288,424, 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, 2023 was \$1,085,151. The outstanding liability on leased office space as of June 30, 2022 was \$16,203,273.

The University implemented GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements* during the fiscal year, resulting in subscription obligations payable of \$31,378,297.

For additional information, see Notes 6, 7 and 8 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 2023 with a \$57.9 million budgetary surplus. As a result of an increase in revenue collections, a supplemental spending bill of \$2 billion was introduced to fund discretionary supplemental appropriations and agency requests.

State appropriations to fund University operations are expected to increase by \$53.6 million for fiscal year 2024. Educational and General (E&G) and Public Service activities (PSA) from base appropriations are expected to increase by \$49.0 million and \$4.6 million, respectively. Drivers for E&G increases include \$22.4 million for tuition mitigation and inflationary costs, \$12.5 million for recurring College of Veterinary Medicine costs, \$7.0 million for STEM workforce development, \$5.3 million to fund a 5% cost of living adjustment, and \$3.5 million for experiential learning. State funding for PSA is expected to increase by \$2.3 million for employee retention and recruitment, \$2.2 million for cost of living adjustments, health insurance and retirement, and \$1.0 million for statewide program support. Additionally, state capital appropriations are expected to be \$67 million higher than in the prior year, driven by \$75 million of nonrecurring capital funding for the College of Veterinary Medicine.

The University's Board of Trustees adopted a budget for 2024 that reflects the University's continued focus on strategic revenue growth and cost management. The University froze tuition and mandatory fees for in state and out-of-state undergraduate students, marking the fourth consecutive year of no tuition increase for South Carolina resident students. Increased University enrollment is expected, a result of continued strong student demand, and is expected to increase tuition and fee revenue. Through State support and investment, the University continues to design and develop the College of Veterinary Medicine. A series of additional facilities projects were approved, including Manning Hall residence hall renovations, the Athletics Performance and Wellness Center, a beautification project for the Reflection Pond in the center of campus, and renovations to Littlejohn Coliseum and Swann Pavilion.

**CLEMSON UNIVERSITY**  
**STATEMENT OF NET POSITION**  
June 30, 2023

Description	Amount
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<i><b>Current Assets:</b></i>	
Cash and cash equivalents .....	\$ 682,737,878
<b>Restricted Assets - Current:</b>	
Cash and cash equivalents .....	449,254,072
Accounts receivable (net of provision for doubtful accounts of \$880,409) .....	88,809,315
Grants and contracts receivable .....	46,310,255
Lease obligations receivable .....	388,755
Contributions receivable, net .....	760,673
Interest and income receivable .....	6,863,667
Student loans receivable .....	8,502
Inventories .....	2,486,015
Prepaid items .....	15,687,164
Total current assets .....	1,293,306,296
<i><b>Noncurrent Assets:</b></i>	
Notes receivable .....	243,957,147
Lease obligations receivable .....	99,101
Contributions receivable, net .....	2,118,192
Investments .....	4,767,206
<b>Restricted Assets - Noncurrent:</b>	
Cash and cash equivalents .....	2,317,094
Student loans receivable .....	1,711,536
Capital assets, not being depreciated .....	266,526,964
Capital assets, net of accumulated depreciation .....	1,400,836,107
Total noncurrent assets .....	1,922,333,347
Total assets .....	3,215,639,643
<i><b>Deferred Outflows of Resources:</b></i>	
Deferred losses on bond refunding .....	2,780,771
Deferred outflows on net pension liability .....	100,469,957
Deferred outflows on net retiree health benefits liability .....	208,001,510
Total deferred outflows of resources .....	311,252,238
<b>Total assets and deferred outflows of resources .....</b>	<b>\$ 3,526,891,881</b>

**LIABILITIES AND DEFERRED INFLOWS OF RESOURCES****Current Liabilities:**

Accounts and retainages payable .....	56,590,929
Accrued payroll and related liabilities .....	32,814,386
Accrued compensated absences and related liabilities .....	15,437,806
Accrued interest payable .....	6,484,077
Unearned revenues .....	64,928,239
Bonds payable, net .....	33,118,317
Notes payable .....	325,023
Lease obligations payable .....	4,063,335
Subscription obligations payable .....	9,748,669
Deposits .....	8,122,480
Funds held for others .....	418,356
Total current liabilities .....	<u>232,051,617</u>

**Noncurrent Liabilities:**

Accrued compensated absences and related liabilities .....	19,979,194
Deposits .....	6,203,418
Funds held for others .....	2,033,047
Net pension liability .....	725,933,681
Net retiree health benefits liability .....	650,268,081
Bonds payable, net .....	769,390,249
Notes payable .....	39,907,860
Lease obligations payable .....	13,225,089
Subscription obligations payable .....	21,629,627
Total noncurrent liabilities .....	<u>2,248,570,246</u>
Total liabilities .....	<u>2,480,621,863</u>

**Deferred Inflows of Resources:**

Deferred inflows on lease obligations receivable .....	942,177
Deferred inflows on net pension liability .....	3,906,948
Deferred inflows on net retiree health benefits liability .....	270,607,912
Total deferred inflows of resources .....	<u>275,457,037</u>
<b>Total liabilities and deferred inflows of resources .....</b>	<b><u>\$ 2,756,078,900</u></b>

**NET POSITION**

Net investment in capital assets .....	\$ 909,656,628
Restricted for nonexpendable purposes:	
Scholarships and fellowships .....	59,169,589
Restricted for expendable purposes:	
Scholarships and fellowships .....	25,930,428
Research .....	6,037,777
Instructional/departmental use .....	13,262,441
Loans .....	2,117,466
Capital projects .....	308,148,341
Debt service .....	9,629,265
Unrestricted .....	(563,138,954)
<b>Total net position .....</b>	<b><u>\$ 770,812,981</u></b>

See accompanying notes to basic financial statements.



# CLEMSON UNIVERSITY

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

For the year ended June 30, 2023

Description	Amount
<b>REVENUES</b>	
Operating Revenues:	
Student tuition and fees (net of scholarship allowances of \$115,167,953) .....	\$ 566,607,703
Federal grants and contracts .....	153,456,364
State grants and contracts .....	85,874,957
Local grants and contracts .....	2,230,666
Nongovernmental grants and contracts .....	12,894,284
Sales and services of educational and other activities .....	26,040,865
Sales and services of auxiliary enterprises - pledged for revenue bonds (net of scholarship allowances of \$16,363,126) .....	183,224,533
Sales and services of auxiliary enterprises - not pledged .....	35,649,316
Other operating revenues .....	42,088,768
Total operating revenues .....	<u>1,108,067,456</u>
<b>EXPENSES</b>	
Operating Expenses	
Compensation and employee benefits .....	750,531,180
Services and supplies .....	394,159,284
Utilities .....	25,626,488
Depreciation and amortization .....	88,857,062
Scholarships and fellowships .....	40,202,398
Total operating expenses .....	<u>1,299,376,412</u>
Operating (loss) .....	<u>(191,308,956)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
State appropriations .....	180,210,631
Federal appropriations .....	12,844,759
Gifts and grants .....	155,596,508
Interest income .....	9,550,969
Endowment income .....	14,353,288
Interest on capital asset related debt .....	(27,158,615)
Other nonoperating revenues .....	117,992
Loss on disposal of capital assets .....	(473,430)
Refunds to grantors .....	(1,088,154)
Facilities and administrative remittances to the State .....	(477,955)
Net nonoperating revenues .....	<u>343,475,993</u>
Income before other revenues, expenses, gains or losses .....	152,167,037
State capital appropriations .....	64,001,000
Capital grants and gifts .....	8,317,258
Additions to permanent endowments .....	27,025
Increase in net position .....	<u>224,512,320</u>
<b>NET POSITION</b>	
Net position, beginning of year, as originally stated .....	543,745,242
Cumulative effect of accounting changes .....	2,555,419
Net position, end of year .....	<u>\$ 770,812,981</u>

See accompanying notes to basic financial statements.

# CLEMSON UNIVERSITY

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

Description	Amount
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Payments from customers	\$ 791,603,285
Grants and contracts	245,608,961
Payments to suppliers	(343,237,120)
Payments to employees	(558,353,140)
Payments for benefits	(183,818,152)
Payments to students	(70,178,040)
Inflows from Stafford loans	67,908,623
Outflows from Stafford loans	(7,560,837)
Loans to students	(153,488)
Collection of loans	809,352
Net cash provided (used) by operating activities	(57,370,556)
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	180,210,631
Federal appropriations	12,628,867
Gifts and grants	160,724,518
Net cash flow provided (used) by noncapital financing activities	353,564,016
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from capital debt	93,514,034
State capital appropriations	39,001,000
Capital grants and gifts received	7,707,929
Proceeds from sale of property	201,491
Purchases of capital assets	(226,962,434)
Lease and software subscription payments	(18,417,338)
Principal payments and redemption premiums on long term debt	(29,375,000)
Interest and fees	(28,093,485)
Net cash provided (used) by capital activities	(162,423,803)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Change in unrealized gain/loss on investments	6,701,923
Proceeds from notes receivable with Clemson University Foundation	12,000,000
Net cash flows provided (used) by investing activities	18,701,923
Net change in cash	152,471,580
Cash beginning of year	981,837,464
<b>Cash end of year</b>	<b>\$ 1,134,309,044</b>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ (191,308,956)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization expense	88,857,062
Amortization of net pension liability	763,562
Amortization of net retiree health benefit liability	14,148,587
Change in assets and liabilities:	
Receivables, net	(7,692,432)
Grants and contracts receivable	(4,498,636)
Student loans receivable	871,405
Prepaid items	(3,705,978)
Inventories	130,993
Pooled fringe adjustment	—
Accounts and retainages payable	33,177,371
Accrued payroll and related liabilities	9,555,597
Accrued compensated absences and related liabilities	1,495,000
Unearned revenue	2,390,407
Deposits held for others	(1,554,538)
Net cash provided (used) by operating activities	<b>\$ (57,370,556)</b>
<b>NON-CASH TRANSACTIONS</b>	
Decrease in fair value of investments and notes receivable	\$ (40,953,386)
Assets acquired through gifts	609,329
State capital appropriations receivable	53,127,542
Collection of capital appropriations receivable	4,486,208
Loss on disposal of capital assets	(674,975)
Assets acquired through right of use lease and software agreements	18,797,133
<b>RECONCILIATION OF CASH AND CASH EQUIVALENT BALANCES</b>	
Current assets:	
Cash and cash equivalents	\$ 682,737,878
Restricted cash and cash equivalents	449,254,072
Noncurrent assets	2,317,094
<b>Total cash and cash equivalent balances</b>	<b>\$ 1,134,309,044</b>

See accompanying notes to basic financial statements.

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

June 30, 2023

DESCRIPTION	AMOUNT
<b>ASSETS</b>	
Cash and cash equivalents .....	\$ 69,110,202
Contributions receivable, net .....	69,549,349
Trusts held by others .....	6,219,604
Due from related organizations .....	3,537,581
Investments .....	768,955,469
Investments held for Clemson University .....	243,957,147
Cash surrender value of life insurance .....	4,564,917
Land, buildings and equipment, net .....	9,128,830
Funds held in trust for affiliates:	
Non-pooled assets, net .....	11,921,606
Pooled investments .....	43,657,020
Contributions receivable, net .....	76,836,763
Other assets .....	737,654
<b>Total Assets</b> .....	<b>\$ 1,308,176,142</b>
<b>LIABILITIES AND NET ASSETS</b>	
Liabilities:	
Accounts payable and accrued liabilities .....	\$ 1,579,989
Due to related organizations .....	1,470,828
Accrued liability to Clemson University due to net investment appreciation .....	97,279,492
Note payable to Clemson University .....	146,677,655
Actuarial liability of annuities payable .....	3,136,746
Funds administered for affiliates .....	132,415,389
<b>Total Liabilities</b> .....	<b>\$ 382,560,099</b>
Net Assets:	
Without donor restrictions .....	65,830,000
With donor restrictions .....	859,786,043
<b>Total Net Assets</b> .....	<b>925,616,043</b>
<b>Total Liabilities and Net Assets</b> .....	<b>\$ 1,308,176,142</b>

*See accompanying notes to basic financial statements.*

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

For the year ended June 30, 2023

DESCRIPTION	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Revenues, Gains, and Other Support:			
Gifts and bequests .....	\$ 5,501,975	\$ 38,977,795	\$ 44,479,770
Investment return, net .....	13,240,072	41,074,141	54,314,213
Program income .....	1,294,846	984,668	2,279,514
Other income .....	771,326	27,984	799,310
Change in value of split-interest agreements .....	28,912	455,716	484,628
Total .....	20,837,131	81,520,304	102,357,435
Net assets released from restrictions .....	31,840,639	(31,840,639)	—
Total Revenues, Gains and Other Support .....	52,677,770	49,679,665	102,357,435
Expenses:			
Program expenses in support of Clemson University .....	35,995,098	—	35,995,098
Administrative and investment support .....	5,491,953	—	5,491,953
Fundraising .....	4,865,749	—	4,865,749
Total Expenses .....	46,352,800	—	46,352,800
Change in net assets before other changes .....	6,324,970	49,679,665	56,004,635
Other Changes:			
Transfers to related entities .....	459,955	259,193	719,148
Total Other Changes .....	459,955	259,193	719,148
Change in net assets .....	6,784,925	49,938,858	56,723,783
Net assets, beginning of year .....	59,045,075	809,847,185	868,892,260
Net assets, end of year .....	\$ 65,830,000	\$ 859,786,043	\$ 925,616,043

*See accompanying notes to basic financial statements.*

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

June 30, 2023

DESCRIPTION	AMOUNT
ASSETS	
Cash and cash equivalents .....	\$ 4,861,720
Other assets .....	831,884
Real estate investments .....	95,592,648
Real estate and equipment, net .....	11,251,128
Direct financing lease .....	8,446,267
Development costs .....	814,931
Total Assets .....	<u>\$ 121,798,578</u>
LIABILITIES AND NET ASSETS	
Accounts payable .....	\$ 304,642
Accrued interest payable .....	50,929
Deposits held for others .....	109,720
Retainage payable .....	661,076
Unearned revenue .....	108,248
Deferred rent revenue .....	86,711
Due to Clemson University Foundation .....	22,872,906
Notes payable, net .....	46,201,925
Total Liabilities .....	<u>\$ 70,396,157</u>
Net Assets Without Donor Restrictions .....	<u>51,402,421</u>
Total Net Assets .....	<u>51,402,421</u>
Total Liabilities and Net Assets .....	<u>\$ 121,798,578</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, 2023

DESCRIPTION	AMOUNT
Revenues, Gains, and Other Support:	
Rental revenues .....	\$ 5,392,325
Direct financing .....	2,919
Common area and management fees .....	200,343
Income on short-term investments .....	39,368
Federal grant .....	1,710,332
Real estate investment return, net .....	—
Total Revenues and Gains .....	<u>7,345,287</u>
Program expenses:	
CU-ICAR campus .....	1,973,750
Greenville One .....	332,283
Administrative and other .....	433,276
Total Program Expenses .....	<u>2,739,309</u>
Interest expense .....	1,594,049
Total expenses .....	<u>4,333,358</u>
Change in net assets without donor restrictions before other changes .....	3,011,929
Change in net assets without donor restrictions .....	3,011,929
Net assets without donor restrictions, beginning of year .....	48,390,492
Net assets without donor restrictions, end of year .....	<u>\$ 51,402,421</u>

*See accompanying notes to basic financial statements.*

# **IPTAY**

## **NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT**

### **STATEMENT OF FINANCIAL POSITION**

June 30, 2023

DESCRIPTION	AMOUNT
ASSETS	
Cash and cash equivalents .....	\$ 12,113,738
Due from related organizations .....	777,549
Annual fund receivable, net .....	291,013
Investments .....	32,443,426
Funds held in trust by an affiliate:	
Non-pooled assets .....	11,324,164
Pooled investments .....	23,240,285
Contributions receivable, net .....	76,752,122
Other assets .....	65,011
Total Assets .....	<u>\$ 157,007,308</u>
LIABILITIES AND NET ASSETS	
Accounts payable and accrued expenses .....	\$ 1,314,524
Due to related organizations .....	5,956,972
Notes payable .....	2,500,000
Total Liabilities .....	<u>\$ 9,771,496</u>
Net assets	
Without Donor Restrictions:	
Undesignated .....	36,157,011
Quasi-endowment .....	16,331,108
Total Without Donor Restrictions .....	52,488,119
With Donor Restrictions .....	94,747,693
Total Net Assets .....	<u>147,235,812</u>
Total Liabilities and Net Assets .....	<u>\$ 157,007,308</u>

*See accompanying notes to basic financial statements.*

# IPTAY

## NON-GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT

### STATEMENT OF ACTIVITIES

For the year ended June 30, 2023

DESCRIPTION	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Revenues, Gains, and Other Support:			
Contributions from the public .....	\$ 63,387,893	\$ 57,396,587	\$ 120,784,480
Investment return, net .....	5,099,935	446,870	5,546,805
Interest income .....	195,425	—	195,425
	<u>68,683,253</u>	<u>57,843,457</u>	<u>126,526,710</u>
Net assets released from restrictions:			
Satisfaction of time restrictions .....	8,947,053	(8,947,053)	—
Satisfaction of purpose restrictions .....	2,642,634	(2,642,634)	—
Total Revenues, Gains, and Other Support .....	<u>80,272,940</u>	<u>46,253,770</u>	<u>126,526,710</u>
Expenses:			
Program services:			
Support of Clemson University:			
Athletic operations .....	38,010,094	—	38,010,094
Debt service .....	10,866,250	—	10,866,250
Other construction costs .....	35,600,000	—	35,600,000
Other athletic support .....	2,838,146	—	2,838,146
Management and general .....	6,992,007	—	6,992,007
Total Expenses .....	<u>94,306,497</u>	<u>—</u>	<u>94,306,497</u>
Excess of revenues over expenses .....	(14,033,557)	46,253,770	32,220,213
Contributions of net assets from a related party .....	<u>15,000</u>	<u>778</u>	<u>15,778</u>
Change in net assets .....	(14,018,557)	46,254,548	32,235,991
Net assets, beginning of year .....	<u>66,506,676</u>	<u>48,493,145</u>	<u>114,999,821</u>
Net assets, end of year .....	<u>\$ 52,488,119</u>	<u>\$ 94,747,693</u>	<u>\$ 147,235,812</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. Donated capital assets, donated works of art, historical treasures and similar assets are recorded at acquisition value. 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.

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.

### Leases

The University determines if an agreement is a lease in accordance with GASB Statement No. 87, *Leases*, at inception. Lessee agreements are included in the Statement of Net Position as capital assets (leased equipment and leased office space) and lease obligations payable. Leased assets represent the University's right to use an underlying asset for the lease term, as specified in the contract. Leased assets and the associated liabilities are recorded at the commencement date based on the present value of expected payments over the lease term. Leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset, using the straight-line method. In accordance with University policy, payments on leases with a term of 12 months or less or leases with a present value of \$5,000 or less are expensed as incurred. These leases are not included in assets or liabilities on the Statement of Net Position.

Lessor agreements are included in the Statement of Net Position as lease obligations receivable and deferred inflows of resources. All lessor agreements are property leases. Lease obligations receivable represent the University's claim to receive lease payments for the specified lease term, as specified in the contract. The receivable is recorded based on the present value of expected lease payments over the term of the leases, reduced by any provision for estimated uncollectible amounts. Interest revenue and deferred inflows of resources related to leases are recognized as revenue over the lease term. In accordance with University policy, payments received on leases with a term of 12 months or less or leases with a present value of \$5,000 or less are recognized as revenue is received. These leases are not included in lease obligations receivable or deferred inflows of resources on the Statement of Net Position.

### Software Subscriptions

The University determines if an agreement is a subscription to be recorded in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, at inception. Software subscriptions are included in the Statement of Net Position as capital assets and subscription obligations payable. Software subscriptions represent the University's right to use an underlying asset for the subscription term, as specified in the contract. Software subscriptions and the associated liabilities are recorded based on the present value of expected payments over the subscription term. Subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT asset, using the straight-line method. In accordance with University policy, payments on software subscriptions with a term of 12 months or less or software subscriptions with a present value of \$100,000 or less are expensed as incurred. The software subscriptions are not included in assets or liabilities on the Statement of Net Position.

### 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.

## NOTES TO FINANCIAL STATEMENTS

### 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, notes payable, and lease and subscription obligations payable 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.

### 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. For lease agreements in which the University acts as lessor, deferred inflows are recorded to offset the present value of payments expected to be received. The deferred amount will be recognized as revenue over the term of the lease.

## NOTES TO FINANCIAL STATEMENTS

### 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.

### 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.

## NOTES TO FINANCIAL STATEMENTS

### Adoption of New Accounting Standards

For the fiscal year ended June 30, 2023, the University implemented the following pronouncements issued by the Governmental Accounting Standards Board (GASB):

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, defines and provides uniform guidance on accounting and financial reporting for public-private and public-public partnership arrangements (PPPs), service concession arrangements (SCAs), as well as availability payment arrangements (APAs). The adoption of this standard had no effect on the University's financial statements in the current fiscal year.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. As a result of the implementation, the University restated net position as of June 30, 2022 on the Statement of Revenues, Expenses and Changes in Net Position. The effect of this implementation is discussed in Note 8 and Note 22.

## 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:

<b>Reconciliation of Deposits and Investments</b>			
<b>Statement of Net Position</b>	<b>Amount</b>	<b>Footnotes</b>	<b>Amount</b>
Cash and cash equivalents:		Cash on hand	\$ 224,186
Current - unrestricted	\$ 682,737,878	Deposits held by State Treasurer	1,134,011,629
Current - restricted	449,254,072	Other deposits	73,230
Noncurrent - restricted	2,317,094	Investments held by State Treasurer	154,439
Investments	4,767,206	Other investments	4,612,766
<b>Total</b>	<b><u>\$1,139,076,250</u></b>	<b>Total</b>	<b><u>\$1,139,076,250</u></b>

#### Deposits Held by State Treasurer

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

With respect to investments in the State's internal cash management pool, all of the State Treasurer's investments are insured or registered or are investments for which the securities are held by the State or its agent in the State's name. Information pertaining to the reported amounts, fair values, and credit risk of the State Treasurer's investments is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina. For the fiscal year ended June 30, 2023, an unrealized loss of \$30,698,896 is included in the \$1,134,011,629 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 \$2,335,242 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 \$1,909,240. 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 athletic coaches and the athletic director. The University has recorded investments with a fair value of \$2,277,525 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, 2023 were as follows:

<b>Other Investments</b>			
<b>Description</b>	<b>Effective Fair Value</b>	<b>Maturity (Years)</b>	<b>Credit Rating</b>
Domestic bond fund	\$ 779,980	8.2	N/A
International bond fund	144,579	8.0	N/A
Equity funds	1,410,682	N/A	N/A
Split dollar life insurance	2,277,525	N/A	AA-
<b>Total other investments</b>	<b>\$ 4,612,766</b>		

### NOTE 3. RECEIVABLES

University receivables reported in the Statement Net Position, as of June 30, 2023, were as follows:

<b>University Receivables</b>			
<b>Description</b>	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
Accounts receivable	\$ 88,809,315	\$ —	\$ 88,809,315
Grants and contracts receivable	46,310,255	—	46,310,255
Lease obligations receivable	388,755	99,101	487,856
Notes receivable	—	243,957,147	243,957,147
Contributions receivable, net	760,673	2,118,192	2,878,865
Interest and income receivable	6,863,667	—	6,863,667
Student loans receivable	8,502	1,711,536	1,720,038
<b>Total University receivables</b>	<b>\$ 143,141,167</b>	<b>\$ 247,885,976</b>	<b>\$ 391,027,143</b>

Accounts receivable are reported net of allowances for doubtful accounts of \$880,409, based on credit losses experienced in prior years and evaluation of current portfolios. Student payment allowances of \$647,000, Sullivan Center allowances of \$65,716, parking services allowances of \$129,632, emergency medical service allowances of \$33,061, and telecommunications allowances of \$5,000 comprise this amount. Contributions receivable are reported net of allowances for current uncollectible pledges of \$245,116 and allowances for non-current uncollectible pledges of \$262,919.

Accounts receivable for the year ended June 30, 2023, were comprised of the following balances:

<b>Accounts Receivable</b>	
<b>Description</b>	<b>Amount</b>
Students/scholarships	\$ 7,328,357
State capital appropriations	53,127,542
Auxiliaries	21,884,959
Fees	3,787,326
Computer services	88,966
Educational programs	2,385,160
Other	207,004
<b>Total accounts receivable</b>	<b>\$ 88,809,315</b>

## NOTES TO FINANCIAL STATEMENTS

Grants and contracts receivable are comprised of amounts due for sponsored research projects, federal land-grant appropriations, and federal scholarship programs. Grants and contracts receivable for the year ended June 30, 2023, were comprised of the following balances:

<b>Grants and Contracts Receivable</b>					
<b>Description</b>	<b>Federal</b>	<b>State</b>	<b>Local</b>	<b>Nongovernmental</b>	<b>Total</b>
Sponsored research	\$ 35,870,536	\$ 1,945,844	\$ 344,106	\$ 3,091,252	\$ 41,251,738
Land-grant appropriations	1,515,201	—	—	—	1,515,201
Scholarship programs	3,543,316	—	—	—	3,543,316
<b>Total grants and contracts receivable</b>	<b>\$ 40,929,053</b>	<b>\$ 1,945,844</b>	<b>\$ 344,106</b>	<b>\$ 3,091,252</b>	<b>\$ 46,310,255</b>

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, 2023, leases receivable were as follows:

<b>Lease Obligations Receivable</b>			
<b>Description</b>	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
Remaining lease payments from lessees	\$ 388,755	\$ 99,101	\$ 487,856
<b>Total leases receivable</b>	<b>\$ 388,755</b>	<b>\$ 99,101</b>	<b>\$ 487,856</b>

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

<b>Contributions Receivable</b>			
<b>Description</b>	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
University programs	\$ 760,673	\$ 2,118,192	\$ 2,878,865
<b>Total contributions receivable</b>	<b>\$ 760,673</b>	<b>\$ 2,118,192</b>	<b>\$ 2,878,865</b>

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

Accordingly, as of June 30, 2023, the University had notes receivable from the Clemson University Foundation, a related party, totaling \$243,957,147. This amount includes the original loan of \$35,358,188, additional net contributions totaling \$7,913,091 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, 2023, is summarized as follows:

<b>Capital Assets</b>							
<b>Description</b>	<b>Beginning Balance July 1, 2022</b>	<b>GASB 96 Restatement</b>	<b>Beginning Balance July 1, 2022 - Restated</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance June 30, 2023</b>
Capital assets not being depreciated:							
Land and improvements	\$ 34,506,121	\$ —	\$ 34,506,121	\$ 212,181	\$ 150,835	\$ —	\$ 34,567,467
Construction in progress	75,151,451	—	75,151,451	174,663,661	1,737,450	(16,118,165)	231,959,497
<b>Total capital assets not being depreciated</b>	<b>109,657,572</b>	<b>—</b>	<b>109,657,572</b>	<b>174,875,842</b>	<b>1,888,285</b>	<b>(16,118,165)</b>	<b>266,526,964</b>
Other capital assets:							
Utilities systems and other non-structural improvements	195,425,905	—	195,425,905	994,451	—	1,830,482	198,250,838
Buildings and improvements	1,678,128,880	—	1,678,128,880	521,292	251,532	14,287,683	1,692,686,323
Computer software	24,283,309	—	24,283,309	—	—	—	24,283,309
Equipment	375,263,011	—	375,263,011	30,791,509	13,090,191	(928,136)	392,036,193
Vehicles	22,976,775	—	22,976,775	3,258,821	710,788	1,254,871	26,779,679
Leased equipment	1,939,455	—	1,939,455	835,460	204,790	(326,735)	2,243,390
Leased office space	20,614,584	—	20,614,584	3,036,286	328,074	—	23,322,796
Software subscriptions	—	36,631,167	36,631,167	14,925,387	—	—	51,556,554
<b>Total other capital assets at historical cost</b>	<b>2,318,631,919</b>	<b>36,631,167</b>	<b>2,355,263,086</b>	<b>54,363,206</b>	<b>14,585,375</b>	<b>16,118,165</b>	<b>2,411,159,082</b>
Less accumulated depreciation for:							
Utilities systems and other non-structural improvements	53,410,923	—	53,410,923	7,154,815	—	—	60,565,738
Buildings and improvements	572,498,235	—	572,498,235	40,150,105	245,751	—	612,402,589
Computer software	24,283,309	—	24,283,309	—	—	—	24,283,309
Equipment	263,555,484	—	263,555,484	23,815,666	12,589,750	(388,275)	274,393,125
Vehicles	18,301,986	—	18,301,986	2,017,259	708,178	715,010	20,326,077
Less accumulated amortization for:							
Leased equipment	668,941	—	668,941	908,291	204,715	(326,735)	1,045,782
Leased office space	2,615,584	—	2,615,584	2,594,420	120,155	—	5,089,849
Software subscriptions	—	—	—	12,216,506	—	—	12,216,506
<b>Total accumulated depreciation and amortization</b>	<b>935,334,462</b>	<b>—</b>	<b>935,334,462</b>	<b>88,857,062</b>	<b>13,868,549</b>	<b>—</b>	<b>1,010,322,975</b>
Other capital assets, net	1,383,297,457	36,631,167	1,419,928,624	(34,493,856)	716,826	16,118,165	1,400,836,107
<b>Capital assets, net</b>	<b>\$ 1,492,955,029</b>	<b>\$ 36,631,167</b>	<b>\$1,529,586,196</b>	<b>\$140,381,986</b>	<b>\$ 2,605,111</b>	<b>\$ —</b>	<b>\$ 1,667,363,071</b>
<b>NOTE:</b> The University recognized \$201,545 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, 2023.

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

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

A summary listing of unearned revenue follows:

<b>Unearned Revenues</b>	
<b>Description</b>	<b>Amount</b>
Athletic event receipts	\$ 27,701,914
Sponsored research programs	8,347,066
Academic and other fees	28,541,696
Educational programs	52,015
Public service programs	86,882
Other	198,666
<b>Total unearned revenues</b>	<b>\$ 64,928,239</b>

Deposits consist of a current and noncurrent component. Pooled fringe benefit 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, 2024. Actual under-recovery or over-recovery of costs are reflected in future rate proposals and approvals. The \$7,855,500 balance in current deposits represents an over-recovery for the fiscal year ended June 30, 2024, and will be absorbed through the pooled fringe rate established for the fiscal year ending June 30, 2024. The \$6,203,418 balance in noncurrent deposits represents over-recoveries for the fiscal year ended June 30, 2023, and will be absorbed through the pooled fringe rate established for the fiscal year ending June 30, 2025. Other current deposits are comprised of football game guarantees, student campus card balances, and miscellaneous departmental amounts.

<b>Deposits</b>		
<b>Description</b>	<b>Current Amount</b>	<b>Noncurrent Amount</b>
Athletics	\$ 8,919	\$ —
Student campus card balances	174,071	—
Miscellaneous departmental	83,990	—
Pooled fringe benefits over-recoveries	7,855,500	6,203,418
<b>Total deposits</b>	<b>\$ 8,122,480</b>	<b>\$ 6,203,418</b>

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

<b>Funds Held for Others</b>		
<b>Description</b>	<b>Current Amount</b>	<b>Noncurrent Amount</b>
Federal Perkins Loans	\$ —	\$ 2,033,047
Amounts held in trust	418,356	—
<b>Total funds held for others</b>	<b>\$ 418,356</b>	<b>\$ 2,033,047</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6.

#### BONDS AND NOTES PAYABLE

At June 30, 2023, bonds payable consisted of the following:

<b>Bonds Payable</b>					
<b>Description</b>	<b>Original Debt</b>	<b>Interest Rate (Outstanding)</b>	<b>Maturity Dates</b>	<b>June 30, 2023 Balance</b>	<b>Debt Retired in Fiscal Year 2023</b>
<b>General Obligation Bonds</b>					
Bonds dated 06/10/14 (Series 2014B)	33,030,000	3.00 - 5.00%	04/01/2034	21,455,000	1,515,000
Bonds dated 10/06/16 (Series 2016F)	52,395,000	2.00 - 5.00%	06/01/2036	39,770,000	2,370,000
Bonds dated 08/24/17 (Series 2017A)	120,885,000	2.25 to 5.00%	04/01/2037	100,750,000	7,225,000
Bonds dated 05/23/19 (Series 2019A)	5,635,000	3.00 to 5.00%	04/01/2039	4,855,000	200,000
Bonds dated 01/28/21 (Series 2021E)	6,385,000	3.00 to 5.00%	04/01/2040	5,955,000	220,000
Bonds dated 06/29/22 (Series 2022A)	100,310,000	5.00%	04/01/2042	96,145,000	4,165,000
				<u>268,930,000</u>	<u>15,695,000</u>
<b>Revenue Bonds</b>					
<u><b>Athletic Facilities Revenue Bonds</b></u>					
Bonds dated 02/01/12 (Series 2012)	12,335,000	—	05/01/2023	—	1,010,000
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	3.00 to 3.25%	05/01/2027	2,240,000	975,000
Bonds dated 12/01/14 (Series 2014C)	10,545,000	5.00%	05/01/2025	4,460,000	930,000
Bonds dated 05/01/15 (Series 2015)	60,695,000	4.00 - 5.00%	05/01/2045	51,265,000	1,370,000
Bonds dated 12/01/15 (Series 2015B)	18,875,000	3.00 - 5.00%	05/01/2046	15,305,000	585,000
Bonds dated 01/01/18 (Series 2018A)	11,300,000	3.00 - 5.00%	05/01/2047	10,995,000	170,000
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	9,935,000	1,470,000
Total Athletic Facilities Revenue Bonds				<u>176,885,000</u>	<u>6,510,000</u>
<u><b>Higher Education Revenue Bonds</b></u>					
Bonds dated 05/01/15 (Series 2015)	90,285,000	4.00 - 5.00%	05/01/2045	79,275,000	2,065,000
Bonds dated 12/01/15 (Series 2015B)	191,000,000	2.75 - 5.00%	05/01/2046	167,795,000	5,105,000
Bonds dated 05/03/23 (Series 2023A)	50,115,000	4.00 - 5.00%	05/01/2053	50,115,000	—
Total Higher Education Revenue Bonds				<u>297,185,000</u>	<u>7,170,000</u>
<b>Total Revenue Bonds</b>				<u>474,070,000</u>	<u>13,680,000</u>
Subtotal bonds payable				743,000,000	29,375,000
Plus unamortized bond premium				59,508,566	3,501,385
<b>Total Bonds Payable</b>				<u><b>\$ 802,508,566</b></u>	<u><b>\$ 32,876,385</b></u>

Bonds issued by the University include certain restrictive covenants. General Obligation Bonds issued by 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. Higher Education 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, 2022 were \$54,118,536, which results in a legal annual debt service limit at June 30, 2023 of \$48,706,682. 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.

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

The Series 2021A Athletic Facilities Revenue Bonds mature on May 1 in each of the years 2026 through 2051 and are subject to optional redemption prior to maturity.

The Series 2021B taxable Athletic Facilities Revenue Bonds mature on May 1 in each of the years 2022 through 2030 and are not subject to optional 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.

The Series 2022A General Obligation State Institution Bonds mature on April 1 in each of the years 2023 through 2042 and are subject to optional redemption prior to maturity.

During the fiscal year ended June 30, 2023, the University issued Higher Education Revenue Bonds, Series 2023A, in the amount of \$50,115,000. The Series 2023A Higher Education Revenue Bonds were issued to (i) defray a portion of the costs of constructing, reconstructing, renovating, and equipping certain student housing facilities on campus, including a portion of the Bryan Mall high-rise residence halls, and related infrastructure and improvements; and (ii) to pay the cost of issuance of the Series 2023A Bonds. The Series 2023A Higher Education Revenue Bonds are secured by a pledge of the auxiliary net revenues. The Series 2023A bonds are subject to optional redemption prior to maturity. The \$3,399,034 bond premium associated with this issuance is being amortized over the thirty-year life of the bonds, using the straight-line method.

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, 2023, are as follows:

<b>General Obligation Bonds</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Years Ending June 30:			
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	18,420,000	8,148,212	26,568,212
2029 through 2033	90,275,000	29,788,425	120,063,425
2034 through 2038	64,940,000	14,245,950	79,185,950
2039 through 2043	29,545,000	3,666,100	33,211,100
<b>Total General Obligation Bonds</b>	<b>\$ 268,930,000</b>	<b>\$ 96,388,287</b>	<b>\$ 365,318,287</b>

## NOTES TO FINANCIAL STATEMENTS

The Higher Education 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, 2023, are as follows:

<b>Revenue Bonds</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Years Ending June 30:			
2024	\$ 14,395,000	\$ 18,278,383	\$ 32,673,383
2025	15,060,000	17,621,390	32,681,390
2026	13,290,000	16,966,490	30,256,490
2027	14,825,000	16,372,825	31,197,825
2028	14,495,000	15,702,175	30,197,175
2029 through 2033	81,600,000	69,376,983	150,976,983
2034 through 2038	97,700,000	53,273,494	150,973,494
2039 through 2043	117,650,000	33,334,325	150,984,325
2044 through 2049	81,585,000	11,046,863	92,631,863
2050 through 2053	23,470,000	1,983,487	25,453,487
<b>Total Revenue Bonds</b>	<b>\$ 474,070,000</b>	<b>\$ 253,956,415</b>	<b>\$ 728,026,415</b>

The University reported net principal retirements and interest expenditures related to the bonds as follows for the year ended June 30, 2023:

<b>Principal Retirements and Interest Expenses</b>		
<b>Bond Type</b>	<b>Net Principal</b>	<b>Interest</b>
General Obligation Bonds	\$ 15,695,000	\$ 9,759,661
Revenue Bonds	13,680,000	15,601,943
<b>Total Net Principal Retirements and Interest Expenses</b>	<b>\$ 29,375,000</b>	<b>\$ 25,361,604</b>

### Notes Payable

On July 8, 2022, the Board of Trustees approved a resolution authorizing the University to use the South Carolina Master Lease Program for the purpose of financing the costs of purchasing and implementing energy conservation measures that will benefit the University. The energy savings associated with these conservation measures are used to make debt service payments. Pursuant to this resolution, the University borrowed \$40,000,000 from Banc of America Public Capital Corp, via direct borrowing, during fiscal year 2023. There were no principal payments related to this note for fiscal year 2023.

The scheduled maturities of the note payable are as follows:

<b>Notes Payable</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Years Ending June 30:			
2024	325,003	1,049,256	1,374,259
2025	1,688,055	1,031,916	2,719,971
2026	1,665,074	987,953	2,653,027
2027	1,864,186	943,149	2,807,335
2028	1,991,271	893,609	2,884,880
2029 through 2033	11,778,544	3,612,076	15,390,620
2034 through 2038	15,090,252	1,884,613	16,974,865
2039 through 2043	5,830,498	190,434	6,020,932
<b>Total Notes Payable</b>	<b>\$ 40,232,883</b>	<b>\$ 10,593,006</b>	<b>\$ 50,825,889</b>

Total interest expense for notes payable for the year ended June 30, 2023 was \$505,219.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LEASE OBLIGATIONS

#### 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, *Leases*, 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 uses 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 or 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, 2023 were as follows:

Lease Commitments		
Description	Lease Obligations Payable	Interest
Years Ending June 30:		
2024	\$ 4,063,335	\$ 331,671
2025	3,548,658	257,663
2026	2,627,717	196,481
2027	1,183,129	151,619
2028	858,472	123,372
2029 through 2033	2,445,905	432,161
2034 through 2038	2,561,207	140,982
<b>Total remaining lease commitments</b>	<b>\$ 17,288,424</b>	<b>\$ 1,633,950</b>

Lease commitments consist of:

Description	Lease Obligations
Agreements between the University and third-party vendors, as well as related parties, for real estate space payable in monthly, semi-annual, and annual installments ranging from \$1,390-\$92,006, respectively, with fixed and implicit interest rates ranging from 0.13% - 4.48%. The agreements expire in various fiscal years from 2024-2038, with some agreements that offer extension options through 2038.	\$ 16,203,273
Agreements between the University and third-party vendors for various types of equipment. Payable in monthly and annual installments ranging from \$417-\$47,200, respectively, with fixed and implicit interest rates ranging from 2.97%-9.97%. The agreements expire in various fiscal years from 2024-2028.	1,085,151
<b>Present value of minimum lease commitments</b>	<b>\$ 17,288,424</b>



## NOTES TO FINANCIAL STATEMENTS

### 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 obligation 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 uses 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 fiscal year ended June 30, 2023, the University recognized revenues related to these lease agreements in other operating revenue and sales and services of educational activities, totaling \$537,546. Total minimum lease payments to be received under lessor agreements are as follows:

<b>Lease Obligations Receivable</b>		
<b>Description</b>	<b>Lease Obligations Receivable</b>	<b>Interest</b>
Years Ending June 30:		
2024	\$ 388,755	\$ 1,235
2025	99,101	300
<b>Total Remaining Lease Obligations Receivable</b>	<b><u>\$ 487,856</u></b>	<b><u>\$ 1,535</u></b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8.

#### SUBSCRIPTION OBLIGATIONS

The University implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs) on July 1, 2022, which had substantial accounting and financial reporting impacts on software subscriptions and other information technology agreements. Upon implementation, the University identified current SBITAs and calculated the present value of payments over the remaining subscription term. This resulted in an initial valuation of subscription obligations payable. The software subscription asset was measured as the sum of the liability, payments made before commencement of the subscription term, and/or capitalizable implementation costs. The table shows the initial asset and liability measurement at implementation and the resulting adjustment to beginning net position.

<b>GASB 96 Implementation</b>			
<b>Description</b>	<b>Beginning Balance July 1, 2022</b>	<b>GASB 96 Restatement</b>	<b>Beginning Balance July 1, 2022 Restated</b>
Software subscription assets	\$ —	\$ 36,631,167	\$ 36,631,167
Subscription obligations payable	—	(34,075,748)	(34,075,748)
<b>Adjustment to Beginning Net Position</b>	<b>\$ —</b>	<b>\$ 2,555,419</b>	<b>\$ 2,555,419</b>

#### Subscription Arrangements

The University has software subscriptions from external parties for various terms under long-term, non-cancelable subscription agreements. The subscriptions expire at various dates through 2033 and some provide for renewal options ranging from one year to four years. Subscriptions payments are made quarterly, semi-annually, and annually ranging from \$546 - \$811,257, with estimated incremental borrowing rates ranging from 1.710% - 4.071%. In accordance with GASB Statement No. 96, the University records right-of-use assets and subscription liabilities based on the present value of expected payments over the subscription term of the respective software. The expected payments are discounted using an estimated incremental borrowing rate. See Note 4 - Capital Assets for information on subscription assets and associated accumulated amortization. Future commitments for software subscriptions having remaining terms in excess of one year as of June 30, 2023 were as follows:

<b>Subscription Commitments</b>		
<b>Description</b>	<b>Subscription Obligations Payable</b>	<b>Interest</b>
Years Ending June 30:		
2024	\$ 9,748,669	\$ 684,837
2025	9,325,418	473,664
2026	5,988,367	269,717
2027	2,411,767	130,260
2028	1,832,590	77,409
2029 through 2033	2,071,487	86,599
<b>Total remaining subscription commitments</b>	<b>\$ 31,378,297</b>	<b>\$ 1,722,485</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9.

#### 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](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR 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 first-term individuals elected to the South Carolina General Assembly.

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 in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

## NOTES TO FINANCIAL STATEMENTS

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

Required *employee* contribution rates <sup>(1)</sup> are as follows:

	Fiscal Year 2023	Fiscal Year 2022
<b>SCRS</b>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<b>State ORP</b>		
Employee	9.00%	9.00%
<b>PORS</b>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required *employer* contribution rates <sup>(1)</sup> are as follows:

	Fiscal Year 2023	Fiscal Year 2022
<b>SCRS</b>		
Employer Class Two	17.41%	16.41%
Employer Class Three	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>State ORP</b>		
Employer Contribution (2)	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>PORS</b>		
Employer Class Two	19.84%	18.84%
Employer Class Three	19.84%	18.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%
<sup>(1)</sup> Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.		
<sup>(2)</sup> 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, 2023, the University's SCRS contributions totaled \$35,968,223. The University's PORS contributions totaled \$1,315,829. Total contributions directly to the ORPs were approximately \$11,220,437 (excluding the surcharge) from Clemson University as employer and approximately \$20,196,786 from its employees as plan members. The remaining employer contribution amounts sent to SCRS (excluding the surcharge) were \$28,185,738.

## NOTES TO FINANCIAL STATEMENTS

### Net Pension Liability

At June 30, 2023, the University reported liabilities of \$714,432,799 and \$11,500,882 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively. The net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2021 projected forward to June 30, 2022. The University's proportionate shares of the net pension liabilities were based on a projection of the University's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The University's proportionate share of the SCRS plan increased by 0.005726% from the prior year. The University's proportionate share of the PORS plan increased by 0.011883% over the prior year. At June 30, 2023, the University's proportionate shares of the SCRS and PORS plans were 2.947068% and 0.383493%, respectively.

For the year ended June 30, 2023, the University recognized pension expense of \$67,501,379 and \$1,701,993 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 Statement No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2022, for SCRS and PORS are presented below.

<b>System</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Employers' Net Pension Liability (Asset)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
<b>SCRS</b>	\$56,454,779,872	\$32,212,626,932	\$24,242,152,940	57.1%
<b>PORS</b>	8,937,686,946	5,938,707,767	2,998,979,179	66.4%

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 Statement No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Statement 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 2023. 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, 2022 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, 2023.

## NOTES TO FINANCIAL STATEMENTS

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

At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>South Carolina Retirement System</b>		
<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
University contributions subsequent to the measurement date	\$ 64,153,961	\$ —
Differences between expected and actual experience	6,207,087	3,113,474
Assumption changes	22,913,538	—
Net difference between projected and actual earnings on pension plan investments	1,101,798	—
Differences due to changes in proportionate share of contributions	3,466,460	566,121
<b>Total outflows and inflows of resources</b>	<b>\$ 97,842,844</b>	<b>\$ 3,679,595</b>

<b>Police Officers Retirement System</b>		
<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
University contributions subsequent to the measurement date	\$ 1,315,829	\$ —
Differences between expected and actual experience	192,962	227,353
Assumption changes	478,915	—
Net difference between projected and actual earnings on pension plan investments	34,730	—
Difference due to changes in proportionate share of contributions	604,677	—
<b>Total outflows and inflows of resources</b>	<b>\$ 2,627,113</b>	<b>\$ 227,353</b>

The \$64,153,961 and \$1,315,829 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, 2023 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2024. 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:

<b>Years ended June 30:</b>	<b>SCRS</b>	<b>PORS</b>
2024	\$ 18,434,082	\$ 647,464
2025	9,570,941	314,582
2026	(16,627,683)	(325,153)
2027	18,631,949	447,038

### 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, 2022 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, 2021. The total pension liability was rolled-forward from the valuation date to the Systems' fiscal year ended June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

## 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, 2022.

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

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 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, 2022 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 2022 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	46.0%	6.79%	3.12%
Bonds	26.0%	(0.35)%	(0.09)%
Private Equity <sup>1</sup>	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate <sup>1</sup>	9.0%	4.12%	0.37%
Infrastructures <sup>1</sup>	3.0%	5.88%	0.18%
<b>Total Expected Real Return <sup>2</sup></b>	<b>100.0%</b>		<b>4.79%</b>
Inflation for Actuarial Purposes			2.25%
			<b>7.04%</b>

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

<sup>2</sup> 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 15% 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	\$915,990,997	\$714,432,799	\$546,863,335
PORS	16,037,287	11,500,882	7,787,407

### 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, 2022 (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, 2022.

### NOTE 10.

#### 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, 2022 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, 2022. 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](http://www.peba.sc.gov) or a copy may be obtained by submitting a request to PEBA, Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the annual comprehensive financial report of the State.

For the year ended June 30, 2023, the University's SCRHITF contributions totaled \$28,447,127. The University's SCLTDITF contributions totaled \$182,017. The University's proportionate share of the implicit subsidy recognized for the year ended June 30, 2023 was \$161,477.

## NOTES TO FINANCIAL STATEMENTS

### Net OPEB (Retiree Health Benefit) Liability

At June 30, 2023 the University reported liabilities of \$649,979,613 and \$288,468 for its proportionate shares of the SCRHITF and SCLTDITF net OPEB liabilities, respectively. The University's proportionate share of the SCRHITF liability increased by 0.008109% over the prior year. The University's proportionate share of the SCLTDITF liability decreased by 0.003966% from the prior year. At June 30, 2023, the University's proportionate shares of the SCRHITF and SCLTDITF plans were 4.272853% and 2.489910% respectively. For the year ended June 30, 2023, the University recognized OPEB expense of \$42,376,757 and \$239,497 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 Statement 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, 2023:

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	\$ 16,835,502,593	\$ 1,623,661,403	\$ 15,211,841,190	9.64%
SCLTDITF	46,410,320	34,824,847	11,585,473	75.04%

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 Statement 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 Statement 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, 2023, 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	\$	28,447,127	\$	—
Net differences between projected and actual earnings on OPEB plan investments		5,110,732		—
Differences between expected and actual experience		13,951,023		57,151,489
Assumption changes		146,553,646		208,933,155
Change in proportion and differences between University contributions and proportionate share of plan contributions		13,527,303		4,426,158
<b>Total outflows and inflows of resources</b>	<b>\$</b>	<b>207,589,831</b>	<b>\$</b>	<b>270,510,802</b>

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	\$	182,017	\$	—
Net differences between projected and actual earnings on OPEB plan investments		95,288		—
Differences between expected and actual experience		76,452		51,316
Assumption changes		57,699		41,024
Change in proportion and differences between University contributions and proportionate share of plan contributions		223		4,770
<b>Total outflows and inflows of resources</b>	<b>\$</b>	<b>411,679</b>	<b>\$</b>	<b>97,110</b>

## 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
2024	\$ (11,508,380)	\$ 15,764
2025	(4,672,274)	23,398
2026	(3,294,098)	38,259
2027	(9,351,976)	31,130
2028	(26,205,022)	3,887
2029 and thereafter	(36,336,346)	20,114

### 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, 2021 census data; rolled forward to June 30, 2022
Actuarial cost method:	Individual Entry - Age Normal
Inflation:	2.25%
Investment rate of return:	2.75%, net of OPEB Plan investment expense; including inflation
Single discount rate:	3.69% as of June 30, 2022
Demographic assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
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
Aging Factors:	Based on plan specific experience
Retiree participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for Partially Funded Premiums 20% participation for retirees who are eligible for Non-Funded Premiums
Notes:	The discount rate changed from 1.92% as of June 30, 2021 to 3.69% as of June 30, 2022.

## NOTES TO FINANCIAL STATEMENTS

Additional information as of the latest actuarial valuation for SCLTDITF:

Actuarial Assumptions	SCLTDITF
Valuation date:	June 30, 2021 census data; rolled forward to June 30, 2022
Actuarial cost method:	Individual Entry - Age Normal
Inflation:	2.25%
Investment rate of return:	3.00%, net of Plan investment expense; including inflation
Single discount rate:	3.41% as of June 30, 2022
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 discount rate changed from 2.48% as of June 30, 2021 to 3.41% as of June 30, 2022.

The actuarial valuation was performed as of June 30, 2021. Update procedures were used to roll forward the total OPEB liability to June 30, 2022.

### 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%	0.95%	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			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 3.69% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.41% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 3.00% and a municipal bond rate of 3.69%. 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 2034. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2034, 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 3.69 percent, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.69 percent) or 1 percentage point higher (4.69 percent) than the current rate:

<b>Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Discount Rate</b>		
<b>1.00% Decrease (2.69%)</b>	<b>Current Discount Rate (3.69%)</b>	<b>1.00% Increase (4.69%)</b>
\$768,451,682	\$649,979,613	\$554,771,185

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

<b>1.00% Decrease</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1.00% Increase</b>
\$534,544,697	\$649,979,613	\$784,756,162

The following table presents the University's proportionate share of the SCLTDITF net OPEB liability calculated using the discount rate of 3.41 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 one percentage point lower (2.41 percent) or one percentage point higher (4.41 percent) than the current rate:

<b>Sensitivity of the SCLTDITF Net OPEB Liability to Changes in the Discount Rate</b>		
<b>1.00% Decrease (2.41%)</b>	<b>Current Discount Rate (3.41%)</b>	<b>1.00% Increase (4.41%)</b>
\$334,296	\$288,468	\$244,145

### 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, 2022, and the accounting and financial reporting actuarial valuation as of June 30, 2022. 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 11.

#### 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12.

#### LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2023 was as follows:

<b>Long-Term Liabilities</b>							
<b>Description</b>	<b>July 1, 2022</b>	<b>GASB 96 Restatement</b>	<b>July 1, 2022 - Restated</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2023</b>	<b>Due Within One Year</b>
Bonds, notes, lease and subscription obligations payable:							
General obligation bonds	\$ 284,625,000	\$ —	\$ 284,625,000	\$ —	\$ 15,695,000	\$ 268,930,000	\$15,260,000
Revenue bonds	254,240,000	—	254,240,000	50,115,000	7,170,000	297,185,000	7,530,000
Athletic facilities revenue bonds	183,395,000	—	183,395,000	—	6,510,000	176,885,000	6,865,000
Subtotal bonds payable	722,260,000	—	722,260,000	50,115,000	29,375,000	743,000,000	29,655,000
Unamortized revenue bond premium	59,610,917	—	59,610,917	3,399,034	3,501,385	59,508,566	3,463,317
Total bonds payable	781,870,917	—	781,870,917	53,514,034	32,876,385	802,508,566	33,118,317
Leases	18,160,309	—	18,160,309	3,569,713	4,441,598	17,288,424	4,063,335
Software subscriptions	—	34,075,748	34,075,748	14,623,675	17,321,126	31,378,297	9,748,669
Notes payable	—	—	—	40,232,883	—	40,232,883	325,003
Total bonds, notes, lease and subscriptions obligations	800,031,226	34,075,748	834,106,974	111,940,305	54,639,109	891,408,170	47,255,324
Other liabilities:							
Accrued compensated absences	33,922,000	—	33,922,000	18,426,192	16,931,192	35,417,000	15,437,806
Funds held for others	2,960,877	—	2,960,877		927,830	2,033,047	—
Net pension liability	646,105,138	—	646,105,138	196,572,643	116,744,100	725,933,681	—
Net postemployment benefit liability	888,134,610	—	888,134,610	42,841,887	280,708,416	650,268,081	—
Total other liabilities	1,571,122,625	—	1,571,122,625	257,840,722	415,311,538	1,413,651,809	15,437,806
<b>Total long-term liabilities</b>	<b>\$2,371,153,851</b>	<b>\$34,075,748</b>	<b>\$2,405,229,599</b>	<b>\$369,781,027</b>	<b>\$469,950,647</b>	<b>\$2,305,059,979</b>	<b>\$62,693,130</b>

Additional information regarding Bonds Payable is included in Note 6. Additional information regarding Lease Obligations is included in Note 7. Additional information regarding Software Subscriptions is included in Note 8. "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 13. 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 \$909,501,265. The \$909,501,265 includes estimated costs of \$705,757,833 for capital projects currently in progress plus \$203,743,432 estimated costs for other capital projects already in service. Of the total estimated cost, \$474,223,873 was unexpended at June 30, 2023. Of the total expended through June 30, 2023, the University has capitalized substantially complete and in use projects in the amount of \$17,446,761. Of the unexpended balance the University has remaining commitment balances of \$131,929,628 with certain property owners, engineering firms, construction contractors, and vendors related to these projects. Retainages payable on these capitalized projects as of June 30, 2023, was \$3,627,810 Capital projects at June 30, 2023, which constitute construction in progress that are to be capitalized when completed, are listed below.

<b>Construction Costs and Commitments</b>		
<b>Project</b>	<b>Approximate Cost</b>	<b>Amount Expended</b>
Advanced Materials Innovation Complex Construction	130,000,000	8,098,742
Bryan Mall High Rise Renovation	52,350,000	7,106,721
Campus Classrooms Card Access	1,347,100	893,818
Chiller Plant Expansion & Upgrades	30,000,000	288,979
Coastal REC Vegetable Greenhouses	1,479,200	310,060
Coastal REC New Grad Student Housing	250,000	46,040
College of Veterinary Medicine Construction	10,000,000	578,654
Core Campus Safety and Revitalization	21,000,000	4,870,073
CU-ICAR GEC Propulsion Lab Upfit	5,000,000	1,977,504
Daniel Hall POD	168,000	2,782
Daniel Renovation & Expansion	59,730,000	52,688,919
Development and Alumni Center Building Construction	56,000,000	7,932,578
Edisto REC Discover Heritage Center Renovation	1,588,700	595,517
Edisto REC Research Infrastructure Upgrades & Expansion	105,000	38
Godley Snell Research Center Annex Starkey Drive Renovations	1,393,700	746,718
Green Tiger 1 Guaranteed Energy Savings Projec	45,000,000	13,453,641
Johnstone/Core Campus Demolition	16,000,000	530,000
Lehotsky Hall Replacement	50,000,000	3,338,675
Life Science Building Underutilized Space Renovations	1,671,600	177,245
Lightsey Bridge Commons Court Expansion	1,900,000	615,030
Lightsey Bridge Lot R4 Expansion	137,000	26,214
Memorial Stadium Renovations	62,000,000	54,050,221
Memorial Stadium West End Zone FF&E	7,505,591	4,896,138
Network Upgrade	41,391,292	23,836,525
Parking Lot P5 Expansion	2,000,000	175,092
Pee Dee REC Dargan's Pond Dam	1,800,000	45,480
Pee Dee REC Greenhouse Construction	2,000,000	170,563
Poultry Science Research Facility	85,350	—

## NOTES TO FINANCIAL STATEMENTS

<b>Construction Costs and Commitments (continued)</b>		
<b>Project</b>	<b>Approximate Cost</b>	<b>Amount Expended</b>
Ravenel District Storage and Infrastructure Upgrade	50,000	12,000
Roadway Pedestrian Safety Improvements	21,000,000	13,012,346
Sandhill Research & Education Building Renovation	990,000	125,262
SCBG Horticultural New Office	500,000	359,378
Snow Complex Davidson Field	4,200,000	3,692,749
South of Chapel Student Memorial Wall	700,000	55,369
Support Daniel Hall Construction	3,554,100	1,126,644
Tillman Hall Auditorium Renovation	11,500,000	197,797
U-Centre: Student Entrepreneur	4,300,000	2,113,223
Williamson Rd/C2 Parking Lot Expansion	411,200	96,081
Williamson Road/Old Stadium Road	4,200,000	3,290,788
Women's Sports Expansion FF&E	3,950,000	267,047
Women's Sports Program Expansion	37,000,000	13,151,295
Woodland Cemetery Upgrades	3,500,000	1,025,090
WWTP Improvements	8,000,000	5,982,461
	<u><b>\$ 705,757,833</b></u>	<u><b>\$ 231,959,497</b></u>

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, 2023. No non-capitalized expenditures are included in these totals.

### **Non-Capitalized Costs and Commitments**

At June 30, 2023 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 \$116,750,529. This amount includes costs incurred to date of \$58,830,201 and estimated costs to complete of \$57,920,328. The University has remaining commitment balances with certain parties related to these projects of \$94,155,406. Retainages payable on the non-capitalized projects as of June 30, 2023, was \$1,587,885. The University anticipates funding these projects out of current resources, current and future bond issues, state capital appropriations, private gifts and student fees.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 14.

#### 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, 2023.

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 \$137,731 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 \$801,966 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 \$40,191 for salaries for time devoted by University employees. The University administers contracts for licensing of class rings and sports apparel. The University remitted \$516,378 to the Alumni Association, primarily consisting of licensing royalties, for the fiscal year ended June 30, 2023.

#### **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 \$21,802 for salaries for time devoted by University employees to the Finance Corporation.

#### **Clemson Architectural Foundation**

The Clemson Architectural Foundation (CAF) is a separately chartered nonprofit corporation established to provide supplemental financial support and other assistance to the architecture, construction science and management, planning and landscape architecture and visual arts programs in the College of Arts and Humanities. CAF's actions are governed by its Board of Trustees. The University's financial statements reflect \$718,918 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.

#### **Clemson Athletic Properties Company**

The Clemson Athletic Properties Company (CAPCO) is a separately chartered organization founded exclusively for charitable, scientific, eleemosynary, and educational purposes. CAPCO's actions are governed by its Board of Directors. The University's financial statements reflect \$1,143,446 in royalties received from the monetization of Clemson trademarks and any similar services to Clemson affiliates by CAPCO.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 15.

#### 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 2022-23 Appropriations 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, 2023:

<b>State Appropriations</b>			
<b>Description</b>	<b>Educational and General</b>	<b>Public Service</b>	<b>Total</b>
Original appropriation	\$ 115,000,638	\$ 54,046,403	\$ 169,047,041
Allocation for health and dental plan contributions	1,463,020	599,434	2,062,454
Allocation for SCRS and PORS retirement contributions	834,119	289,822	1,123,941
Allocation for Recurring Adjustment - Salary & Fringes (COLA)	3,150,951	1,094,824	4,245,775
Allocation for Nonrecurring Adjustment - Bonus Pay - Proviso 118.19	1,695,259	718,105	2,413,364
Appropriation allocations from the State Commission on Higher Education:			
For Academic Endowment Match	39,589	—	39,589
For Clemson Agriculture Education Teachers - teacher recruitment	—	1,278,467	1,278,467
<b>Total state appropriations</b>	<b>\$ 122,183,576</b>	<b>\$ 58,027,055</b>	<b>\$ 180,210,631</b>

## 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, 2023:

<b>Other Amounts Recognized from State Agencies</b>			
<b>Description</b>	<b>Operating Revenues</b>	<b>Capital and Endowment Proceeds</b>	<b>Total</b>
Received from the Commission on Higher Education (CHE):			
LIFE Scholarships	\$ 32,465,696	\$ —	\$ 32,465,696
Palmetto Scholarships	30,183,233	—	30,183,233
Need-Based Grants	7,760,779	—	7,760,779
HOPE Scholarships	232,200	—	232,200
Received from the Department of Education - STEM	2,000,000	—	2,000,000
Received from the Department of Education - Other	1,553,471	—	1,553,471
Received from various other State agencies	7,915,023	—	7,915,023
Received from agencies outside South Carolina	693,042	—	693,042
Received from PEBA (nonemployer contributions for retiree health care and LTD plans)	101,493	—	101,493
Received from PEBA (nonemployer contributions for pension plans)	2,970,020	—	2,970,020
Capital Reserve Funding for FY22 Maintenance, Renovation & Replacement - Electrical Only	—	4,500,000	4,500,000
Capital Reserve Funding for Hunter Hall Renovations	—	7,000,000	7,000,000
Capital Reserve Funding for FY23 Unallocated Capital Reserve Funds	—	13,500,000	13,500,000
State appropriated funds for Edisto REC Research Infrastructure	—	7,000,000	7,000,000
State appropriated funds for Critical PSA Infrastructure	—	3,626,000	3,626,000
State appropriated funds for City of Orangeburg Cultural Welcome Center	—	7,000,000	7,000,000
State appropriated funds for Poultry Science Demolition and Construction	—	1,375,000	1,375,000
State appropriated funds for FY22-23 Maintenance, Renovation & Replacement	—	10,000,000	10,000,000
SC Lottery Funds for Veterinary School Construction	—	10,000,000	10,000,000
<b>Total other amounts recognized from state agencies</b>	<b>\$ 85,874,957</b>	<b>\$ 64,001,000</b>	<b>\$ 149,875,957</b>

The University provided no significant services free of charge to any State agency during the fiscal year; however, the University did provide computer services and information systems development for a fee to other State agencies during the fiscal year. Total fees received were \$30,804,448 comprised of \$345,680 in fees for computer services classified as other operating revenues, and \$30,458,768 in information and systems development fees classified as sales and services of auxiliary enterprises.

Also, the University collected and remitted \$5,969 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 2023 expenditures applicable to related transactions with state entities are not readily available.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 16. 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, 2023, based on the requirements of GASB Statement Nos. 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, 2023, 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 17.

#### 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 2023 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 18. OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2023 are summarized as follows:

<b>Operating Expenses by Function</b>							
<b>Description</b>	<b>Salaries and Wages</b>	<b>Fringe Benefits</b>	<b>Services and Supplies</b>	<b>Utilities</b>	<b>Scholarships and Fellowships</b>	<b>Depreciation and Amortization</b>	<b>Total</b>
Instruction	\$ 210,257,755	\$ 62,780,976	\$ 34,255,313	\$ 1,513,407	\$ 745,333	\$ —	\$ 309,552,784
Research	117,226,175	35,088,062	69,280,340	2,626,666	2,464,670	—	226,685,913
Public Service	43,149,148	18,023,911	28,081,665	1,580,481	1,399	—	90,836,604
Academic Support	32,458,351	21,900,200	26,660,958	(3,883,658)	766	—	77,136,617
Student Services	22,544,277	9,057,212	17,774,409	428,688	124,405	—	49,928,991
Institutional Support	39,052,086	19,718,671	21,289,494	404,864	—	—	80,465,115
Operation and Maintenance of Plant	9,356,771	10,681,988	59,011,973	13,685,723	—	—	92,736,455
Scholarships and Fellowships	267,671	21,805	152,794	—	36,860,747	—	37,303,017
Auxiliary Enterprises	61,070,778	17,603,179	137,652,338	9,270,317	5,078	—	225,601,690
Depreciation and Amortization	—	—	—	—	—	88,857,062	88,857,062
Pension and OPEB	—	20,272,164	—	—	—	—	20,272,164
<b>Total Operating Expenses by Function</b>	<b>\$535,383,012</b>	<b>\$215,148,168</b>	<b>\$394,159,284</b>	<b>\$25,626,488</b>	<b>\$40,202,398</b>	<b>\$ 88,857,062</b>	<b>\$1,299,376,412</b>

### NOTE 19. 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 2023, this rate was 4.0%. At June 30, 2023, net appreciation gains of \$8,669,573 were recorded and reported in the Statement of Net Position as unrestricted.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 20.

#### DETAILS OF RESTRICTED ASSETS

The purposes and amounts of Restricted Assets are as follows:

<b>Details of Restricted Assets</b>	
<b>Description</b>	<b>Amount</b>
<b>Current:</b>	
Cash and cash equivalents:	
As specified by sponsors/donors	\$ 13,477,159
University administered loans	419,586
Payment of maturing debt	51,641,482
Unspent bond proceeds	131,732,474
Amounts restricted for capital projects	253,795,446
Funds held for others	(1,812,075)
<b>Total current restricted assets</b>	<b>\$ 449,254,072</b>
<b>Noncurrent:</b>	
Cash and cash equivalents:	
Endowments	\$ 327,230
Federal Perkins Loan Program	1,989,864
<b>Total noncurrent restricted cash and cash equivalents</b>	<b>\$ 2,317,094</b>
Student Loans Receivable:	
<b>Total Federal Perkins Loan Program</b>	<b>\$ 1,711,536</b>

### NOTE 21.

#### 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 2023 were recorded by the University as nonoperating gift revenues totaling \$34,086,066.

Equipment donated by CUF to the University totaled \$177,329 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 \$283,498 for University building projects. As of June 30, 2023, unexpended funds held by CUF designated for University building projects totaled \$12,238,678.

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 \$243,957,147. Current year gains and appreciation on the loan totaled \$8,669,573.

CUF charges an annual fee for managing the University's owned endowments. For the fiscal year ending June 30, 2023, this fee was 1.25% of the 12 quarter market value average of these University owned funds or \$2,246,587. At fiscal year-end, \$514,353 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, 2023 follows:

<b>Investments</b>	
<b>Description</b>	<b>Amount</b>
Money market	\$ 2,503,024
Treasury/Agency	16,266,522
Mortgage backed securities	5,270,140
Corporate bonds	4,174,258
International bonds	767,738
US equities	79,946,813
Global equities	26,899,917
Commodities	10,213,588
Hedge funds	31,906,367
Private equity	37,143,000
Public real assets	55,727
Private real assets	7,399,419
Other	1,410,636
Subtotal - marketable investments	223,957,149
Subordinated note receivable from Clemson University Real Estate Foundation, Inc.	20,000,000
<b>Total Investments</b>	<b>\$ 243,957,149</b>

### Clemson University Land Stewardship Foundation

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

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

The University leases and utilizes several facilities owned and operated by CULSF. The University entered into a capital lease with CULSF for space in the Greenville One Building in downtown Greenville. For the fiscal year ended June 30, 2023, \$248,146 was paid by the University to CULSF for common area maintenance costs and \$1,912,190 for leases and operating expenses at the CU-ICAR campus and Greenville One building.

CULSF reimbursed the University \$374,990 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, 2023, IPTAY contributed \$87,314,490 to the University for qualifying athletic scholarships, operating expenses, capital project funding, and debt service obligations. As of June 30, 2023, IPTAY had remaining commitments of approximately \$240,346 for University building projects.

At June 30, 2023, the Statement of Net Position includes accounts receivable from IPTAY of \$5,956,972.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 22.

#### ACCOUNTING CHANGES

Effective for the fiscal year ended June 30, 2023, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement is based on the standards established in GASB Statement No. 87, *Leases*. Under this Statement, a government should generally recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability.

Previously, the University reported software subscription payments as services and supplies expense in the Statement of Revenue, Expenses and Changes in Net Position. Upon implementation of GASB Statement No. 96, a right-of-use subscription asset and subscription obligation payable were recorded, based on the present value of subscription payments over the remaining term. This resulted in a restatement of beginning net position as of the date of implementation, July 1, 2022.

<b>Adjustment to Beginning Net Position</b>			
<b>Description</b>	<b>June 30, 2022 as originally stated</b>	<b>GASB 96 Restatement</b>	<b>June 30, 2022 as restated</b>
Net investment in capital assets	\$ 862,368,297	\$ 2,555,419	\$ 864,923,716
Restricted for nonexpendable purposes:			
Scholarships and fellowships	58,972,772		58,972,772
Restricted for expendable purposes:			
Scholarships and fellowships	27,063,456		27,063,456
Research	437,723		437,723
Instruction/departamental use	13,688,785		13,688,785
Loans	2,095,588		2,095,588
Capital projects	230,427,884		230,427,884
Debt service	9,054,468		9,054,468
Unrestricted	(660,363,731)		(660,363,731)
<b>Total net position, as restated</b>	<b>\$ 543,745,242</b>	<b>\$ 2,555,419</b>	<b>\$ 546,300,661</b>

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

<b>South Carolina Retirement System (SCRS)</b>					
<b>For the Year</b>	<b>University's Proportionate Share of the Net Pension Liability</b>	<b>University's Proportionate Share of the Net Pension Liability</b>	<b>University's Covered Payroll During the Measurement Period</b>	<b>University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2023	2.947068%	\$ 714,432,799	\$ 413,909,076	172.61%	57.10%
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%

<b>Police Officers Retirement System (PORS)</b>					
<b>For the Year</b>	<b>University's Proportionate Share of the Net Pension Liability</b>	<b>University's Proportionate Share of the Net Pension Liability</b>	<b>University's Covered Payroll During the Measurement Period</b>	<b>University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2023	0.383493%	\$ 11,500,882	\$ 6,068,766	189.51%	66.40%
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**

<b>South Carolina Retirement System (SCRS)</b>							
<b>For the Year</b>		<b>Contractually Required Contribution</b>	<b>Contributions in Relation to the Contractually Required Contribution</b>	<b>Contribution Deficiency (excess)</b>		<b>University's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2023	\$	64,153,961	\$ 64,153,961	\$ —	\$	447,884,331	14.32%
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%

<b>Police Officers Retirement System (PORS)</b>							
<b>For the Year</b>		<b>Contractually Required Contribution</b>	<b>Contributions in Relation to the Contractually Required Contribution</b>	<b>Contribution Deficiency (excess)</b>		<b>University's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2023	\$	1,315,829	\$ 1,315,829	\$ —	\$	6,686,070	19.68%
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**

<b>South Carolina Retiree Health Care Plan</b>						
<b>For the Year</b>	<b>University's Proportionate Share of the Net Retiree Health Benefits Liability</b>	<b>University's Proportionate Share of the Net Retiree Health Benefits Liability</b>	<b>University's Covered Payroll During the Measurement Period</b>	<b>University's Proportionate Share of the Net Retiree Health Benefits Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Retiree Health Benefit Liability</b>	
2023	4.272853%	\$ 649,979,613	\$ 419,977,842	154.77%	9.64%	
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%	

<b>South Carolina Basic Long-Term Disability Plan</b>						
<b>For the Year</b>	<b>University's Proportionate Share of the Net Retiree Health Benefits Liability</b>	<b>University's Proportionate Share of the Net Retiree Health Benefits Liability</b>	<b>University's Covered Payroll During the Measurement Period*</b>	<b>University's Proportionate Share of the Net Retiree Health Benefits Liability as a Percentage of its Covered Payroll*</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Retiree Health Benefit Liability</b>	
2023	2.489910%	\$ 288,468	N/A	N/A	75.04%	
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**

<b>South Carolina Retiree Health Care Plan</b>						
<b>For the Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions Recognized by the Plan</b>	<b>Contribution Deficiency (excess)</b>	<b>University's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>	
2023	\$ 28,447,127	\$ 28,447,127	\$ —	\$ 454,570,401	6.26%	
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%	

<b>South Carolina Basic Long-Term Disability Plan</b>						
<b>For the Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions Recognized by the Plan</b>	<b>Contribution Deficiency (excess)</b>	<b>University's Covered Payroll*</b>	<b>Contributions as a Percentage of Covered Payroll*</b>	
2023	\$ 182,017	\$ 182,017	\$ —	N/A	N/A	
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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	<b>94</b>
These schedules contain trend information to help the reader understand how the University's financial performance and well-being have changed over time.	
<b>Debt Capacity</b>	<b>100</b>
These schedules present information to help the reader assess the affordability of the University's current levels of outstanding debt and the University's ability to issue additional debt in the future.	
<b>Operating Information</b>	<b>103</b>
These schedules contain service and capital asset data to help the reader understand how the information in the University's financial report relates to the services the University provides and the activities it performs.	
<b>Demographic and Economic Information</b>	<b>109</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the University's and the State's financial activities take place.	

## SCHEDULE OF REVENUES BY SOURCE

For the Year Ended June 30, (amounts expressed in thousands)										
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Revenues:</b>										
Student tuition and fees (net of scholarship allowances)	\$ 566,608	\$ 511,455	\$ 478,014	\$ 466,846	\$ 425,219	\$ 397,740	\$ 364,126	\$ 341,077	\$ 316,893	\$ 300,711
Federal grants and contracts	153,456	140,260	101,160	95,749	90,469	83,570	81,924	71,500	63,540	62,079
State grants and contracts	85,875	82,659	87,704	85,256	78,533	68,444	62,055	58,828	57,352	53,189
Local grants and contracts	2,231	2,161	1,151	1,156	968	776	1,772	912	882	1,640
Nongovernmental grants and contracts	12,894	9,159	11,812	11,733	12,289	11,447	11,616	12,844	11,223	11,174
Sales and services of educational and other activities	26,041	24,753	18,348	18,317	22,587	22,193	21,303	20,441	20,104	18,778
Sales and services of auxiliary enterprises (net of scholarship allowances)	218,874	201,843	140,234	180,667	189,684	161,667	169,527	163,635	129,119	121,927
Other operating revenues	42,089	34,736	29,413	38,398	40,605	38,648	34,037	31,638	38,322	34,840
Total operating revenues	1,108,067	1,007,027	867,835	898,122	860,354	784,485	746,360	700,875	637,435	604,338
State appropriations	180,211	156,830	143,174	144,251	136,487	123,914	119,309	108,812	106,345	99,591
Federal appropriations	12,845	12,471	13,016	13,126	11,115	11,208	12,240	11,632	11,338	10,566
Gifts and grants	155,597	129,364	181,437	102,743	94,905	85,056	67,552	48,189	33,586	62,951
Interest income (loss)	9,551	(25,681)	6	16,805	18,080	2,397	3,700	4,071	670	3,077
Endowment income (loss)	14,353	(4,395)	59,597	1,900	9,829	15,669	19,955	(2,979)	4,086	23,664
Other nonoperating revenues	118	248	322	500	4,665	2,150	330	78	340	648
Proceeds from the sale of capital assets	202	14,775	125	114	1,283	189	1,397	252	188	376
Total nonoperating revenues	372,876	283,611	397,677	279,439	276,364	240,583	224,483	170,055	156,553	200,873
<b>Total revenues</b>	<b>\$1,480,943</b>	<b>\$1,290,638</b>	<b>\$1,265,512</b>	<b>\$1,177,561</b>	<b>\$1,136,718</b>	<b>\$1,025,068</b>	<b>\$ 970,843</b>	<b>\$ 870,930</b>	<b>\$ 793,988</b>	<b>\$ 805,211</b>

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

	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>
<b>Revenues:</b>										
Student tuition and fees (net of scholarship allowances)	38.3 %	39.6 %	37.8 %	39.6 %	37.3 %	38.7 %	37.4 %	39.3 %	40.0 %	37.4 %
Federal grants and contracts	10.4 %	10.9 %	8.0 %	8.1 %	8.0 %	8.2 %	8.4 %	8.2 %	8.0 %	7.7 %
State grants and contracts	5.8 %	6.4 %	6.9 %	7.2 %	6.9 %	6.7 %	6.4 %	6.8 %	7.2 %	6.6 %
Local grants and contracts	0.2 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %	0.2 %	0.1 %	0.1 %	0.2 %
Nongovernmental grants and contracts	0.9 %	0.7 %	0.9 %	1.0 %	1.1 %	1.1 %	1.2 %	1.5 %	1.4 %	1.4 %
Sales and services of educational and other activities	1.8 %	1.9 %	1.4 %	1.6 %	2.0 %	2.2 %	2.2 %	2.3 %	2.5 %	2.3 %
Sales and services of auxiliary enterprises (net of scholarship allowances)	14.8 %	15.6 %	11.1 %	15.3 %	16.7 %	15.8 %	17.5 %	18.8 %	16.3 %	15.1 %
Other operating revenues	2.8 %	2.7 %	2.3 %	3.5 %	3.6 %	3.8 %	3.5 %	3.6 %	4.8 %	4.3 %
Total operating revenues	<u>74.8 %</u>	<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>
State appropriations	12.2 %	12.2 %	11.3 %	12.2 %	12.0 %	12.1 %	12.3 %	12.5 %	13.5 %	12.5 %
Federal appropriations	0.9 %	1.0 %	1.0 %	1.1 %	1.0 %	1.1 %	1.3 %	1.3 %	1.4 %	1.3 %
Gifts and grants	10.5 %	10.0 %	14.3 %	8.7 %	8.3 %	8.3 %	7.0 %	5.5 %	4.2 %	7.8 %
Interest income	0.6 %	(2.0) %	— %	1.4 %	1.6 %	0.2 %	0.4 %	0.4 %	0.1 %	0.4 %
Endowment income (loss)	1.0 %	(0.3) %	4.7 %	0.2 %	0.9 %	1.5 %	2.1 %	(0.3) %	0.5 %	2.9 %
Other nonoperating revenues	0.0 %	0.0 %	0.0 %	0.0 %	0.4 %	0.2 %	0.0 %	0.0 %	0.0 %	0.1 %
Proceeds from the sale of capital assets	0.0 %	1.1 %	0.0 %	0.0 %	0.1 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %
Total nonoperating revenues	<u>25.2 %</u>	<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>
<b>Total revenues</b>	<u><b>100.0 %</b></u>	<u><b>100.0 %</b></u>	<u><b>100.0 %</b></u>	<u><b>100.0 %</b></u>	<u><b>100.0 %</b></u>	<u><b>100.0 %</b></u>	<u><b>100.0 %</b></u>	<u><b>100.0 %</b></u>	<u><b>100.0 %</b></u>	<u><b>100.0 %</b></u>

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

## SCHEDULE OF EXPENSES BY USE

For the Year ended June 30, (amounts expressed in thousands)										
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Expenses:</b>										
Compensation and employee benefits	\$ 750,532	\$ 719,502	\$ 743,857	\$ 709,455	\$ 632,151	\$ 617,355	\$ 556,537	\$ 513,401	\$ 478,991	\$ 444,913
Services and supplies	394,159	344,453	275,874	316,186	319,566	278,228	265,758	267,423	262,955	243,893
Utilities	25,626	22,719	19,217	16,656	20,548	20,593	19,730	18,910	19,783	20,344
Depreciation	88,857	72,352	68,024	66,648	59,346	57,491	51,759	49,872	49,316	42,974
Scholarships and fellowships	40,202	42,609	42,112	47,700	33,579	30,668	27,269	27,726	25,411	23,846
Total operating expenses	1,299,376	1,201,635	1,149,084	1,156,645	1,065,190	1,004,335	921,053	877,332	836,456	775,970
Interest on capital asset related debt	27,159	21,270	21,596	22,523	23,416	22,056	21,471	17,091	7,341	5,512
(Gain) loss on disposal of capital assets	675	1,648	322	1,655	1,540	826	1,965	340	4,343	(1,200)
Refunds to grantors	1,088	538	513	491	499	90	120	71	137	178
Facilities and administrative remittances to the State	478	287	292	269	280	252	317	450	375	413
Total nonoperating expenses	29,400	23,743	22,724	24,938	25,735	23,224	23,873	17,952	12,196	4,903
<b>Total expenses</b>	<b>\$1,328,776</b>	<b>\$1,225,378</b>	<b>\$1,171,808</b>	<b>\$1,181,583</b>	<b>\$1,090,925</b>	<b>\$1,027,559</b>	<b>\$ 944,926</b>	<b>\$ 895,284</b>	<b>\$ 848,652</b>	<b>\$ 780,873</b>

For the Year Ended June 30, (percent of total expenses)										
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Expenses:</b>										
Compensation and employee benefits	56.5 %	58.7 %	63.7 %	60.1 %	58.1 %	60.1 %	58.9 %	57.3 %	56.5 %	57.0 %
Services and supplies	29.7 %	28.1 %	23.5 %	26.8 %	29.3 %	27.1 %	28.1 %	29.9 %	31.0 %	31.2 %
Utilities	1.9 %	1.9 %	1.6 %	1.4 %	1.9 %	2.0 %	2.1 %	2.1 %	2.3 %	2.6 %
Depreciation	6.7 %	5.9 %	5.8 %	5.7 %	5.4 %	5.6 %	5.5 %	5.6 %	5.8 %	5.5 %
Scholarships and fellowships	3.0 %	3.5 %	3.6 %	4.0 %	3.1 %	3.0 %	2.9 %	3.1 %	3.0 %	3.1 %
Total operating expenses	97.8 %	98.1 %	98.2 %	98.0 %	97.8 %	97.8 %	97.5 %	98.0 %	98.6 %	99.4 %
Interest on capital asset related debt	2.0 %	1.8 %	1.8 %	1.9 %	2.1 %	2.1 %	2.3 %	1.9 %	0.9 %	0.7 %
(Gain) loss on disposal of capital assets	0.1 %	0.1 %	— %	0.1 %	0.1 %	0.1 %	0.2 %	0.0 %	0.5 %	(0.2) %
Refunds to grantors	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Facilities and administrative remittances to the State	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %	0.1 %
Total nonoperating expenses	2.2 %	1.9 %	1.8 %	2.0 %	2.2 %	2.2 %	2.5 %	2.0 %	1.4 %	0.6 %
<b>Total expenses</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Clemson University Annual Comprehensive Financial Reports.

## SCHEDULE OF EXPENSES BY FUNCTION

	For the Year Ended June 30, (amounts expressed in thousands)									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Expenses:</b>										
Instruction	\$ 309,553	\$ 282,864	\$ 269,269	\$ 282,039	\$ 270,130	\$ 253,820	\$ 238,535	\$ 229,362	\$ 225,965	\$ 216,977
Research	226,686	206,771	190,763	188,154	177,050	164,054	153,423	144,424	138,650	133,562
Public service	90,837	78,935	72,124	71,456	70,608	68,831	66,924	64,423	65,432	63,542
Academic support	77,137	71,531	71,209	73,424	62,996	58,640	51,740	45,218	47,169	42,231
Student services	49,929	50,249	58,691	47,265	46,942	43,468	39,686	36,061	37,137	35,578
Institutional support	80,465	60,171	60,850	59,972	49,459	46,434	40,112	38,600	42,053	38,019
Operation and maintenance of plant	92,736	84,922	65,274	78,212	69,346	73,406	67,762	70,306	76,975	64,116
Scholarships and fellowships	37,303	40,175	40,024	45,950	31,306	28,461	25,467	26,006	23,773	22,115
Auxiliary enterprises	225,602	194,287	163,959	182,774	188,064	168,030	164,425	162,394	125,739	116,856
Depreciation	88,857	72,352	68,024	66,648	59,346	57,491	51,759	49,872	49,316	42,974
Pension and OPEB	20,272	59,378	88,897	60,751	39,942	41,700	21,220	10,666	4,247	—
Interest on capital debt	27,159	21,270	21,596	22,523	23,417	22,056	21,471	17,091	7,341	5,512
Loss on disposal of capital assets	675	1,648	322	1,655	1,540	826	1,965	340	4,343	(1,200)
Refunds to grantors	1,088	538	514	491	499	90	120	71	137	178
Facilities and administrative remittances to the State	478	287	292	269	280	252	317	450	375	413
<b>Total expenses</b>	<b><u>\$1,328,776</u></b>	<b><u>\$1,225,378</u></b>	<b><u>\$1,171,808</u></b>	<b><u>\$1,181,583</u></b>	<b><u>\$1,090,925</u></b>	<b><u>\$1,027,559</u></b>	<b><u>\$ 944,926</u></b>	<b><u>\$ 895,284</u></b>	<b><u>\$ 848,652</u></b>	<b><u>\$ 780,873</u></b>

**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)									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Expenses:										
Instruction	23.3 %	23.1 %	23.0 %	23.9 %	24.8 %	24.7 %	25.2 %	25.6 %	26.6 %	27.8 %
Research	17.1 %	16.9 %	16.3 %	15.9 %	16.2 %	16.0 %	16.2 %	16.1 %	16.3 %	17.1 %
Public service	6.8 %	6.4 %	6.2 %	6.0 %	6.5 %	6.7 %	7.1 %	7.2 %	7.7 %	8.1 %
Academic support	5.8 %	5.8 %	6.1 %	6.2 %	5.8 %	5.7 %	5.5 %	5.1 %	5.6 %	5.4 %
Student services	3.8 %	4.1 %	5.0 %	4.0 %	4.3 %	4.2 %	4.2 %	4.0 %	4.4 %	4.6 %
Institutional support	6.1 %	4.9 %	5.2 %	5.1 %	4.5 %	4.5 %	4.2 %	4.3 %	5.0 %	4.9 %
Operation and maintenance of plant	7.0 %	6.9 %	5.6 %	6.6 %	6.4 %	7.1 %	7.2 %	7.9 %	9.1 %	8.2 %
Scholarships and fellowships	2.8 %	3.3 %	3.4 %	3.9 %	2.9 %	2.8 %	2.7 %	2.9 %	2.8 %	2.8 %
Auxiliary enterprises	17.0 %	15.9 %	14.0 %	15.5 %	17.2 %	16.4 %	17.4 %	18.1 %	14.8 %	15.0 %
Depreciation	6.7 %	5.9 %	5.8 %	5.6 %	5.4 %	5.6 %	5.5 %	5.6 %	5.8 %	5.5 %
Pension and OPEB	1.5 %	4.8 %	7.6 %	5.1 %	3.7 %	4.1 %	2.2 %	1.2 %	0.5 %	0.0 %
Interest on capital debt	2.0 %	1.7 %	1.8 %	1.9 %	2.1 %	2.1 %	2.3 %	1.9 %	0.9 %	0.7 %
(Gain) loss on disposal of capital assets	0.1 %	0.1 %	0.0 %	0.1 %	0.1 %	0.1 %	0.2 %	0.0 %	0.5 %	(0.2)%
Refunds to grantors	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Facilities and administrative remittances to State	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %	0.1 %
Total expenses	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

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



## SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION

	For the Fiscal Year (amounts expressed in thousands)									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Total revenues (from schedule of revenues by source)	\$ 1,480,943	\$ 1,290,638	\$ 1,265,512	\$ 1,177,561	\$ 1,136,718	\$ 1,025,068	\$ 970,843	\$ 870,930	\$ 793,988	\$ 805,211
Total expenses (from schedule of expenses by use and function)	(1,328,775)	(1,225,378)	(1,171,808)	(1,181,583)	(1,090,925)	(1,027,559)	(944,926)	(895,284)	(848,652)	(780,873)
Income (loss) before other revenues, expenses, gains or losses	152,168	65,260	93,704	(4,022)	45,793	(2,491)	25,917	(24,354)	(54,664)	24,338
State capital appropriations	64,001	50,620	—	10,900	9,850	—	5,240	15,886	4,457	9,397
Capital grants and gifts	8,317	4,572	3,155	19,619	24,094	17,561	56,006	37,580	6,448	6,198
Additions to permanent endowments	27	29	83	90	38	101	20	567	209	123
Total changes in net position	224,513	120,481	96,942	26,587	79,775	15,171	87,183	29,679	(43,550)	40,056
Net position, beginning	543,745	423,543	326,601	300,014	220,239	783,114	695,931	666,252	1,156,425	1,116,369
Cumulative effect of accounting changes	2,555	(280)	—	—	—	(578,046)	—	—	(446,623)	—
<b>Net position, ending</b>	<b>\$ 770,814</b>	<b>\$ 543,745</b>	<b>\$ 423,543</b>	<b>\$ 326,601</b>	<b>\$ 300,014</b>	<b>\$ 220,239</b>	<b>\$ 783,114</b>	<b>\$ 695,931</b>	<b>\$ 666,252</b>	<b>\$1,156,425</b>
Net investment in capital assets	\$ 909,657	\$ 862,368	\$ 824,010	\$ 836,774	\$ 814,368	\$ 789,141	\$ 770,325	\$ 759,323	\$ 680,331	\$ 639,236
Restricted - expendable	59,170	58,973	59,504	209,643	183,297	150,070	144,460	99,062	126,834	343,997
Restricted - nonexpendable	365,126	282,768	244,504	58,967	58,979	59,002	58,867	58,698	58,323	58,241
Unrestricted	(563,139)	(660,364)	(704,475)	(778,783)	(756,630)	(777,974)	(190,538)	(221,152)	(199,236)	114,951
<b>Total</b>	<b>\$ 770,814</b>	<b>\$ 543,745</b>	<b>\$ 423,543</b>	<b>\$ 326,601</b>	<b>\$ 300,014</b>	<b>\$ 220,239</b>	<b>\$ 783,114</b>	<b>\$ 695,931</b>	<b>\$ 666,252</b>	<b>\$1,156,425</b>

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>									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
General Obligation Bonds	\$ 268,930	\$ 284,625	\$ 195,295	\$ 199,360	209,600	\$ 213,380	\$ 150,350	\$ 104,435	\$ 110,615	\$ 116,770
Higher Education Revenue Bonds	297,185	254,240	261,065	267,570	274,470	281,050	289,205	295,600	110,860	26,585
Athletic Facilities Revenue Bonds	176,885	183,395	124,850	129,385	133,730	137,900	130,605	134,450	118,875	22,680
Subtotal bonds payable	743,000	722,260	581,210	596,315	617,800	632,330	570,160	534,485	340,350	166,035
Unamortized bond premiums	59,509	59,611	43,300	44,246	46,896	48,761	36,097	33,984	20,425	9,387
Total bonds payable	802,509	781,871	624,510	640,561	664,696	681,091	606,257	568,469	360,775	175,422
Notes payable	40,233	—	—	—	—	—	—	—	—	—
Lease obligations payable	17,288	18,160	10,408	11,142	11,688	11,991	11,990	12,967	13,993	14,963
Subscription obligations payable	31,000	—	—	—	—	—	—	—	—	—
<b>Total outstanding debt</b>	<b>\$ 891,030</b>	<b>\$ 800,031</b>	<b>\$ 634,918</b>	<b>\$ 651,703</b>	<b>\$ 676,384</b>	<b>\$ 693,082</b>	<b>\$ 618,247</b>	<b>\$ 581,436</b>	<b>\$ 374,768</b>	<b>\$ 190,385</b>
Full-time equivalent students	26,689	25,679	24,906	24,324	23,663	23,215	22,307	21,654	20,823	20,202
Outstanding debt per student	33,386	31,155	25,493	26,793	28,584	29,855	27,715	26,851	17,998	9,424

**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	
2023	\$60,518	\$60,518	\$15,695	\$10,872	\$26,567	2.28
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

### 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	
2023	\$195,984	\$158,531	\$37,453	\$2,265	\$39,718	\$6,510	\$6,427	\$12,937	3.07
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

## Higher Education 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	
2023	\$105,390	\$62,662	\$42,728	\$7,170	\$10,226	\$17,396	2.46
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

**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									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
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:

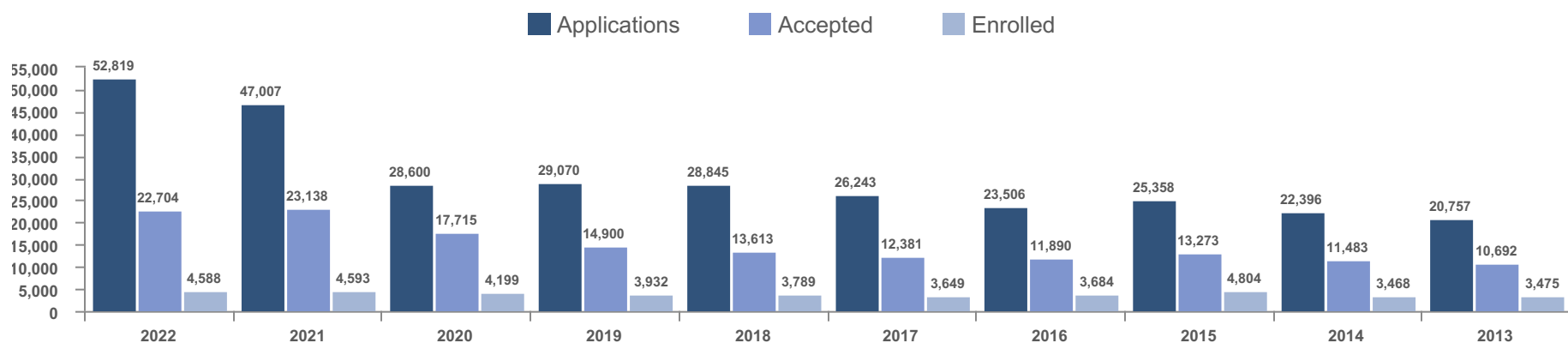
Building square footage	Clemson University Office of Institutional Research
Student housing	Clemson University Housing
Dining facilities	Clemson University Business Services
Parking facilities	Clemson University Parking Services

## ADMISSIONS, ENROLLMENT AND DEGREE STATISTICS

Last Ten Academic Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Admissions-Freshman</b>										
Accepted as a percentage of applications	43.0%	49.2%	62.0%	51.0%	47.0%	47.0%	51.0%	51.0%	52.0%	57.0%
Enrolled as a percentage of accepted	20.2%	19.9%	24.0%	26.0%	28.0%	29.0%	31.0%	30.0%	33.0%	31.0%
SAT scores-total	1,310	1,312	1,302	1,318	1,307	1,302	1,242	1,251	1,252	1,246
Verbal	650	652	649	654	649	650	611	613	611	609
Math	660	660	654	664	658	652	631	638	641	637
South Carolina average SAT score-total	1,023	1,036	1,058	1,030	1,070	1,064	987	978	978	971

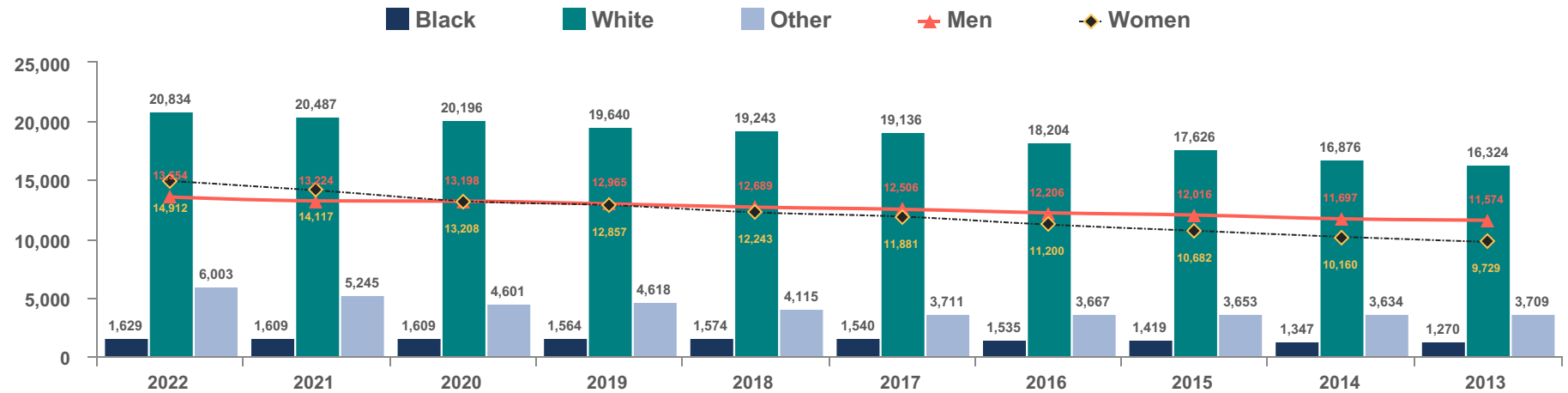
### Admissions — Freshman Applied, Accepted and Enrolled



**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.

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Enrollment</b>										
Undergraduate and graduate FTE	26,689	25,679	24,906	24,324	23,663	23,215	22,307	21,654	20,823	20,202
Undergraduate and graduate headcount	28,466	27,341	26,406	25,822	24,932	24,387	23,406	22,698	21,857	21,303
Percentage of men	47.6 %	48.4 %	50.0 %	50.2 %	50.9 %	51.3 %	52.1 %	52.9 %	53.5 %	54.3 %
Percentage of women	52.4 %	51.6 %	50.0 %	49.8 %	49.1 %	48.7 %	47.9 %	47.1 %	46.5 %	45.7 %
Percentage of black	5.7 %	5.9 %	6.1 %	6.1 %	6.3 %	6.3 %	6.6 %	6.3 %	6.2 %	6.0 %
Percentage of white	73.2 %	74.9 %	76.5 %	76.1 %	77.2 %	78.5 %	77.8 %	77.6 %	77.2 %	76.6 %
Percentage of other	21.1 %	19.2 %	17.8 %	17.8 %	16.5 %	15.2 %	15.7 %	16.1 %	16.6 %	17.4 %

## Enrollment — Undergraduate and Graduate Headcount



	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Degrees Earned*</b>										
Baccalaureate	5,023	5,064	4,941	4,670	4,528	4,182	4,003	3,754	3,747	3,755
Masters**	1,681	1,807	1,729	1,573	1,478	1,375	1,423	1,264	1,282	1,189
Doctorate	261	238	237	241	239	226	230	242	217	211

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

\*\* Masters awards include specialist degrees.



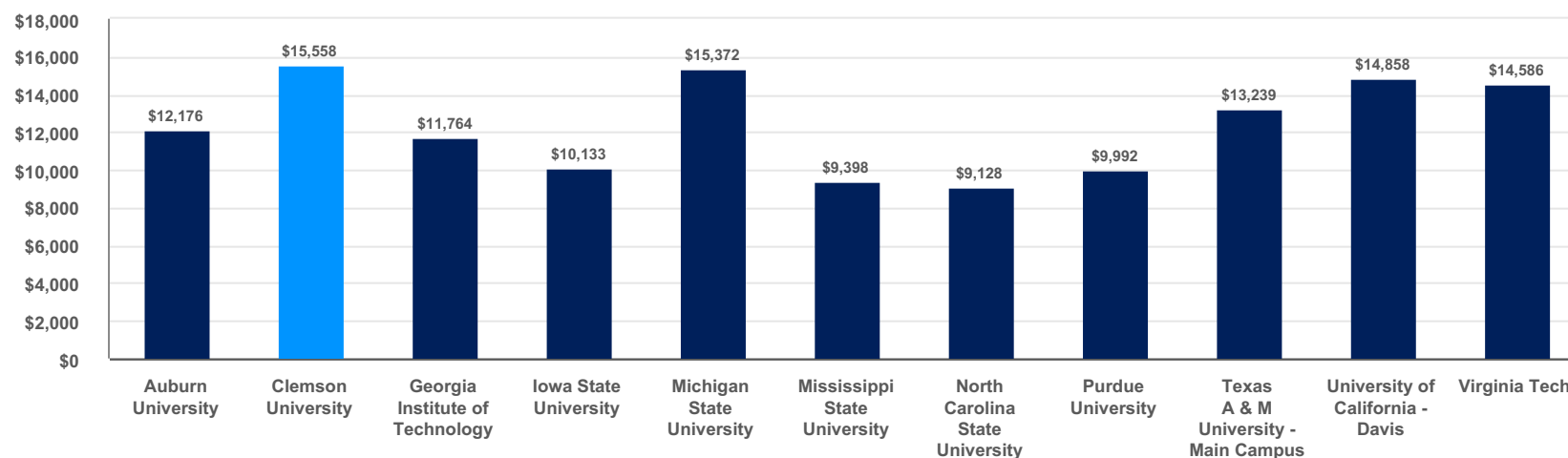
Source: Clemson University Office of Institutional Research (<https://www.clemson.edu/institutional-effectiveness/oir/factbook/>)

## 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									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Auburn University	\$ 12,176	\$ 11,826	\$ 11,796	\$ 11,492	\$ 11,279	\$ 10,968	\$ 10,696	\$ 10,424	\$ 10,200	\$ 9,852
<b>Clemson University</b>	<b>15,558</b>	<b>15,558</b>	<b>15,558</b>	<b>15,558</b>	<b>14,970</b>	<b>14,712</b>	<b>14,318</b>	<b>13,882</b>	<b>13,446</b>	<b>13,054</b>
Georgia Institute of Technology	11,764	12,852	12,852	12,682	12,424	12,418	12,212	12,204	11,394	10,650
Iowa State University	10,133	9,316	9,316	9,320	8,988	8,636	8,219	7,736	7,731	7,726
Michigan State University	15,372	14,460	14,460	14,460	14,521	14,460	14,063	13,560	13,200	12,863
Mississippi State University	9,398	8,910	8,910	8,910	8,650	8,318	7,780	7,502	7,140	6,772
North Carolina State University	9,128	9,101	9,101	9,101	9,101	9,058	8,880	8,581	8,296	8,206
Purdue University	9,992	9,992	9,992	9,992	9,992	9,992	10,002	10,002	10,002	9,992
Texas A & M University - Main Campus	13,239	12,783	12,296	12,153	10,968	10,403	10,030	9,428	9,179	8,506
University of California - Davis	14,858	14,597	14,597	14,490	14,462	14,419	14,047	13,952	13,896	13,896
Virginia Tech	14,586	14,175	13,749	13,691	13,620	13,230	12,852	12,485	12,017	11,455

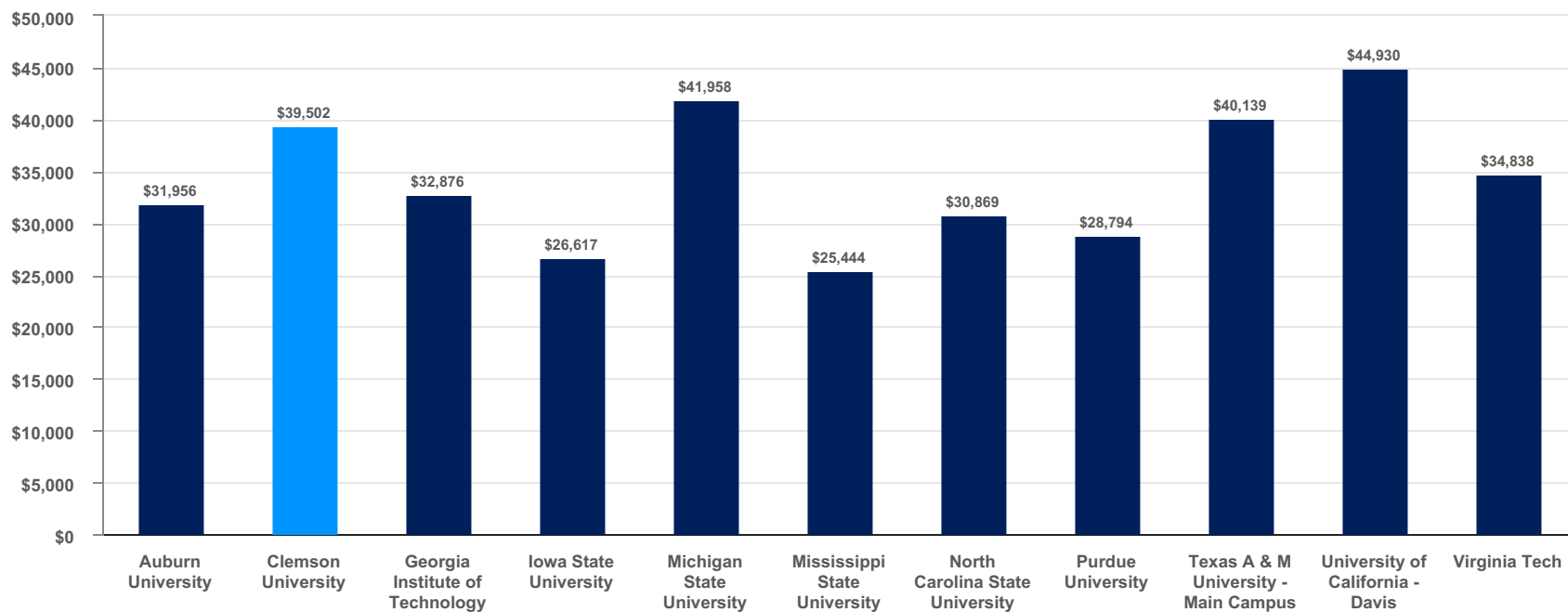
### Undergraduate Tuition and Fees - Resident — FY 2022-2023





	For the Fiscal Year									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Institution - Non Resident</b>										
Auburn University	\$ 31,956	\$ 31,986	\$ 31,956	\$ 31,124	\$ 30,524	\$ 29,640	\$ 28,040	\$ 28,040	\$ 27,384	\$ 26,364
Clemson University	<b>39,502</b>	<b>39,502</b>	<b>38,550</b>	<b>38,550</b>	<b>36,724</b>	<b>35,654</b>	<b>32,800</b>	<b>32,800</b>	<b>31,462</b>	<b>30,488</b>
Georgia Institute of Technology	32,876	33,964	33,964	33,794	33,020	33,014	32,404	32,396	30,698	29,954
Iowa State University	26,617	24,504	24,504	24,508	23,392	22,472	21,583	20,856	20,617	20,278
Michigan State University	41,958	39,766	39,766	39,766	39,826	39,405	37,890	36,360	34,965	33,750
Mississippi State University	25,444	23,950	23,950	23,950	23,250	22,358	20,900	20,142	18,478	16,960
North Carolina State University	30,869	29,220	29,220	29,220	28,444	27,406	26,399	24,932	23,551	21,661
Purdue University	28,794	28,794	28,794	30,794	28,794	28,794	28,804	28,804	28,804	28,794
Texas A & M University - Main Campus	40,139	39,340	40,526	38,602	36,636	37,154	30,208	28,021	26,356	25,126
University of California - Davis	44,930	44,351	44,351	44,244	43,454	42,433	40,729	38,660	36,774	36,774
Virginia Tech	34,838	33,857	32,893	32,835	31,908	31,014	29,975	29,129	28,048	27,211

### Undergraduate Tuition and Fees - Non Resident — FY 2022-2023



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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Faculty</b>										
Part-time	386	288	110	125	122	132	117	97	100	81
Full-time	1,602	1,555	1,512	1,516	1,468	1,415	1,379	1,334	1,288	1,248
Percentage tenured	43.8 %	44.7 %	43.3 %	44.5 %	40.5 %	41.6 %	43.4 %	44.7 %	45.3 %	46.7 %
<b>Staff and administrators with faculty rank</b>										
Part-time	189	227	253	260	245	282	1,085	982	921	856
Full-time	3,668	3,602	3,680	3,663	3,557	3,439	2,651	2,650	2,591	2,542
<b>Total employees</b>										
Part-time	575	515	363	385	367	414	1,372	1,226	1,138	1,028
Full-time	5,270	5,183	5,231	5,179	5,025	4,854	3,850	3,837	3,762	3,699
<b>Students per full-time</b>										
Faculty	17.8	17.6	17.5	17.0	17.0	17.2	19.5	19.1	18.7	18.4
Staff	7.8	7.5	7.0	7.0	7.0	7.1	8.8	8.6	8.4	8.4
<b>Average annual faculty salary*</b>	\$ 110,488	\$ 104,078	\$ 103,099	\$ 104,678	\$ 99,157	\$ 95,413	\$ 94,510	\$ 92,110	\$ 91,984	\$ 89,788

\*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)
2023	\$281,670,044,880	5,282,634	\$53,320	3.2%
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%

**(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)*

2022	2012
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.
Prisma Health Upstate	Palmetto Health Alliance, Inc.
Publix Super Markets, Inc.	U.S. Department of Defense
School District of Greenville County	U.S. Postal Service
Spartanburg Regional Medical Center	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 2012 and 2022





***Additional Financial Information***  
***(unaudited)***

**CLEMSON UNIVERSITY**  
**SCHEDULE OF PLEDGED NET REVENUES**  
**AUXILIARY REVENUE BONDS (SERIES 2015, 2015B and 2023A)**

For the year ended June 30, 2023

Description	Dining Services	Vending Operations	Bookstore	Parking Services	Housing	Total
<b>Revenues:</b>						
Student meal plans	\$ 33,226,322	\$ —	\$ —	\$ —	\$ —	\$ 33,226,322
Other	2,730,294	92,085	—	32,887	462,650	3,317,916
Residence halls	—	—	—	—	58,002,371	58,002,371
Campus vending machines	—	515,379	—	—	—	515,379
ATM rental	—	282,754	—	25,203	—	307,957
Contract revenue	—	—	1,174,154	222,605	—	1,396,759
Parking permits	—	—	—	4,176,437	—	4,176,437
Transit fees	—	—	—	2,524,344	—	2,524,344
Parking citations	—	—	—	772,038	—	772,038
Meter revenue	—	—	—	816,618	—	816,618
Investment income	94,965	333	12,355	26,378	199,804	333,835
Total revenues	<u>36,051,581</u>	<u>890,551</u>	<u>1,186,509</u>	<u>8,596,510</u>	<u>58,664,825</u>	<u>105,389,976</u>
<b>Expenses:</b>						
Salaries	—	—	—	1,268,514	7,365,943	8,634,457
Fringe benefits	—	—	—	543,713	2,247,122	2,790,835
Travel	—	—	—	24,104	119,266	143,370
Contractual services	22,888,236	—	—	3,061,896	1,653,198	27,603,330
Repairs	131,852	—	1,614	155,528	1,079,131	1,368,125
Telecommunications	2,555	—	—	29,639	100,512	132,706
Heat, light, and power	1,345,580	—	29,994	69,630	4,105,085	5,550,289
Water, sewer and garbage	232,715	—	1,777	36,823	783,038	1,054,353
Rents	24,679	—	—	51,628	16,011	92,318
Supplies and materials	307,869	500	500	110,502	1,692,418	2,111,789
Insurance	19,722	878	—	35,729	425,080	481,409
Other operating expenses	2,728,232	10,586	109,552	889,689	8,711,023	12,449,082
Capital outlay	187,024	—	—	—	62,951	249,975
Total expenses	<u>27,868,464</u>	<u>11,964</u>	<u>143,437</u>	<u>6,277,395</u>	<u>28,360,778</u>	<u>62,662,038</u>
<b>Net revenues</b>	<u><b>\$ 8,183,117</b></u>	<u><b>\$ 878,587</b></u>	<u><b>\$ 1,043,072</b></u>	<u><b>\$ 2,319,115</b></u>	<u><b>\$ 30,304,047</b></u>	<u><b>\$ 42,727,938</b></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, 2023

Description	Football	Basketball	Other Sports	Non Program Specific	Total
<b>Revenues:</b>					
Ticket sales	\$ 27,884,463	\$ 1,491,660	\$ 1,640,750	\$ —	\$ 31,016,873
Direct institutional support	1,935,650	632,763	4,069,424	—	6,637,837
Contributions	7,340,698	1,968,227	7,871,759	67,095,660	84,276,344
In kind car leases	66,158	53,983	25,269	31,794	177,204
Media rights - broadcast, television, radio and internet	—	—	—	30,282,526	30,282,526
NCAA distributions including all tournament revenues	—	1,940,000	128,262	2,225,065	4,293,327
Conference distributions including all tournament revenues	8,484,447	514,238	309,824	246,667	9,555,176
Program sales, concessions, novelty sales and parking	1,104,192	145,598	316,650	211,263	1,777,703
Royalties, advertisements and sponsorships	1,920,000	680,000	2,210,000	17,522,849	22,332,849
Sports camp revenues	741,441	—	—	—	741,441
Endowment and investment income	32,611	24,482	17,916	225,013	300,022
Other revenue	626,632	—	163,100	765,242	1,554,974
Bowl revenues	3,037,984	—	—	—	3,037,984
Total revenues	53,174,276	7,450,951	16,752,954	118,606,079	195,984,260
<b>Operating Expenditures:</b>					
Athletic student aid	6,887,085	1,987,131	11,816,048	1,301,178	21,991,442
Guarantees	1,515,000	574,500	84,548	—	2,174,048
Coaching salaries, benefits and bonuses paid by the institution and related entities	17,410,166	5,661,824	8,602,453	—	31,674,443
Support staff/administrative salaries, benefits and bonuses paid by the institution and related entities	9,643,130	1,390,131	1,070,237	20,559,290	32,662,788
Severance Pay	404,028	—	241,405	—	645,433
Recruiting	3,458,920	451,690	933,578	—	4,844,188
Team travel	3,265,034	1,826,065	4,711,183	—	9,802,282
Equipment, uniforms and supplies	1,987,858	707,295	2,645,779	1,806,169	7,147,101
Game expenses	3,659,000	717,941	1,281,982	902,931	6,561,854
Fund raising, marketing and promotion	153,686	279,614	136,446	5,226,667	5,796,413
Sports camp expenses	716,574	—	—	—	716,574
Spirit group expenses	—	—	—	502,634	502,634
Direct facilities, maintenance and rental	2,314,416	949,760	1,213,542	1,333,387	5,811,105
Medical and insurance expenses	638,548	84,462	626,608	110,558	1,460,176
Dues and membership expenses	7,209	1,700	12,470	43,998	65,377
Student-Athlete meals (non-travel)	3,598,586	183,309	324,656	1,463,550	5,570,101
Other operating expenses	6,387,720	811,356	1,161,080	8,270,141	16,630,297
Bowl expenses	2,951,967	—	—	—	2,951,967
Bowl bonuses	1,523,047	—	—	—	1,523,047
Total operating expenditures	66,521,974	15,626,778	34,862,015	41,520,503	158,531,270
<b>Net Revenues</b>	<b>\$ (13,347,698)</b>	<b>\$ (8,175,827)</b>	<b>\$ (18,109,061)</b>	<b>\$ 77,085,576</b>	<b>\$ 37,452,990</b>



# CLEMSON UNIVERSITY REPORTING ENTITY

## COMBINED STATEMENT OF NET/FINANCIAL POSITION

For the year ended June 30, 2023

Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY23 Total	FY22 Total
<b>Assets:</b>								
<b>Current Assets:</b>								
Cash and cash equivalents	\$ 682,737,878	\$ 69,110,202	\$ 4,861,720	\$ 12,113,738	\$ 768,823,538	\$ —	\$ 768,823,538	\$ 663,089,714
<b>Restricted Assets - Current:</b>								
Cash and cash equivalents	449,254,072	—	—	—	449,254,072	—	449,254,072	408,818,299
Accounts receivable, net	88,809,315	9,757,185	831,884	777,549	100,175,933	(11,742,930)	88,433,003	60,693,854
Grants and contracts receivable	46,310,255	—	—	—	46,310,255	—	46,310,255	40,502,748
Lease obligation receivable	388,755	—	—	—	388,755	—	388,755	398,247
Contributions receivable, net	760,673	—	—	77,043,135	77,803,808	—	77,803,808	30,384,965
Interest and income receivable	6,863,667	—	—	—	6,863,667	—	6,863,667	3,102,971
Student loans receivable	8,502	—	—	—	8,502	—	8,502	—
Inventories	2,486,015	—	—	—	2,486,015	—	2,486,015	2,617,008
Prepaid items	15,687,164	737,654	—	—	16,424,818	—	16,424,818	13,429,459
Other current assets	—	—	—	65,011	65,011	—	65,011	—
Total current assets	1,293,306,296	79,605,041	5,693,604	89,999,433	1,468,604,374	(11,742,930)	1,456,861,444	1,223,037,265
<b>Noncurrent Assets:</b>								
Notes receivable	\$ 243,957,147	243,957,147	—	—	487,914,294	(243,957,147)	243,957,147	240,447,398
Lease obligation receivable	99,101	—	8,446,267	—	8,545,368	(8,446,267)	99,101	187,089
Contributions receivable, net	2,118,192	69,549,349	—	—	71,667,541	(132,415,389)	(60,747,848)	(29,796,285)
Investments	4,767,206	901,370,858	95,592,648	67,007,875	1,068,738,587	(22,872,906)	1,045,865,681	959,558,993
Cash surrender value of life insurance	—	4,564,917	—	—	4,564,917	—	4,564,917	3,749,580
<b>Restricted Assets - Noncurrent</b>								
Cash and cash equivalents	2,317,094	—	—	—	2,317,094	—	2,317,094	2,201,519
Student loans receivable	1,711,536	—	—	—	1,711,536	—	1,711,536	2,591,444
Other assets	—	—	814,931	—	814,931	—	814,931	737,347
Real estate held for resale	—	—	11,251,128	—	11,251,128	—	11,251,128	11,492,214
Capital assets, not being depreciated	266,526,964	—	—	—	266,526,964	—	266,526,964	109,657,572
Capital assets, net of accumulated depreciation	1,400,836,107	9,128,830	—	—	1,409,964,937	—	1,409,964,937	1,392,454,070
Total noncurrent assets	1,922,333,347	1,228,571,101	116,104,974	67,007,875	3,334,017,297	(407,691,709)	2,926,325,588	2,693,280,941
Total assets	3,215,639,643	1,308,176,142	121,798,578	157,007,308	4,802,621,671	(419,434,639)	4,383,187,032	3,916,318,206

Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY23 Total	FY22 Total
<b>Deferred outflows of resources:</b>								
Deferred losses on bond refunding	2,780,771	—	—	—	2,780,771	—	2,780,771	3,231,830
Deferred outflows on net pension liability	100,469,957	—	—	—	100,469,957	—	100,469,957	113,864,782
Deferred outflows on net retiree health benefits liability	208,001,510	—	—	—	208,001,510	—	208,001,510	241,501,512
Total deferred outflows of resources	311,252,238	—	—	—	311,252,238	—	311,252,238	358,598,124
<b>Total assets and deferred outflows of resources</b>	<b>\$3,526,891,881</b>	<b>\$1,308,176,142</b>	<b>\$ 121,798,578</b>	<b>\$ 157,007,308</b>	<b>\$5,113,873,909</b>	<b>\$(419,434,639)</b>	<b>\$4,694,439,270</b>	<b>\$4,274,916,330</b>
<b>Liabilities:</b>								
<b>Current Liabilities</b>								
Accounts and retainages payable	\$ 56,590,929	\$ 3,050,817	\$ 965,718	\$ 7,271,496	\$ 67,878,960	\$ (11,742,930)	\$ 56,136,030	\$ 27,052,776
Accrued payroll and related liabilities	32,814,386	—	—	—	32,814,386	—	32,814,386	28,517,311
Accrued compensated absences and related liabilities	15,437,806	—	—	—	15,437,806	—	15,437,806	13,652,774
Accrued interest payable	6,484,077	—	50,929	—	6,535,006	—	6,535,006	4,449,888
Unearned revenues	64,928,239	—	194,959	—	65,123,198	—	65,123,198	63,296,375
Bonds payable, net	33,118,317	—	—	—	33,118,317	—	33,118,317	32,766,738
Lease obligations payable	4,063,335	—	—	—	4,063,335	—	4,063,335	4,008,461
Subscription obligations payable	9,748,669	—	—	—	9,748,669	—	9,748,669	—
Notes payable	325,023	—	—	—	325,023	—	325,023	—
Deposits	8,122,480	—	109,720	—	8,232,200	—	8,232,200	7,591,970
Funds held for others	418,356	—	—	—	418,356	—	418,356	588,206
Total current liabilities	232,051,617	3,050,817	1,321,326	7,271,496	243,695,256	(11,742,930)	231,952,326	181,924,499
<b>Noncurrent Liabilities:</b>								
Accrued compensated absences and related liabilities	19,979,194	—	—	—	19,979,194	—	19,979,194	20,269,226
Due to the University	—	243,957,147	—	—	243,957,147	(243,957,147)	—	—
Deposits	6,203,418	—	—	—	6,203,418	—	6,203,418	7,855,500
Funds held for others	2,033,047	132,415,389	22,872,906	—	157,321,342	(155,288,295)	2,033,047	2,960,877
Net pension liability	725,933,681	—	—	—	725,933,681	—	725,933,681	646,105,138
Net retiree health benefits liability	650,268,081	—	—	—	650,268,081	—	650,268,081	888,134,610
Bonds payable, net	769,390,249	—	—	—	769,390,249	—	769,390,249	749,104,179
Lease obligations payable	13,225,089	—	—	—	13,225,089	(8,446,267)	4,778,822	5,131,173
Subscription obligations payable	21,629,627	—	—	—	21,629,627	—	21,629,627	—
Notes payable	39,907,860	—	46,201,925	2,500,000	88,609,785	—	88,609,785	47,150,048
Annuities payable	—	3,136,746	—	—	3,136,746	—	3,136,746	3,240,933
Total noncurrent liabilities	2,248,570,246	379,509,282	69,074,831	2,500,000	2,699,654,359	(407,691,709)	2,291,962,650	2,369,951,684
Total liabilities	2,480,621,863	382,560,099	70,396,157	9,771,496	2,943,349,615	(419,434,639)	2,523,914,976	2,551,876,183

Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY23 Total	FY22 Total
<b>Deferred inflows of resources:</b>								
Deferred inflows on leases receivable	942,177	—	—	—	942,177	—	942,177	841,282
Deferred inflows on net pension liability	3,906,948	—	—	—	3,906,948	—	3,906,948	96,368,984
Deferred inflows on net retiree health benefits liability	270,607,912	—	—	—	270,607,912	—	270,607,912	49,802,066
Total deferred inflows of resources	275,457,037	—	—	—	275,457,037	—	275,457,037	147,012,332
<b>Total liabilities and deferred inflows of resources</b>	<b>\$2,756,078,900</b>	<b>\$ 382,560,099</b>	<b>\$ 70,396,157</b>	<b>\$ 9,771,496</b>	<b>\$3,218,806,652</b>	<b>\$(419,434,639)</b>	<b>\$2,799,372,013</b>	<b>\$2,698,888,515</b>
<b>Net Position</b>								
Net investment in capital assets	\$ 909,656,628	\$ 9,128,830	\$ —	\$ —	\$ 918,785,458	\$ —	\$ 918,785,458	\$ 871,524,911
<b>Restricted for non expendable purposes:</b>								
Scholarships and fellowships	59,169,589	—	—	—	59,169,589	—	59,169,589	58,972,772
<b>Restricted for expendable purposes:</b>								
Scholarships and fellowships	25,930,428	859,786,043	—	—	885,716,471	—	885,716,471	836,910,641
Research	6,037,777	—	—	—	6,037,777	—	6,037,777	437,723
Instructional/departamental use	13,262,441	—	—	—	13,262,441	—	13,262,441	13,688,785
Loans	2,117,466	—	—	—	2,117,466	—	2,117,466	2,095,588
Capital projects	308,148,341	—	—	—	308,148,341	—	308,148,341	230,427,884
Debt service	9,629,265	—	—	—	9,629,265	—	9,629,265	9,054,468
Unrestricted	(563,138,954)	56,701,170	51,402,421	147,235,812	(307,799,551)	—	(307,799,551)	(447,084,957)
<b>Total net position</b>	<b>\$ 770,812,981</b>	<b>\$ 925,616,043</b>	<b>\$ 51,402,421</b>	<b>\$ 147,235,812</b>	<b>\$1,895,067,257</b>	<b>\$ —</b>	<b>\$1,895,067,257</b>	<b>\$1,576,027,815</b>

# CLEMSON UNIVERSITY REPORTING ENTITY

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

For the year ended June 30, 2023

Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY23 Total	FY22 Total
<b>Revenues:</b>								
<i>Operating Revenues:</i>								
Student tuition and fees (net of scholarship allowances of \$115,167,953)	\$ 566,607,703	\$ —	\$ —	\$ —	\$ 566,607,703	\$ —	\$ 566,607,703	\$ 511,455,039
Federal grants and contracts	153,456,364	—	1,710,332	—	155,166,696	—	155,166,696	140,260,084
State grants and contracts	85,874,957	—	—	—	85,874,957	—	85,874,957	82,659,400
Local grants and contracts	2,230,666	—	—	—	2,230,666	—	2,230,666	2,161,090
Nongovernmental grants and contracts	12,894,284	—	—	—	12,894,284	—	12,894,284	9,159,389
Sales and services of educational and other activities	26,040,865	—	—	—	26,040,865	—	26,040,865	24,753,369
Sales and services of auxiliary enterprises - pledged for revenue bonds (net of scholarship allowances of \$16,363,126)	183,224,533	—	—	—	183,224,533	—	183,224,533	166,413,672
Sales and services of auxiliary enterprises - not pledged	35,649,316	—	—	—	35,649,316	—	35,649,316	35,429,208
Other operating revenues	42,088,768	3,078,825	5,595,587	—	50,763,180	(1,360,809)	49,402,371	39,876,322
Total operating revenues	1,108,067,456	3,078,825	7,305,919	—	1,118,452,200	(1,360,809)	1,117,091,391	1,012,167,573
<b>Expenses:</b>								
<i>Operating Expenses:</i>								
Compensation and employee benefits	750,531,180	—	—	—	750,531,180	531,814	751,062,994	720,004,568
Services and supplies	394,159,284	46,325,017	2,510,123	94,306,497	537,300,921	(125,202,211)	412,098,710	354,360,696
Utilities	25,626,488	—	—	—	25,626,488	—	25,626,488	22,718,853
Depreciation and amortization	88,857,062	27,783	229,186	—	89,114,031	—	89,114,031	72,608,521
Scholarships and fellowships	40,202,398	—	—	—	40,202,398	—	40,202,398	42,608,697
Total operating expenses	1,299,376,412	46,352,800	2,739,309	94,306,497	1,442,775,018	(124,670,397)	1,318,104,621	1,212,301,335
Operating income/(loss)	(191,308,956)	(43,273,975)	4,566,610	(94,306,497)	(324,322,818)	123,309,588	(201,013,230)	(200,133,762)

Description	Clemson University	Clemson University Foundation	Clemson University Land Stewardship Foundation	IPTAY	Subtotal	Eliminations	FY23 Total	FY22 Total
<b>Nonoperating Revenues (Expenses):</b>								
State appropriations	180,210,631	—	—	—	180,210,631	—	180,210,631	156,829,601
Federal appropriations	12,844,759	—	—	—	12,844,759	—	12,844,759	12,470,775
Gifts and grants	155,596,508	44,479,769	—	120,784,480	320,860,757	(116,372,879)	204,487,878	146,807,692
Interest income (loss)	9,550,969	54,314,213	39,368	195,425	64,099,975	—	64,099,975	(42,997,745)
Endowment income (loss)	14,353,288	484,628	—	5,546,805	20,384,721	—	20,384,721	(14,427,415)
Interest on capital asset related debt	(27,158,615)	—	(1,594,049)	—	(28,752,664)	—	(28,752,664)	(22,910,447)
Other nonoperating revenues	117,992	—	—	—	117,992	—	117,992	247,914
Gain/loss on disposal of capital assets	(473,430)	—	—	—	(473,430)	—	(473,430)	13,127,267
Refunds to grantors	(1,088,154)	—	—	—	(1,088,154)	—	(1,088,154)	(537,906)
Facilities and administrative remittances to the State	(477,955)	—	—	—	(477,955)	—	(477,955)	(287,293)
Net nonoperating revenues	343,475,993	99,278,610	(1,554,681)	126,526,710	567,726,632	(116,372,879)	451,353,753	248,322,443
Income before other revenues, expenses, gains or losses	152,167,037	56,004,635	3,011,929	32,220,213	243,403,814	6,936,709	250,340,523	48,188,681
State capital appropriations	64,001,000	—	—	—	64,001,000	—	64,001,000	50,620,332
Capital grants and gifts	8,317,258	—	—	—	8,317,258	(6,201,783)	2,115,475	4,003,533
Intra-entity contributions	—	719,148	—	15,778	734,926	(734,926)	—	—
Additions to permanent endowments	27,025	—	—	—	27,025	—	27,025	29,141
Increase (decrease) in net position	224,512,320	56,723,783	3,011,929	32,235,991	316,484,023	—	316,484,023	102,841,687
<b>Net Position:</b>								
Net position, beginning of year, as originally stated	543,745,242	868,892,260	48,390,492	114,999,821	1,576,027,815	—	1,576,027,815	1,473,466,397
Restatement	2,555,419	—	—	—	2,555,419	—	2,555,419	(280,269)
Net position, beginning of year, as restated	546,300,661	868,892,260	48,390,492	114,999,821	1,578,583,234	—	1,578,583,234	1,473,186,128
<b>Net position, end of year</b>	<b>\$ 770,812,981</b>	<b>\$ 925,616,043</b>	<b>\$ 51,402,421</b>	<b>\$ 147,235,812</b>	<b>\$1,895,067,257</b>	<b>\$ —</b>	<b>\$1,895,067,257</b>	<b>\$1,576,027,815</b>



**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>**

***Prepared by:***

*Controller's Office  
391 College Avenue, Suite 302  
Clemson, SC 29634*

*Tel: (864) 656-0586 FAX: (864) 656-5600*

*Sherri Rowland, Associate Vice President and Controller  
Dionne Simmons, Associate Controller*