

CLEMSON UNIVERSITY REAL ESTATE FOUNDATION, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2026 and 2025

And Report of Independent Auditor

CLEMSON UNIVERSITY REAL ESTATE FOUNDATION, INC.
TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITOR..... 1-2

FINANCIAL STATEMENTS

 Statements of Financial Position 3

 Statements of Activities..... 4-5

 Statements of Cash Flows 6

 Notes to the Financial Statements 7-12

Report of Independent Auditor

To the Board of Directors
Clemson University Real Estate Foundation, Inc.
Clemson, South Carolina

Opinion

We have audited the accompanying financial statements of Clemson University Real Estate Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

Report on Summarized Comparative Information

We have previously audited the Foundation's June 30, 2024, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 15, 2024. In our opinion, the summarized comparative information presented on the statement of activities herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cherry Bekaert LLP

Greenville, South Carolina
September 11, 2026

CLEMSON UNIVERSITY REAL ESTATE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Cash	\$ 1,560	\$ 1,560
Real estate investments, net	1,556,309	1,199,849
Total Assets	\$ 1,557,869	\$ 1,201,409
LIABILITIES AND NET ASSETS		
Due to Clemson University Foundation	\$ 152,661	\$ 135,863
Total Liabilities	152,661	135,863
Net Assets:		
With donor restrictions	1,405,208	1,065,546
Total Net Assets	1,405,208	1,065,546
Total Liabilities and Net Assets	\$ 1,557,869	\$ 1,201,409

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

CLEMSON UNIVERSITY REAL ESTATE FOUNDATION, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2026 (WITH SUMMARIZED YEAR ENDED JUNE 30, 2025)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2026	2025
Revenues, Gains, and Other Support:				
Gifts	\$ -	\$ 1,552,971	\$ 1,552,971	\$ 59,264
Gain on sale of real estate investment, net	-	106,583	106,583	-
Total Revenues and Gains	-	1,659,554	1,659,554	59,264
Net assets released from restrictions	1,319,892	(1,319,892)	-	-
Total Revenues, Gains, and Other Support	1,319,892	339,662	1,659,554	59,264
Program Expenses:				
Gifted property	36,022	-	36,022	17,007
Total Expenses	36,022	-	36,022	17,007
Changes in net assets before other changes	1,283,870	339,662	1,623,532	42,257
Other changes:				
Transfer to related entities	1,283,870	-	1,283,870	-
Total Other Changes	1,283,870	-	1,283,870	-
Change in net assets	-	339,662	339,662	42,257
Net assets, beginning of year	-	1,065,546	1,065,546	1,023,289
Net assets, end of year	\$ -	\$ 1,405,208	\$ 1,405,208	\$ 1,065,546

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

CLEMSON UNIVERSITY REAL ESTATE FOUNDATION, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025 (WITH SUMMARIZED YEAR ENDED JUNE 30, 2024)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2025	2024
Revenues, Gains, and Other Support:				
Gifts	\$ -	\$ 59,264	\$ 59,264	\$ 141,418
Real estate investment return, net	-	-	-	(43,000)
Total Revenues and Gains	-	59,264	59,264	98,418
Net assets released from restrictions	17,007	(17,007)	-	-
Total Revenues, Gains, and Other Support	17,007	42,257	59,264	98,418
Program Expenses:				
Gifted property	17,007	-	17,007	15,827
Total Program Expenses	17,007	-	17,007	15,827
Total Expenses	17,007	-	17,007	15,827
Change in net assets	-	42,257	42,257	82,591
Net assets, beginning of year	-	1,023,289	1,023,289	940,698
Net assets, end of year	\$ -	\$ 1,065,546	\$ 1,065,546	\$ 1,023,289

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

CLEMSON UNIVERSITY REAL ESTATE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2026 AND 2025

	<u>2026</u>	<u>2025</u>
Cash flows from operating activities:		
Change in net assets	\$ 339,662	\$ 42,257
Adjustments to reconcile change in net assets to net cash from operating activities:		
Gain on sale of real estate investments, net	(106,583)	-
Noncash gifts of real estate investments	(1,550,000)	(52,500)
Accretion of life estate property	(2,971)	(6,764)
Change in operating assets and liabilities:		
Due to Clemson University Foundation	16,798	17,007
Net cash flows from operating activities	<u>(1,303,094)</u>	<u>-</u>
Cash flows from investing activities:		
Proceeds from sale of real estate investments	1,303,094	-
Net cash flows from investing activities	<u>1,303,094</u>	<u>-</u>
Net change in cash	-	-
Cash and cash equivalents, beginning of year	1,560	1,560
Cash and cash equivalents, end of year	<u>\$ 1,560</u>	<u>\$ 1,560</u>

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

CLEMSON UNIVERSITY REAL ESTATE FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2026 AND 2025

Note 1—Organization

The Clemson University Real Estate Foundation, Inc. (the "Foundation") was formed to serve the needs of Clemson University (the "University") and/or Clemson University Foundation ("CUF") in the acceptance of gifts of property and real estate. Proceeds from sales of property and real estate are contributed to CUF and/or the University for the benefit of donor-imposed programs and endowments. The properties held by the Foundation represent gifted properties. It is the Foundation's intent to sell these properties and invest the proceeds to further the donor's directive through CUF.

Note 2—Summary of significant accounting policies

Basis of Accounting – The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of Presentation – The Foundation's net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.

Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. The Foundation does not have any net assets without donor restrictions as of June 30, 2026 and 2025.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2024, from which summarized information was derived.

The Foundation recognizes revenue in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standard Codification ("ASC") *Topic 606, Revenue from Contracts with Customers* and ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Revenues with donor restrictions that are used in the year of receipt are classified net assets with donor restrictions released from restrictions.

Unconditional gifts of property and real estate, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give – that is those with a measurable performance or other barrier and a right of return or release – are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

CLEMSON UNIVERSITY REAL ESTATE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2026 AND 2025

Note 2—Summary of significant accounting policies (continued)

Income and net realized and unrealized gains or losses on real estate investments are reported as follows:

With Donor Restrictions – As increases or decreases in net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund or if the terms of the gift impose restrictions on the timing or the use of the income or by law.

Without Donor Restrictions – As increases or decreases in net assets if the terms of the gift are not considered to have donor restrictions.

Cash – The Foundation considers all interest-bearing money market accounts with an initial maturity of three months or less at the date of purchase to be cash equivalents. At June 30, 2026 and 2025, the Foundation held no cash equivalents. Bank balances are insured up to \$250,000 through the Federal Deposit Insurance Corporation. During the years ended June 30, 2026 and 2025, the Foundation from time to time may have had amounts on deposit in excess of the insured limits. At June 30, 2026 and 2025, the Foundation did not have any uninsured bank balances.

Real Estate Investments – Real estate investments consist of donated properties and gifts of life estate properties. All real estate investments are presented at fair value with the exception of life estates, which are presented at fair value less a discount to present value. Real estate investments are appraised every two to three years and reviewed annually by management.

Donated properties are appraised by a certified, independent appraiser and recorded at fair value at the time of donation. A certified title examination is performed and if appropriate, an environmental survey is obtained.

Life estate properties are restricted gifts whereby the Foundation's right to realize the economic benefits is restricted for a defined time period. As a result, the gifts are recorded at the discounted present value at applicable interest rates at the time of the gift.

Real Estate – Real estate, if any, consists of land held for later programmatic use. Real estate is recorded at the lower of cost or the appraised fair value on the date of donation. At June 30, 2026 and 2025, the Foundation maintained no real estate holdings.

Income Taxes – The Foundation is recognized as an organization exempt from Federal income tax on related income under Section 501(a) of the Internal Revenue Code ("IRC") and described as an organization in Section 501(c)(3) of the IRC. Accordingly, only unrelated business income, as defined by Section 513 of the IRC, is subject to federal income tax.

The Foundation's policy is to record a liability for any tax position taken that is beneficial to the Foundation, including any related interest and penalties, when it is more likely than not the position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2026 or 2025 and, accordingly, no liability has been accrued.

Use of Estimates – The preparation of the financial statements in conformity with U.S. GAAP requires management of the Foundation to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CLEMSON UNIVERSITY REAL ESTATE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2026 AND 2025

Note 3—Fair value measurements

Fair value, as defined under U.S. GAAP, 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 Foundation utilizes market data or assumptions that market participants would use in pricing the asset or liability. The Foundation has characterized its financial assets and liabilities which are measured at fair value and recorded in the statements of financial position, based on a three-level fair value hierarchy based on the inputs to valuation techniques as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities.

Level 2 –Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on unobservable inputs reflecting the Foundation's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment or estimation by the investment manager.

The following tables summarize the valuation of the Foundation's financial assets measured at fair value as of June 30, 2026 and 2025, based on the level of input utilized to measure fair value.

Measurement at fair value on a nonrecurring basis at June 30, 2026:

	Level 1	Level 2	Level 3
Real estate held for resale	\$ -	\$ 1,556,309	\$ -
Total assets measured on a nonrecurring basis	\$ -	\$ 1,556,309	\$ -

Measurement at fair value on a nonrecurring basis at June 30, 2025:

	Level 1	Level 2	Level 3
Real estate held for resale	\$ -	\$ 818,809	\$ -
Life estate property, net	-	381,040	-
Total assets measured on a nonrecurring basis	\$ -	\$ 1,199,849	\$ -

The fair values for real estate investments are determined using the market approach based primarily on periodic appraised values and other market information for similar property.

CLEMSON UNIVERSITY REAL ESTATE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2026 AND 2025

Note 4—Real estate investments

Real estate held for resale at June 30 is as follows:

Description/Location	2026	2025
Lake Hartwell, Anderson, South Carolina		
Lot 2 – Clearwater Shores – 0.35 acres	\$ 19,000	\$ 19,000
Cliffs Valley, Foxboro Road		
Travelers Rest, South Carolina – 0.9-acre lot	135,000	135,000
Cliffs Valley North, Sunfire Court		
Travelers Rest, South Carolina – 2.58-acre lot	50,000	50,000
Cliffs Valley, Panther Park Trail		
Travelers Rest, South Carolina – 8.67-acre lot	284,000	284,000
Jackson County, North Carolina – 45.95 acres	262,000	262,000
Jackson County, North Carolina – 1.07 acres	16,309	16,309
Chickasaw Point, Westminster, South Carolina		
Lot 2038 – 0.53 acres and Lot 2082 – 0.28 acres	-	52,500
N Little River Road, Salem, South Carolina		
Tract A & B1 – 28.76 acres and Tract B3 – 20.48 acres	790,000	-
Total real estate held for resale	<u>\$ 1,556,309</u>	<u>\$ 818,809</u>

In November 2025, the Foundation received a gift of real estate consisting of four tracts valued at a total of \$1,550,000. Later in fiscal year 2026, the Foundation sold two of the tracts valued at a total of \$760,000.

During the 1998 fiscal year, the Foundation received one gift of real estate from a donor who retained the right to use the property until his death. At the date of donation, the gift had an appraised value of \$126,000. The Foundation recorded the gift at fair value and discounted the gift at the present value of the appraised amount because the economic benefit of the property will not be realized until the restriction of the right to use the property ends. The Foundation periodically obtained appraisals for this property and revalued the property to fair value less discount. The present value calculation considered the life expectancy of the donor and discounted the gift at an applicable interest rate, at the time of the gift. Accretion recorded was \$2,971 and \$6,764 for the years ended June 30, 2026 and 2025, respectively, and is included in gifts on the statements of activities. The donor passed away and the Foundation subsequently took possession of the property in November 2025. The property was sold in May 2026 with a gain on sale of \$106,583.

Life estate property consist of the following at June 30:

Description/Location	2026	2025
Houston Street, Clemson, South Carolina – Lot 5	<u>\$ -</u>	<u>\$ 381,040</u>

There was no interest expense capitalized for the years ended June 30, 2026 and 2025.

CLEMSON UNIVERSITY REAL ESTATE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2026 AND 2025

Note 5—Related party transactions

Amounts due to CUF are due in the normal course of business, bear no interest, and are as follows at June 30:

	2026	2025
Due to CUF – Expenditures associated with gifted property	<u>\$ 152,661</u>	<u>\$ 135,863</u>

Transfers to related entities for the years ended June 30, 2026 and 2025 consisted of transfers to CUF of \$1,283,870 and \$-0-, respectively.

Note 6—Expenditures by functional and natural classifications

All expenses of the Foundation are incurred to support the property inventory and are assigned to each individual property. The following represents the natural classifications of these programmatic expenses for the years ended June 30:

	2026	2025
Gifted property:		
Property taxes and fees	\$ 16,328	\$ 15,154
Legal fees	8,299	1,286
Contract and professional services	10,278	400
Insurance	1,117	167
	<u>\$ 36,022</u>	<u>\$ 17,007</u>

Note 7—Net assets released from restrictions

Net assets were released from donor restrictions through expenditures related to the carrying costs and ultimate sales costs of respective donated properties and the transfer of the net proceeds from sales of donated properties to CUF for investment and/or allocation in support of the donor intended purposes. The following represents net assets released from restriction for the years ended June 30:

	2026	2025
Carry costs, sales costs, and transfer of net proceeds	<u>\$ 1,319,892</u>	<u>\$ 17,007</u>

Note 8—Net assets with donor restrictions

Net assets with donor restrictions were held for program support at June 30, 2026 and 2025. The following amounts are maintained by the Foundation in restricted accounts at June 30:

	2026	2025
Contributions restricted for educational programs of CUF	<u>\$ 1,405,208</u>	<u>\$ 1,065,546</u>

CLEMSON UNIVERSITY REAL ESTATE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2026 AND 2025

Note 9—Availability of financial assets

None of the Foundation's financial assets as of June 30, 2026, the statement of financial position date, are available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

The Foundation is substantially supported by CUF, which provides funding, if or when necessary, to cover general expenditures due to the Foundation's purpose to manage, market and dispose of noncash donor gifts that the University has deemed to be non-programmatic. Such funding is fully reimbursed to CUF upon the sale of the underlying donor gift, with the total balance at June 30, 2026 and 2025 described in Note 5.

Note 10—Subsequent events

The Foundation has evaluated subsequent events through September 11, 2026, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.