CLEMSON UNIVERSITY FOUNDATION

(A Component Unit of Clemson University)

FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2015 and 2014

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

CLEMSON UNIVERSITY FOUNDATION

(A Component Unit of Clemson University)

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

The Board of Directors
Clemson University Foundation
Clemson, South Carolina

We have audited the accompanying financial statements of the Clemson University Foundation (the "Foundation"), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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, 2015 and 2014, 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.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 24, 2014. In our opinion, the summarized comparative information presented on the statement of activities herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cherry Bekaert LLP

Greenville, South Carolina
September 24, 2015

CLEMSON UNIVERSITY FOUNDATION
(A Component Unit of Clemson University)
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and cash equivalents	$ 57,357,419	$ 36,833,151
Contributions receivable, net	30,911,101	37,864,656
Due from related organizations	1,564,400	1,500,587
Investments	424,059,849	420,715,149
Investments held for Clemson University	180,001,069	175,541,046
Cash surrender value of life insurance	2,025,395	1,858,611
Land held for resale	11,900	11,900
Land, buildings and equipment, net	9,426,093	9,465,346
Funds held in trust for affiliates		
Non-pooled assets, net	8,855,958	279,188
Pooled investments	12,568,412	2,421,959
Contributions receivable, net	20,284,787	-
Other assets	306,342	249,791
Total Assets	$ 747,372,726	$ 686,741,384
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	$ 553,644	$ 555,306
Due to related organizations	271,316	132,795
Due to others	1,000,000	-
Accrued liability to Clemson University due to net investment appreciation	77,081,753	72,621,730
Note payable to Clemson University	102,919,316	102,919,316
Actuarial liability of annuities payable	5,232,324	5,527,849
Funds administered for affiliates	41,709,158	2,701,147
Total Liabilities	228,767,511	184,458,143
Net Assets:		
Unrestricted	26,986,624	26,369,732
Temporarily restricted	216,312,641	217,099,896
Permanently restricted	275,305,950	258,813,613
Total Net Assets	518,605,215	502,283,241
Total Liabilities and Net Assets	$ 747,372,726	$ 686,741,384

CLEMSON UNIVERSITY FOUNDATION

(A Component Unit of Clemson University)

STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2015 (WITH COMPARATIVE INFORMATION FOR 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2015	Totals 2014
Revenues, gains, and other support:					
Gifts and bequests	$ 1,461,125	$ 15,204,815	$ 16,220,043	$ 32,885,983	$ 42,400,934
Income on investments	4,796,883	1,173,722	2,611	5,973,216	5,620,718
Net realized and unrealized gains on investments	554,969	8,086,752	(47,692)	8,594,029	52,161,748
Program income	1,725,627	387,840	-	2,113,467	2,045,233
Other income	2,965,435	1,835	42,965	3,010,235	2,620,437
Change in value of split-interest agreements	41,056	(105,948)	(385,048)	(449,939)	1,319,419
Reclassification of donor intent	-	(659,457)	659,457	-	-
Total	11,545,095	24,089,559	16,492,337	52,126,991	106,168,489
Net assets released from restrictions	24,871,163	(24,871,163)	-	-	-
Total revenues, gains and other support	36,416,258	(781,604)	16,492,337	52,126,991	106,168,489
Expenses:					
Program expenses					
Grants to Clemson University	1,515,903	-	-	1,515,903	1,515,903
Alumni operations	1,499,058	-	-	1,499,058	1,494,111
Endowments	6,288,662	-	-	6,288,662	6,886,907
Operations	13,738,729	-	-	13,738,729	12,810,462
Capital projects	1,784,597	-	-	1,784,597	2,061,891
Total program expenses	24,826,949	-	-	24,826,949	24,769,274
General and administrative	2,099,756	-	-	2,099,756	2,086,668
Fundraising	4,952,044	-	-	4,952,044	4,508,533
Total expenses	31,878,749	-	-	31,878,749	31,364,475
Change in net assets before other changes	4,537,509	(781,604)	16,492,337	20,248,242	74,804,014
Other changes					
Contributions to a related entity	(3,926,268)	-	-	(3,926,268)	-
Transfer to temporarily restricted funds due to underwater endowments	5,651	(5,651)	-	-	-
Total other changes	(3,920,617)	(5,651)	-	(3,926,268)	-
Change in net assets	616,892	(787,255)	16,492,337	16,321,974	74,804,014
Net assets at beginning of year	26,369,732	217,099,896	258,813,613	502,283,241	427,479,227
Net assets at end of year	$ 26,986,624	$ 216,312,641	$ 275,305,950	$ 518,605,215	$ 502,283,241

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

CLEMSON UNIVERSITY FOUNDATION
(A Component Unit of Clemson University)
STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2014 (WITH COMPARATIVE INFORMATION FOR 2013)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2014	Totals 2013
Revenues, gains, and other support:					
Gifts and bequests	$ 1,345,875	$ 26,684,767	$ 14,370,292	$ 42,400,934	$ 31,054,091
Income on investments	4,932,638	683,147	4,933	5,620,718	5,520,900
Net realized and unrealized gains on investments	3,605,252	48,329,532	226,964	52,161,748	30,964,871
Program income	1,581,877	463,356	-	2,045,233	1,885,362
Other income	2,583,835	1,631	34,971	2,620,437	2,357,122
Change in value of split-interest agreements	47,795	220,869	1,050,755	1,319,419	(74,609)
Reclassification of donor intent	301,521	(952,983)	651,462	-	-
Total	14,398,793	75,430,319	16,339,377	106,168,489	71,707,737
Net assets released from restrictions	21,765,167	(21,765,167)	-	-	-
Total revenues, gains and other support	36,163,960	53,665,152	16,339,377	106,168,489	71,707,737
Expenses:					
Program expenses					
Grants to Clemson University	1,515,903	-	-	1,515,903	1,445,842
Alumni operations	1,494,111	-	-	1,494,111	1,492,543
Endowments	6,886,907	-	-	6,886,907	5,350,790
Operations	12,810,462	-	-	12,810,462	15,528,398
Capital projects	2,061,891	-	-	2,061,891	1,478,619
Total program expenses	24,769,274	-	-	24,769,274	25,296,192
General and administrative	2,086,668	-	-	2,086,668	1,956,807
Fundraising	4,508,533	-	-	4,508,533	4,143,988
Total expenses	31,364,475	-	-	31,364,475	31,396,987
Change in net assets before other changes	4,799,485	53,665,152	16,339,377	74,804,014	40,310,750
Other changes					
Transfer to temporarily restricted funds due to underwater endowments	80,996	(80,996)	-	-	-
Total other changes	80,996	(80,996)	-	-	-
Change in net assets	4,880,481	53,584,156	16,339,377	74,804,014	40,310,750
Net assets at beginning of year	21,489,251	163,515,740	242,474,236	427,479,227	387,168,477
Net assets at end of year	$ 26,369,732	$ 217,099,896	$ 258,813,613	$ 502,283,241	$ 427,479,227

CLEMSON UNIVERSITY FOUNDATION
(A Component Unit of Clemson University)
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Cash flows from operating activities:		
Change in net assets	$ 16,321,974	$ 74,804,014
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gains on investments	(8,594,029)	(52,161,748)
Depreciation expense	39,253	46,902
Investment income on long-term investments	(2,611)	(4,933)
Change in value of split interest agreements on long-term investments	385,048	1,050,755
Gifts restricted for long-term investment	(16,220,043)	(14,370,292)
Other income – permanently restricted	(42,965)	34,971
Transfer of cash resources from an affiliated organization for investment	10,257,938	-
Change in assets and liabilities:		
Contributions receivable	6,953,555	(9,639,359)
Due from related organizations	(63,813)	(128,602)
Cash surrender value of life insurance	(166,784)	(135,727)
Investments held in trust for affiliate	(39,008,010)	(255,652)
Other assets	(56,551)	53,474
Accounts payable and accrued liabilities	(1,662)	135,141
Due to others	1,000,000	-
Due to related organizations	138,521	27,792
Actuarial liability of annuities payable	(295,525)	116,738
Trust funds administered for affiliate	39,008,011	255,652
Net cash provided by (used in) operating activities	9,652,307	(170,874)
Cash flows from investing activities:		
Proceeds from sales of investments	41,056,407	40,530,459
Purchases of investments	(46,065,017)	(59,789,240)
Net cash used in investing activities	(5,008,610)	(19,258,781)
Cash flows from financing activities:		
Gifts restricted for long-term investment	16,220,043	14,370,292
Investment income on long-term investments	2,611	4,933
Change in value of split interest agreements on long-term investments	(385,048)	(1,050,755)
Other income – permanently restricted	42,965	(34,971)
Net cash provided by financing activities	15,880,571	13,289,499
Net increase (decrease) in cash and cash equivalents	20,524,268	(6,140,156)
Cash and cash equivalents, beginning of year	36,833,151	42,973,307
Cash and cash equivalents, end of year	$ 57,357,419	$ 36,833,151

Note 1—Organization

The Clemson University Foundation (the "Foundation"), a component unit of Clemson University (the "University") as defined by the provisions of Governmental Accounting Standards Board ("GASB") *Statement No. 14, The Financial Reporting Entity*, is an independent, nonprofit, tax-exempt public charity incorporated in South Carolina. The Foundation exists solely to raise, receive, and manage private gifts for the advancement and benefit of the University. The Foundation is considered a component unit of the University, and is discretely presented in the University's 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.

The Foundation is governed by an independent, 43-member volunteer board of directors, with additional honorary and ex-officio directors, as approved.

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.

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:

> *Unrestricted net assets* – net assets that are not subject to donor-imposed stipulations. This includes funds that are designated for discretionary use by the Foundation and board designated funds functioning as endowments.
>
> *Temporarily restricted net assets* – 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. This includes annuity and life income funds, term endowments, the present value of contributions receivable, and earnings on investments.
>
> *Permanently restricted net assets* – net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. This includes the historical dollar amounts of gifts, the present value of contributions receivable, and earnings required to be added to the corpus as stipulated by the donor.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary 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.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give 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.

Note 2—Summary of significant accounting policies (continued)

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

> As increases or decreases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund;
>
> As increases or decreases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income or by law;
>
> As increases or decreases in unrestricted net assets in all other cases.

Cash and Cash Equivalents - The Foundation considers all interest bearing money market accounts and short-term investments with an initial maturity of three months or less at the date of purchase to be cash equivalents. The Foundation places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts.

The Foundation's cash management program utilizes money market accounts that are not collateralized nor fully insured. At June 30, 2015 and 2014, the Foundation had $56,250,644 and $36,582,418, respectively, on deposit in excess of the insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments - Investment securities are generally recorded at fair value. In the case of certain less marketable investments, principally private equity and real estate investments, value is established based on either external events which substantiate a change in value or a reasonable methodology that exists to capture and quantify changes in value. In some instances those changes in value may require use of estimates. Accordingly, such values may differ from the values that would have been used had a ready market for the investments existed.

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 endowment owns in the managed investment pool.

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. An appropriation from the endowment for expenditures that support the intended purpose may be made to the extent it is deemed prudent, unless otherwise restricted by the donor in the gift instrument.

The Foundation's investments include various types of investment securities and investment vehicles. Investment securities are exposed to several risks, such as interest rate, currency, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that change in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Foundation's financial statements.

Note 2—Summary of significant accounting policies (continued)

Land, Buildings and Equipment - Land, buildings and equipment are stated at cost at the date of acquisition. Cost for donated assets is stated at the appraised fair value on the date of donation. Equipment with a value in excess of $5,000 and a useful life in excess of one year is capitalized and depreciated using the straight-line method over the estimated useful lives of the respective assets, ranging from five to seven years. Buildings are depreciated using the straight-line method over the estimated useful lives of the respective assets ranging from 15 to 20 years. Automobiles with the useful life of longer than one year are capitalized and depreciated using the straight-line method over the estimated useful lives, ranging from three to seven years.

Land Held for Resale - Land held for resale is recorded at the lower of cost or fair value. Donated land is recorded at fair value at the date of the donation and is appraised by a certified, independent appraiser. A certified title examination is performed and if appropriate, an environmental survey is obtained. Land held for resale is reviewed every two to three years and reappraised as deemed necessary.

Split-Interest Agreements - The Foundation's split-interest agreements with donors consist primarily of irrevocable charitable remainder trusts and charitable gift annuities for which the Foundation serves as trustee and charitable remainder trusts administered by others. Assets held in these trusts whereby the Foundation serves as trustee are included in investments. Contribution revenues are recognized at the dates the trusts are established, after recording liabilities for the present value of the estimated future payments to be made to donors or other beneficiaries. The liabilities are adjusted annually for changes in the value of the assets, accretion of the discount, and other changes related to estimated future donor-related payments.

Trust assets administered by others are recorded at fair value as contributions receivable and are adjusted annually for changes in market value.

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 (the "Code") and described as an organization in Section 501(c)(3) of the Code. Accordingly, only unrelated business income, as defined by Section 513 of the Code, 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 that there are no such positions as of June 30, 2015 and, accordingly, no liability has been accrued. The open tax years for the Foundation include the years ended June 30, 2012, 2013, 2014, and 2015.

Fair Value of Financial Instruments - The carrying values of cash and cash equivalents, other receivables, due to/from related organizations, and accounts payable and accruals approximate fair value because of the terms and relative short maturity of financial instruments. The carrying values, which are the fair value of investments, are based on values provided by an external investment manager or comparison to quoted market values. The liabilities for notes payable are related to investments and investments held in trust for affiliate and, accordingly, are reported at fair value. Contributions receivable and actuarial liability of annuities payable are reported at the discounted present value, which approximates fair value.

Concentrations of Credit Risk - Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of investments. The exposure to concentrations of credit risk relative to investments is limited due to the Foundation's investment objectives and policies, as adopted by its board of directors. The investment policies prohibit the acquisition of certain securities and require, among other things, that securities be diversified and meet investment grade quality criteria.

Note 2—Summary of significant accounting policies (continued)

Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Foundation to make estimates and assumptions that affect the reported amounts 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.

Due to Others - The Foundation previously received a restricted gift for the construction of a facility to support the educational mission of the University. The University subsequently decided that it was not feasible to pursue the initiative. As a result, the Foundation agreed to return the gift to the donor which was consummated shortly after the end of the fiscal year.

Comparative Information - 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

New Accounting Pronouncement – The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2013-06, *Not-for-Profit (Topic 958) – Services Received from Personnel of an Affiliate*, effective for fiscal years beginning after June 15, 2014. The amendments require a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel proving those services. However, if measuring such service at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize that service at either the cost recognized by the affiliate for the personnel providing that service, or the fair value of that service. On July 1, 2014, the Foundation adopted the amendments in this update and the adoption did not have a material impact to these financial statements.

Upcoming Accounting Pronouncement – The FASB issued ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share*, effective for fiscal years beginning after December 15, 2015. The amendments in ASU 2015-07 remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient.

Note 3—Fair value measurements

Fair value, as defined under accounting principles generally accepted in the United States of America, 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, for substantially the full term of the financial instrument.

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 and liabilities measured at fair value as of June 30, 2015 and 2014, based on the level of input utilized to measure fair value:

Measurement at fair value on a recurring or quarterly basis at June 30, 2015:

Description	Level 1	Level 2	Level 3	Total
Investments – recurring basis:				
Publically traded funds:				
Money market funds	$ 23,039,665	$ -	$ -	$ 23,039,665
Treasury/agency	28,265,694	-	-	28,265,694
Mortgage backed securities	7,760,626	-	-	7,760,626
Corporate bonds	8,117,035	-	-	8,117,035
International bonds	881,952	-	-	881,952
U.S. equities	267,745,769	-	-	267,745,769
Global equities	111,797,394	-	-	111,797,394
Commodities	4,068,400	5,934,792	-	10,003,192
Public real assets	1,177,986	-	-	1,177,986
Hedge funds	-	-	97,255,433	97,255,433
Private equity	-	-	29,628,559	29,628,559
Private real assets	-	-	8,727,018	8,727,018
Other	1,876,157	-	-	1,876,157
Total investments – recurring basis	454,730,678	5,934,792	135,611,010	596,276,480
Investments – non-recurring basis:				
Real estate	-	352,850	-	352,850
Total marketable investments	$ 454,730,678	$ 6,287,642	$ 135,611,010	$ 596,629,330

Note 3—Fair value measurements (continued)

Measurement at fair value on a recurring or quarterly basis at June 30, 2014:

Description	Level 1	Level 2	Level 3	Total
Investments – recurring basis:				
Publically traded funds:				
Money market funds	$ 33,716,693	$ -	$ -	$ 33,716,693
Treasury/agency	29,264,859	-	-	29,264,859
Mortgage backed securities	7,918,504	-	-	7,918,504
Corporate bonds	6,906,289	-	-	6,906,289
International bonds	1,184,493	-	-	1,184,493
U.S. equities	262,581,203	-	-	262,581,203
Global equities	98,681,048	-	-	98,681,048
Commodities	5,521,600	7,856,768	-	13,378,368
Public real assets	1,243,627	-	-	1,243,627
Hedge funds	-	-	90,831,165	90,831,165
Private equity	-	-	22,059,510	22,059,510
Private real assets	-	-	9,516,423	9,516,423
Other	1,110,117	-	-	1,110,117
Total investments – recurring basis	448,128,433	7,856,768	122,407,098	578,392,299
Investments – non-recurring basis:				
Real estate	-	285,855	-	285,855
Total marketable investments	$ 448,128,433	$ 8,142,623	$ 122,407,098	$ 578,678,154

All assets have been valued using a market approach, except for Level 3 assets. Level 3 assets are valued using multiple approaches. Fair value for assets in Level 3 are calculated using assumptions about discounted cash flow and other present value techniques. There were no changes in the valuation techniques during the current year.

For assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period, the following table provides a reconciliation of beginning and ending balances for the years ended June 30, 2015 and 2014:

	2015	2014
Beginning of year	$ 122,407,098	$ 115,738,828
Investment income (net of fees)	(2,293,565)	(1,649,141)
Net realized and unrealized gains	12,091,800	16,365,589
Distributions	(14,718,216)	(12,891,656)
Expenses	(1,698,678)	(2,219,621)
Purchases	19,822,571	7,063,099
End of year	$ 135,611,010	$ 122,407,098

Note 3—Fair value measurements (continued)

For investments in entities that calculate net asset value ("NAV") or its equivalent whose fair value is not readily determinable, the following table provides additional information about the probability of investments being sold at amounts different from their NAV per share at June 30, 2015:

		Fair Value		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private partnerships [1]						
Private equity	$	29,628,559	$	34,117,464	N/A	N/A
Private real assets		8,727,018		13,051,687	N/A	N/A
Hedge funds						
Absolute return [2]		70,178,596			Monthly to Annually	33-95 days
Long/short equity [3]		27,076,837			Quarterly to Biennially	45-90 days
Total	$	135,611,010				

(1) This category includes investments in private equity, buyout, real assets and venture capital funds. These funds invest primarily in domestic companies across a broad spectrum of industries. Fair value of the partnerships is determined by the Fund Manager using the NAV reported by the underlying partnerships. For real assets, fair value is estimated by the general partner based on an internal valuation of the underlying projects. Generally these funds cannot be redeemed; instead, the nature of the investments is that distributions will be received as the underlying investments of the fund are liquidated.

(2) This category includes investments in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The fair value of these Funds' investments is estimated by the Fund Managers using the NAV based on valuations received from underlying investment managers.

(3) This category includes investments in funds that take both long and short positions in domestic and international securities, primarily equity securities. Fair value is reported monthly at NAV based on valuations received from underlying investment managers.

Note 4—Investments

A summary of investments at fair value that are presented on the statements of financial position under investments, investments held for the University and investments held in trust for affiliate as of June 30, 2015 and 2014, are as follows:

	2015	2014
Money market funds	$ 23,039,665	$ 33,716,693
Treasury/agency	28,265,694	29,264,859
Mortgage backed securities	7,760,626	7,918,504
Corporate bonds	8,117,035	6,906,289
International bonds	881,952	1,184,493
U.S. equities	267,745,769	262,581,203
Global equities	111,797,394	98,681,048
Commodities	10,003,192	13,378,368
Hedge funds	97,255,433	90,831,165
Private equity	29,628,559	22,059,510
Public real assets	1,177,986	1,243,627
Private real assets	9,079,868	9,802,278
Other	1,876,157	1,110,117
Subtotal-marketable investments	596,629,330	578,678,154
Subordinated note receivable from Clemson University Land Stewardship Foundation, Inc. (see Note 9)	20,000,000	20,000,000
Total investments	$ 616,629,330	$ 598,678,154

	2015	2014
Reconciliation to the Statements of Financial Position		
Investments	$ 424,059,849	$ 420,715,149
Investments held for Clemson University	180,001,069	175,541,046
Investments held in trust for affiliates	12,568,412	2,421,959
	$ 616,629,330	$ 598,678,154

The Foundation's investment activity for the years ended June 30, 2015 and 2014 follows:

	2015	2014
Net realized gains from sales of investments	$ 6,539,607	$ 7,084,363
Increase in unrealized appreciation	2,054,422	45,077,385
Total net gains	8,594,029	52,161,748
Investment income	5,973,216	5,620,718
Total gains	$ 14,567,245	$ 57,782,466

Investment and administrative management fees totaled $7,672,526 and $7,730,063 for the years ended June 30, 2015 and 2014, respectively. Investment and administrative management fees for the years ended June 30, 2015 and 2014, were comprised of $4,095,160 charged by the Foundation and $3,510,646 charged by external investment managers and $4,069,315 charged by the Foundation and $3,594,233 charged by external investment managers, respectively. In addition, external management fees for split interest agreements for the years ended June 30, 2015 and 2014, totaled $66,720 and $66,515, respectively.

Note 4—Investments (continued)

The South Carolina Code of Laws allows the University's Board of Trustees to loan endowment funds to the Foundation for the purpose of maximizing the investment yield and increasing the available funds for scholarships and other programs. For the years ended June 30, 2015 and 2014, University endowment funds of $180,001,069 and $175,541,046, respectively, were loaned to the Foundation and are included in investments held for Clemson University in the Statements of Financial Position.

Note 5—Contributions receivable, net

Contributions receivable, net, are summarized as follows at June 30, 2015 and 2014:

	2015	2014
Unconditional promises expected to be collected in:		
Less than one year	$ 9,551,275	$ 3,314,677
One year to five years	15,716,840	25,750,897
Over five years	23,135,016	29,026,484
	48,403,131	58,092,058
Less allowance for uncollectible contributions receivable	(3,958,372)	(4,848,638)
Less unamortized discount (discount rates of 0.72% to 3.93%)	(13,533,658)	(15,378,764)
	$ 30,911,101	$ 37,864,656

Included with pledges in contributions receivable for the years 2015 and 2014, is the present value of estimated payments of $8,480,327 and $10,389,041, respectively, to be received from 30 and 35 irrevocable trusts, respectively, for which the Foundation is not the trustee.

Note 6—Land, buildings and equipment, net

A summary of land, buildings and equipment, net at June 30, 2015 and 2014 follows:

	2015	2014
Land	$ 8,971,049	$ 8,971,049
Buildings	1,833,458	1,833,458
Equipment	113,878	113,878
	10,918,385	10,918,385
Less accumulated depreciation	(1,492,292)	(1,453,039)
	$ 9,426,093	$ 9,465,346

Included in land, buildings and equipment at June 30, 2015 and 2014, is land purchased or donated to the Foundation which had an appraised value of $8,971,049 in the year it was acquired. Conservation Easements have been assigned to property located in Georgetown County, South Carolina which require the land to remain in its undeveloped state but allow for the construction, operation and management of a research and educational facility. The carrying value is comprised of land of $917,418 and Conservation Easements of $8,053,631.

Depreciation expense for the years ended June 30, 2015 and 2014 was $39,253 and $46,902, respectively.

Note 7—Endowment assets

The Foundation's endowment consists of approximately 1,722 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Directors of the Foundation to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") enacted July 1, 2008 in the State of South Carolina as setting forth the standard of conduct for preserving the value of the original gift. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulation of earnings required to be added to the permanent endowment as stipulated by the donor applicable donor gift instrument.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Foundation and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Foundation.
7. The investment policies of the Foundation.

Endowment net assets consist of the following at June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Donor-restricted endowment funds	$ (1,854)	$ 135,613,566	$ 250,259,253
Board-designated endowment funds	21,003,584	-	-
Total endowed net assets	$ 21,001,730	$ 135,613,566	$ 250,259,253

Endowment net assets consist of the following at June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Donor-restricted endowment funds	$ (7,506)	$ 137,948,434	$ 233,324,439
Board-designated endowment funds	20,637,566	-	-
Total endowed net assets	$ 20,630,060	$ 137,948,434	$ 233,324,439

Note 7—Endowment assets (continued)

Changes in endowment net assets for the year ended June 30, 2015 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Donor-restricted endowment funds	$ (7,506)	$ 137,948,434	$ 233,324,439
Board-designated endowment funds	20,637,566	-	-
Total endowed net assets, June 30, 2014	20,630,060	137,948,434	233,324,439
Investment return:			
Investment income	51,486	1,163,776	2,611
Net appreciation	533,124	8,088,495	(47,722)
Transfer to temporarily restricted funds due to underwater endowments	5,651	(5,651)	-
	21,220,321	147,195,054	233,279,328
Contributions	347,622	219,131	17,129,732
Additions to endowments from trusts or donor designation changes	(116,357)	266,164	(149,807)
Appropriation of endowment assets for expenditure	(449,856)	(12,066,783)	-
Endowment net assets June 30, 2015	$ 21,001,730	$ 135,613,566	$ 250,259,253

Changes in endowment net assets for the year ended June 30, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Donor-restricted endowment funds	$ (88,502)	$ 94,391,900	$ 219,124,486
Board-designated endowment funds	17,883,777	-	-
Total endowed net assets, June 30, 2013	17,795,275	94,391,900	219,124,486
Investment return:			
Investment income	61,801	672,764	4,933
Net depreciation	2,491,381	48,226,028	226,964
Transfer to temporarily restricted funds due to underwater endowments	80,996	(80,996)	-
	20,429,453	143,209,696	219,356,383
Contributions	483,139	4,418,373	13,316,594
Additions to endowments from trusts or donor designation changes	-	(651,462)	651,462
Appropriation of endowment assets for expenditure	(282,532)	(9,028,173)	-
Endowment net assets June 30, 2014	$ 20,630,060	$ 137,948,434	$ 233,324,439

Note 7—Endowment assets (continued)

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies, or "underwater endowments," of this nature that are reported in unrestricted net assets were $1,854 as of June 30, 2015 and $7,506 as of June 30, 2014. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of permanently restricted contributions and, to a degree by continued appropriation for certain programs that was deemed prudent by the Board of Directors.

Return Objectives and Risk Parameters - The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a relatively predictable, stable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as board designated funds. As authorized by Board approved policies, these assets are invested to maximize long term returns, while simultaneously mitigating risk through maintaining a diversified portfolio. A multi-generational window not only allows for the typical diversification across asset classes, but also for time diversification across both up and down markets.

The assets are invested in a manner that is intended to produce results that meet or exceed the composite return and are within the risk parameters of a benchmark composed of 42% Russell 3000 Index, 28% MSCI All Country World Ex US Index, 5% Bloomberg Commodity Total Return Index, 5% S&P Global Natural Resources Index, 5% FTSE/EPRA NAREIT Global Real Estate Index, and 15% Barclays Aggregate Bond Index.

The long-term objective is to attain, within acceptable risk parameters, an average annual total return that exceeds the sum of the Foundation's approved payout rate plus inflation, plus investment management and related fees. The objective is expected to be obtained over time but not in each and every reporting period.

Strategies Employed for Achieving Objectives - To address its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Foundation spending policy appropriates for distribution each year a certain percentage of its endowment funds' average fair value for the prior three years through the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the expected return on its endowment. The goal of such spending policy is to allow the endowment to maintain its purchasing power, achieve a reasonable degree of stability and predictability in income availability for operations and to achieve a balance between present and future needs. Real growth is achieved through new gifts and any excess investment return.

Note 8—Leases

The Foundation has entered into operating lease agreements for vehicles and office space that expire over the next three years. Total rent expense incurred under these agreements was $123,223 and $121,975 for the years ended June 30, 2015 and 2014, respectively. Future minimum lease payments under the operating lease agreements are $123,722 in 2016, $107,465 in 2017, and $88,481 in 2018.

Note 9—Related-party transactions

At June 30, 2015 and 2014, amounts due to and due from organizations related to the Foundation through their affiliation with the University are as follows:

	2015	2014
Due to:		
IPTAY	$ 188,989	$ 36
Clemson Architectural Foundation	3,683	3,742
Clemson University	78,644	129,017
	$ 271,316	$ 132,795
Due from:		
Clemson University Real Estate Foundation	$ 88,218	$ 104,965
Clemson University Land Stewardship Foundation	932,472	932,472
Clemson University	538,710	458,150
Clemson University Continuing Education and Conference Complex Corporation	5,000	5,000
	$ 1,564,400	$ 1,500,587

The Foundation purchased and transferred equipment with a net book value of $6,292 and $90,845 during the years ended June 30, 2015 and 2014, respectively, to the University.

Individuals working on behalf of the Foundation are employees of and paid by the University. The Foundation reimburses the University for the time University employees spend on Foundation matters. Funds are reimbursed to the University as part of the annual board allocation to the University and are recorded as expenses by the Foundation. The amounts reimbursed for the years ended June 30, 2015 and 2014 were $413,774 and $447,900, respectively.

The University and the Foundation have a memorandum of understanding whereby the University loans certain endowment funds to the Foundation for the purpose of maximizing the investment yield and increasing the funds available for scholarships and other University programs. These funds are managed with an asset allocation similar to that of the Foundation. The agreement is for a period of ten years and will be reviewed annually and automatically extended each year for an additional twelve month period unless either party provides written notice of objection. Either party may terminate the agreement with 180 days notice. The current agreement expires July 11, 2022. The principal balance outstanding at June 30, 2015 and 2014 was $102,919,316 and the accrued liability to the University due to net investment appreciation on the principal outstanding was $77,081,753 and $72,621,730, respectively. The Foundation charged an annual fee of 1.25% in 2015 and 2014 for managing the University's endowments. The fee is assessed quarterly and $538,710 and $458,150 was due to the Foundation at June 30, 2015 and 2014, respectively.

Funds loaned to the Foundation will be paid back to the University with interest at a rate equal to the total cumulative return (consisting of appreciation and income less any payouts to the University) earned from the investment of such funds by the Foundation. The University is prohibited from requesting a return of the loaned funds if the total cumulative return is negative.

Note 9—Related-party transactions (continued)

In December 2007, the Foundation approved a non-interest bearing loan of $20,000,000 to the Clemson University Real Estate Foundation ("CUREF") for investment in land acquisitions and improvements at Clemson University-International Center for Automotive Research. This loan was assigned to the Clemson University Land Stewardship Foundation ("CULSF") in December 2012 with the transfer of the underlying asset.

Note 10—Royalty revenue

In September 1999, the Foundation, on behalf of the Clemson Alumni Association, entered into an agreement with MBNA America Bank to provide an affinity credit card to Clemson alumni, students and friends. The agreement was amended and restated for an additional seven-year period and expired in June 2012. The agreement was again amended and restated for an additional five-year period expiring in September 2017. Under the terms of the agreement, MBNA America paid $650,000 in June 2011 to the Foundation as an advance against royalties to be earned during the contract. A portion of the funds received each year are payable immediately to the University athletic department. Accordingly, these amounts are not recognized as revenue on the Foundation's statements of activities. Royalty revenue is being recognized as earned during the period of the contract. A total of $363,906 and $399,282 of royalty revenue was recognized during each of the years ended June 30, 2015 and 2014, respectively, and is included in program income.

Note 11—Split-interest agreements

The Foundation has entered into charitable remainder annuity and unitrust agreements whereby assets are made available on the condition that income is paid periodically to designated individuals. Payments of such amounts terminate at a time specified in the agreements. Included in investments at June 30, 2015 and 2014, are $13,098,479 and $13,853,722, respectively, of assets held under the agreements and are comprised of U.S. Government obligations, corporate bonds, and U.S. and global equities.

The Foundation has reported in the accompanying statements of financial position an actuarial liability of $4,302,620 and $4,684,336 at June 30, 2015 and 2014, respectively, which represents the present value of estimated future payments to beneficiaries of the charitable remainder annuity trusts and unitrusts, taking into consideration their life expectancy and discounted at applicable interest rates.

The Foundation has entered into charitable gift annuity agreements whereby donors contribute assets in exchange for the Foundation's promise to pay a fixed amount to a designated individual for a specified period of time. The assets contributed are held as general assets of the Foundation and an actuarial liability which represents the present value of estimated future payments to beneficiaries of charitable gift annuities of $929,704 and $843,513 at June 30, 2015 and 2014, respectively, has been reported in the accompanying statements of financial position.

Note 12—Life insurance policies

The Foundation is owner and beneficiary of various life insurance policies on 28 individuals with an aggregate face value of $6,120,752 and $6,120,752 for the years ended June 30, 2015 and 2014, respectively. The cash surrender value at June 30, 2015 and 2014 was $2,025,395 and $1,858,611, respectively.

Note 13—Funds held in trust for affiliates

The Foundation holds and invests funds belonging to the Clemson Architectural Foundation ("CAF") and IPTAY in a custodial capacity. Funds are either held or invested in an externally managed investment pool in accordance with CUF investment policy or by separate agreement. Assets under CUF management at June 30, 2015 and 2014 were $41,709,158 and $2,701,147, respectively.

	2015	2014
Non-pooled assets, net		
IPTAY	$ 8,510,335	$ -
CAF	345,623	279,188
	8,855,958	279,188
Pooled investments		
IPTAY	10,257,938	-
CAF	2,310,474	2,421,959
	12,568,412	2,421,959
Contributions receivable, net		
IPTAY	20,284,787	-
Total	$ 41,709,158	$ 2,701,147

Note 14—Commitments

The Foundation has committed $8,914,546 and $10,078,374 at June 30, 2015 and 2014, respectively, for building projects for the benefit of the University. At June 30, 2015, the Foundation has received cash from donors that covers this commitment.

Pursuant to the terms of an agreement dated September 9, 1993, the Foundation shall pay on an annual basis any short-fall occurring in the event that the "Golf Course Premises Revenues" of Clemson University Continuing Education and Conference Complex Corporation ("CECCC") are not sufficient to pay the "Operating Expenses (excluding any debt service) and ground lease base rent and Reserves"; provided, however, the CECCC shall first pay such short-fall out of the "Reserves". No such payments were required in 2015 or 2014.

The Foundation entered into a memorandum of understanding with the University whereby it agrees to make any debt service payments due and not made by CULSF or LICAR, LLC for the Center for Emerging Technologies ("CET") building. In exchange for any debt service payments made, the Foundation may reduce its annual allocation to the University by a like amount. No such payments were required in 2015 or 2014. This memorandum was transferred to CULSF as part of the CET Building transfer in December 2012.

The Foundation has entered into a Guaranty Agreement with the lender associated with a loan facility for the construction and permanent financing of One Research Drive. The guaranty is for an amount not to exceed $600,000 per annum to cover the debt service associated. The guaranty will be reduced dollar-for-dollar for third-party lease agreements acceptable to the lender.

Note 15—Net assets released from restrictions

Donor-imposed restrictions expired on temporarily restricted net assets during the years ended June 30, 2015 and 2014 as follows:

	2015	2014
Purpose restricted contributions for:		
Scholarships, fellowships and awards	$ 2,722,568	$ 2,701,614
Chairs, professorships and faculty awards	2,126,948	2,536,051
Department and University programs	13,642,032	14,192,419
Facilities and equipment	668,749	273,192
Transfer to a related entity	3,926,268	-
Time restricted contributions for:		
Clemson University capital projects	1,784,598	2,061,891
Total	$ 24,871,163	$ 21,765,167

Note 16—Net assets

Temporarily restricted net assets consist of the following at June 30:

	2015	2014
Programs	$ 48,918,014	$ 42,933,817
Accumulated appreciation and unspent income	117,393,672	117,293,731
Term endowments	12,817,750	36,775,001
Pledges	96,992	18,933,104
Interests in trusts held by others	35,997,661	99,235
Charitable remainder trusts and unitrusts	1,088,552	1,065,008
	$ 216,312,641	$ 217,099,896

These amounts are largely expendable for scholarships, fellowships, professorships and University programs.

Permanently restricted net assets consist of the following at June 30:

	2015	2014
Endowments	$ 245,346,898	$ 231,256,804
Pledges	9,613,024	8,542,512
Interests in trusts held by others	8,383,336	10,289,806
Gifts pending agreements	5,572,612	2,068,434
Charitable remainder trusts and unitrusts	6,390,080	6,656,057
	$ 275,305,950	$ 258,813,613

The income from these investments in perpetuity is expendable for scholarships, fellowships, professorships and University programs.

Note 17—Risk management

The Foundation is exposed to various risks of loss related to torts, theft of assets, and errors and omissions. The risks are managed through the purchase of commercial insurance and self-retention of certain risks. The Foundation's affairs are conducted by the employees of the University and exposures to loss resulting from this arrangement are managed by the University through a combination of methods, including participation in various risk pools administered by the State of South Carolina, purchase of commercial insurance and self-retention of certain risks. Additional details on the University's risk management program are disclosed in the financial report of the University.

Note 18—Subsequent events

The Foundation has evaluated subsequent events through September 24, 2015, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.