



CITY OF CLEMSON
SOUTH CAROLINA



Comprehensive Annual
Financial Report



For the Fiscal Year Ended June 30, 2009

CITY OF CLEMSON
SOUTH CAROLINA



Comprehensive Annual
Financial Report



For the Fiscal Year Ended June 30, 2009



Prepared by the Office of Finance

CITY OF CLEMSON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2009
TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page(s)
<i>Letter of Transmittal</i>	<i>i - vi</i>
<i>GFOA Certificate of Achievement</i>	<i>vii</i>
<i>Organization Chart</i>	<i>viii</i>
<i>Public Officials and Positions</i>	<i>ix</i>

FINANCIAL SECTION

<i>Independent Auditor's Report</i>	<i>1 - 2</i>
<i>Management's Discussion and Analysis</i>	<i>3 - 10</i>
 <i>Basic Financial Statements</i>	
<i>Government-wide Financial Statements</i>	
<i>Statement of Net Assets</i>	<i>11</i>
<i>Statement of Activities</i>	<i>12 - 13</i>
<i>Fund Financial Statements</i>	
<i>Balance Sheet – Governmental Funds</i>	<i>14</i>
<i>Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets</i>	<i>15</i>
<i>Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds</i>	<i>16 – 17</i>
<i>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities</i>	<i>18</i>
<i>Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual – General Fund</i>	<i>19 – 20</i>
<i>Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Special Revenue Fund – Tax Increment</i>	<i>21</i>
<i>Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Highway 123 Streetscape</i>	<i>22</i>
<i>Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – City Hall Expansion</i>	<i>23</i>
<i>Statement of Net Assets – Proprietary Funds</i>	<i>24 – 25</i>
<i>Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds</i>	<i>26 - 27</i>
<i>Statement of Cash Flows – Proprietary Funds</i>	<i>28 – 29</i>
 <i>Notes to the Financial Statements</i>	 <i>31 – 55</i>
 <i>Combining and Individual Fund Statements and Schedules</i>	
<i>Nonmajor Governmental Funds</i>	
<i>Combining Balance Sheet – Nonmajor Governmental Funds</i>	<i>57</i>
<i>Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds</i>	<i>58</i>
<i>Combining Balance Sheet – Nonmajor Special Revenue Funds</i>	<i>59</i>
<i>Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds</i>	<i>60</i>
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Community Development</i>	<i>61</i>
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Community Development</i>	<i>62</i>

<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual – Emergency Phone System</i>	63
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual – Tourism Fund</i>	64
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual – Park Land Fund</i>	65
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual – Hospitality Fee Fund</i>	66
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual – Hospitality Tax Fund</i>	67
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Local Accommodations Tax Fund</i>	68
<i>Combining Balance Sheet – Nonmajor Capital Projects Funds</i>	69
<i>Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds</i>	70
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – US 123/SC 133 Connector</i>	71
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – East Clemson Wastewater Collection System</i>	72
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Undesignated Capital Project</i>	73
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Debt Service Fund</i>	74
<i>Capital Assets Used in the Operation of Governmental Funds</i>	
<i>Comparative Schedules By Source</i>	75
<i>Schedule of Changes by Function and Activity</i>	76
<i>Schedule by Function and Activity</i>	77

OTHER REQUIRED INFORMATION

<i>Supplementary Schedule of Fines and Assessments – Victim Services</i>	79
--	----

STATISTICAL SECTION

Schedule #

<i>Contents</i>		81
<i>Financial Trends:</i>		
<i>Net Assets by Component, Last Six Fiscal Years</i>	1	82
<i>Changes in Net Assets, Last Six Fiscal Years</i>	2	83 – 85
<i>Fund Balances, Governmental Funds, Last Ten Fiscal Years</i>	3	86
<i>Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years</i>	4	87 – 88
<i>Revenue Capacity:</i>		
<i>Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years</i>	5	89
<i>Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years</i>	6	90
<i>Principal Property Taxpayers, Current Year and Nine Years Ago</i>	7	91
<i>Property Tax Levies and Collections, Last Ten Fiscal Years</i>	8	92
<i>Debt Capacity:</i>		
<i>Ratios of Outstanding Debt by Type, Last Ten Fiscal Years</i>	9	93
<i>Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years</i>	10	94
<i>Direct and Overlapping Governmental Activities Debt As of June 30, 2009</i>	11	95
<i>Legal Debt Margin Information, Last Ten Fiscal Years</i>	12	96
<i>Pledged-Revenue Coverage, Last Ten Fiscal Years</i>	13	97
<i>Demographic and Economic Information:</i>		
<i>Demographic and Economic Statistics, Last Ten Calendar Years</i>	14	98
<i>Principal Employers, Current Year and Nine Years Ago</i>	15	99

Operating Information:

<i>Full-time-Equivalent City Government Employees by Function/ Program, Last Ten Fiscal Years</i>	16	100
<i>Operating Indicators by Function/Program, Last Ten Fiscal Years</i>	17	101
<i>Capital Asset Statistics by Function/Program, Last Ten Fiscal Years</i>	18	102

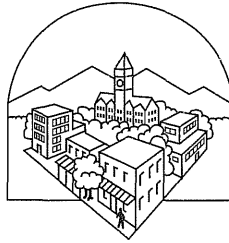
FEDERAL FINANCIAL ASSISTANCE SECTION

<i>Schedule of Expenditures of Federal Awards</i>		103
<i>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</i>		105 – 106
<i>Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133</i>		107 - 108
<i>Schedule of Findings and Questioned Costs</i>		109

This Page Intentionally Left Blank

INTRODUCTORY SECTION





LETTER OF TRANSMITTAL

January 28, 2010

Mayor and Governing Body
City of Clemson
Clemson, South Carolina

We are pleased to present to you the Comprehensive Annual Financial Report for the City of Clemson for the year ended June 30, 2009. The report provides financial information about the City's operations during the year and describes its financial position at the end of the year.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City of Clemson. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management of the City of Clemson is responsible for establishing and maintaining a comprehensive framework of internal controls that provide for completeness and reliability regarding the information contained in this Comprehensive Annual Financial Report. 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.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report (which is located at the front of the financial section) and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and it is suggested MD&A be read in conjunction with the transmittal letter.

The City of Clemson receives federal financial assistance subject to the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to the compliance requirements, including the schedule of expenditures of federal awards, findings and questioned costs (if any), and the reports related to compliance and internal controls, are included in the [federal financial assistance section](#) of this report.

MUNICIPAL GOVERNMENT

The City of Clemson, originally known as the Town of Calhoun, changed its name in 1943 to match that of Clemson University and was officially incorporated as Clemson in 1947. The City, located at the base of the Blue Ridge Mountains in Pickens County, has land area of approximately six square miles and an estimated population of 12,000 citizens.

The City operates under the Council form of government with the governing body composed of an elected mayor and six council members. The mayor and council members serve staggered four year terms. An Administrator is appointed by the governing body to serve as the chief administrative officer of the City. Departments of the City provide a full range of municipal services such as police and fire protection, economic development, recreational activities, public transportation, residential and commercial waste removal, engineering and infrastructure improvements, water and wastewater utilities, planning, zoning, and fiscal management.

ECONOMIC CONDITION AND OUTLOOK

Vision Statement – “The City of Clemson is a university community that provides a village atmosphere and a high quality of life for its residents. The City consists primarily of families. University students add to its charm and vitality. It is dedicated to providing a quality living environment for its residents by ensuring a balanced mix of commercial development that serves their day-to-day needs, complements its neighborhoods, and promotes its image as a desirable, economically stable residential community. The City pledges to protect its natural resources, provide an environment that is visually attractive and safe, and actively seek cooperation with its surrounding communities to ensure the fulfillment of its vision.”

The City of Clemson is a small community of 12,000 citizens, but has large City concerns because nine months of the year the community is “home” to approximately 17,000 Clemson University students. The economic condition and outlook for Clemson is promising. Managed growth coupled with stability defines the character of Clemson for both the current year and future years. The City is optimistic, with the close proximity of Clemson University, that quality growth will continue through the remainder of the century. While having a positive impact on employment and the City’s tax base, this growth also presents significant challenges for the City of Clemson.

MAJOR INITIATIVES

- **Public Health Policy** – The City of Clemson determined that it is a matter of public health to prohibit smoking inside enclosed buildings in order to protect the health and welfare of Clemson citizens, and visitors to the community. The City’s governing body approved a non-smoking ordinance which prohibits smoking in publicly accessible locations in all buildings within the City of Clemson. The non-smoking initiative is similar to ordinances approved by other municipalities in South Carolina.
- **Fire Suppression** – Public safety is a key focus for the City of Clemson, so through the collaborative efforts of the City and Clemson University, a new fire suppression truck was acquired. The new fire suppression asset represents a \$550,000 investment in enhancing public safety, and was a welcome addition to the existing fleet of equipment. The Seagrave Aerial Ladder Truck holds 500 gallons of water and 20 gallons of Class A foam. The truck has a 25 year warranty and its enclosed cab can accommodate up to six individuals.
- **Global Positioning System** – The City’s residential sanitation department recognized the requirement to become more efficient in debris removal through reduction in costs. A Global Positioning System (GPS) was developed and the sanitation trucks were equipped with a dash-mounted data collection device. The GPS touch-screen easily reports anything needing attention along the sanitation collection route: piles of debris, overhanging limbs, pot holes, or missing street signs. The GPS system creates a map containing specific icons that indicate locations in the City that require attention. Through implementation of this system, the City is realizing cost savings in fuel, personnel, maintenance, and equipment.
- **Sidewalks Master Plan** – The City’s Office of Engineering Services maintains a five year Sidewalks Master Plan, which is used to identify future sidewalk projects within the City. Proposed projects are prioritized based on public safety, engineering feasibility, and connectivity with existing sidewalks. The plan is a working document which is reviewed annually.
- **Internet Connectivity** – Wireless fidelity (Wi-Fi) service is an amenity that Clemson’s “connected community” has been eager to acquire. The City recently initiated a pilot program to extend internet connectivity to most areas along College Avenue. The service is free to users and can be linked to personal laptops and other wireless devices at most downtown businesses, and also at Catherine Smith Plaza, and Jaycee and Abernathy Parks. The City will complete a cost/benefit analysis and evaluate the opportunity to provide this service permanently to the downtown area.
- **Parks and Recreation Master Plan** – Three of the City’s oldest parks: Clemson Park, Ashley Dearing, and Mountain View Park are being renovated to improve accessibility and utility. Renovations to the parks include lighting, roofing, windows, doors, exterior siding, and other repairs as needed. Mountain View Park, which is located on the shores of Lake Hartwell, will receive improvements to its picnic area, and an addition of a wheelchair accessible sidewalk. Funding sources for these renovations include the City’s Hospitality Tax and Pickens County grant revenues.

FINANCIAL INFORMATION

Management of the City of Clemson is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgements by management.

Compliance – As a recipient of state and federal financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to guarantee compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the City of Clemson.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's compliance for the fiscal year ended June 30, 2009 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls – The City maintains budgetary controls with the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General, Special Revenue, Debt Service, and Enterprise funds are included in the annual appropriated budget. The Capital Projects Funds are budgeted by project within the fund. Therefore, budget periods extend over several accounting periods. The level of budgetary control (that is, the level at which expenditures cannot legally exceed appropriations) is established at the departmental level within an individual fund. The City also maintains an encumbrance accounting system as one method of accomplishing budgetary control. Encumbered amounts are recorded as reservations of fund balances at year end and reflected as expenditures during the subsequent fiscal year. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Cash Management – Cash temporarily idle during the year was invested in Demand Deposits, Certificates of Deposit, Repurchase Agreements, Mortgage Notes, Bank Bonds, and the South Carolina Pooled Investment Fund. The City presently acquires both short-term and long-term investments which are expected to be held to maturity. Any significant discount or premium on the purchase of long-term investments is amortized over the term of the investment by the straight-line method. The City's investment earnings totaled **\$306,517** on all investments for the year ended June 30, 2009.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by Federal Deposit Insurance or collateralized by United States Government Securities. As of June 30, 2009, \$7,403,376 of the City's bank balance of \$9,093,350 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City's name. The carrying amount of investments held at June 30, 2009 amounted to \$2,477,884 of Mortgage Notes and Certificates, \$130,000 of Bank Bonds, \$100,000 of South Carolina Public Service Authority Revenue Refunding Bonds, and \$1,014,139 in the South Carolina Pooled Investment Fund. The City recognized a valuation gain on its investments of \$57,757 at June 30, 2009.

Investments of the State Investment Pool are exempt from risk categorization because third party custodians take delivery of the investment securities. The City owns no identifiable securities but is a shareholder of a percentage of the State Investment Pool and, therefore, the fair value of the investment is the same as the value of the pool shares.

Long-term Financial Planning – A Five Year Capital Improvements Program is the City's "road map" for investment in three key areas: people and programs, facilities, and utility infrastructure. As prescribed by Clemson's governing body, the capital improvement budgets do not rely on ad valorem taxes or other resources of the City's General Fund. As the City strives to leverage its cash reserves, a combination of debt and equity are utilized to finance capital improvements.

Risk Management – The City participates in a pooled risk management program through the Municipal Insurance and Risk Financing Fund to cover the risk of loss related to real property, its contents and other equipment, motor vehicles, and general tort claims. The City also obtains employee fidelity bond coverage for all employees for losses arising from theft or misappropriation. A limited risk management program for workers' compensation has also been initiated by the City. Various risk control techniques, including employee accident prevention training, have been implemented to minimize accident related losses. Third-party coverage is maintained for workers' compensation claims.

OTHER INFORMATION

Independent Audit – The City charter requires an annual audit by independent certified public accountants. The accounting firm of Stancil Cooley Estep & Stamey, LLP has been selected by Clemson's governing body to perform the audit. In addition to meeting the requirements set forth in the City charter, the audit also is designed to meet the requirements of the United States Office of Management and Budget Circular A-133, ***Audits of States, Local Governments, and Non-Profit Organizations***. Generally accepted auditing standards and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States, were used by the auditors in conducting the engagement.

The auditors' report on the basic financial statements as well as the combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to compliance are included in the federal financial assistance section.

Awards – The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clemson for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, the City of Clemson published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements. Therefore, we are submitting the report to the GFOA to determine its eligibility for another certificate.

Acknowledgements – The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the efficient and dedicated services of the entire City of Clemson administration and the accounting firm of Stancil Cooley Estep & Stamey. We would like to express our sincere appreciation to all of the individuals who assisted and contributed to the preparation of this report.

In closing, we would also like to thank the mayor and members of Clemson's governing body for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Richard E. Cotton

Richard E. Cotton
Administrator

Thomas A. Sparacino

Thomas A. Sparacino
Director of Finance

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Clemson
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

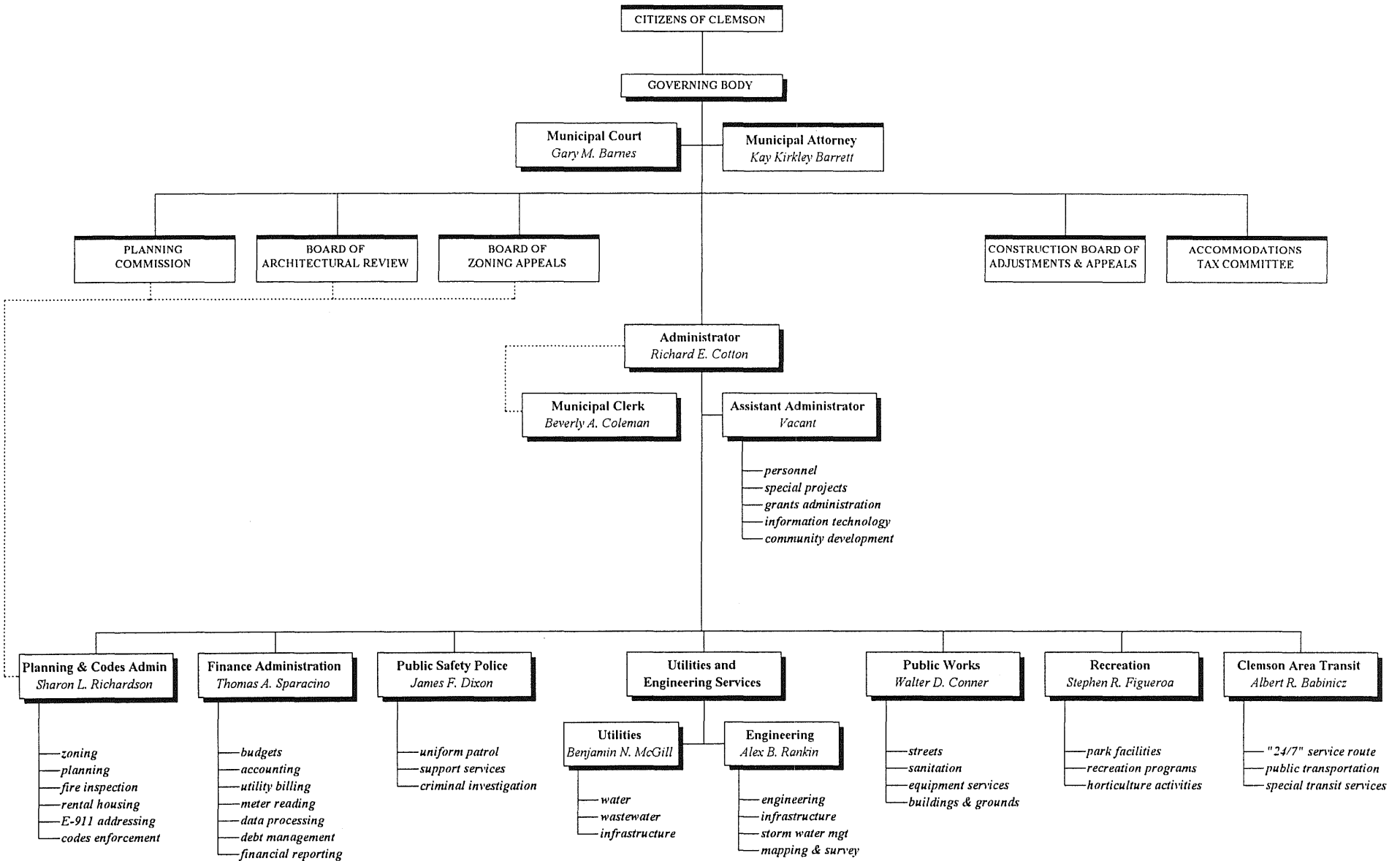
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**CITY OF CLEMSON
ORGANIZATION CHART**



**CITY OF CLEMSON
PRINCIPAL OFFICIALS
JUNE 30, 2009**

GOVERNING BODY

Larry W. Abernathy, Mayor
Buford E. Trent, Mayor Pro-Tempore
James C. Cook III
Michael T. Fowler
Elouise M. James
James T. Oswald
Jeremy T. Wright

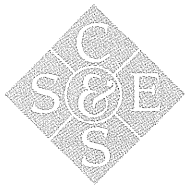
ADMINISTRATION

Administrator - Richard E. Cotton, M.P.A.
Assistant Administrator - Vacant
Director of Finance - Thomas A. Sparacino, M.B.A.
Director of Planning & Codes Administration - Sharon L. Richardson, M.C.R.P.
Chief of Police - James F. Dixon, B.S.
Director of Parks & Recreation - Stephen R. Figueroa, M.R.P.A.
Director of Public Works - Walter D. Conner, B.S.
Director of Utilities - Benjamin N. McGill
Director of Engineering Services - Alex B. Rankin, B.S.
Municipal Judge - Gary M. Barnes, B.S.
Director of Clemson Area Transit System - Albert R. Babinicz, M.B.A.

This Page Intentionally Left Blank

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

STANCIL
COOLEY ESTEP
& STAMEY, LLP

*Certified Public
Accountants*

631 ByPass 123
P. O. Drawer 1279
Seneca, SC 29679

(864) 882-3048
Fax 882-7489

602-5 College Avenue
Clemson, SC 29631

(864) 654-4945
Fax 654-9476

www.scescpa.com

*To the City Council
City of Clemson, South Carolina*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clemson, South Carolina, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Clemson's management. Our responsibility is to express opinions on these financial statements based on our audit.

*We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the general fund budget to actual comparison, and the aggregate remaining fund information of the City of Clemson, as of June 30, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*In accordance with **Government Auditing Standards**, we have also issued our report dated January 28, 2010, on our consideration of the City of Clemson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with **Government Auditing Standards** and should be considered in assessing the results of our audit.*

The *management's discussion and analysis* and *budgetary comparison* information on *pages 3 through 10* and *62 through 74*, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Clemson's basic financial statements. The introductory section, victim services supplementary schedule of fines and assessments, combining and individual nonmajor fund financial statements, the budgetary comparison schedules, the capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**, and is also not a required part of the basic financial statements of City of Clemson. The combining and individual nonmajor fund financial statements, the budgetary comparison schedules, the capital asset schedules, the schedule of expenditures of federal awards, and victim services supplementary schedule of fines and assessments have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The *introductory* and *statistical sections* have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Stancil Cooley Estep & Stamey, LLP

Clemson, South Carolina
January 28, 2010

**CITY OF CLEMSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Within this section of the City of Clemson's comprehensive annual financial report, the City's management provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2009. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the City's primary government. Additional information is available in the [letter of transmittal](#), which precedes Management's Discussion and Analysis.

Financial Highlights

- The assets of the City of Clemson exceeded its liabilities at the close of the most recent fiscal year by **\$33,648,411** (*net assets*). Of this amount, **\$9,866,960** (*unrestricted net assets*) may be used to meet Clemson's ongoing obligations to its citizens and creditors.
- The City of Clemson's total net assets increased by **\$780,437** during fiscal year 2008-09. Revenues decreased \$495,000, while expenses increased approximately \$642,000.
- At the close of the current fiscal year, unreserved fund balance for the General Fund was **\$2,814,699** or 35% of total expenditures of the General Fund.
- The **Tax Increment (TIF)**, **Highway 123 Streetscape**, and **City Hall Expansion Funds** were reported as major governmental funds at fiscal year end. Ad valorem taxes are the main source of revenue in the TIF Fund, while expenses consist of transfers to the Debt Service Fund. The Highway 123 Streetscape and City Hall Expansion projects are budgeted on a project duration basis which may encompass multiple fiscal years of the City.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: (1) [government-wide financial statements](#), (2) [fund financial statements](#), and (3) [notes to the financial statements](#). The City also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements which provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of the government-wide statements is the *Statement of Net Assets*. This is a City-wide statement of financial position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

The second government-wide statement is the *Statement of Activities* which reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Clemson include general government, public safety, streets, sanitation, economic development, and recreation. The business-type activities of the City of Clemson include water and wastewater utilities, commercial sanitation, public transportation, and the operations of a downtown parking deck.

Fund Financial Statements

A *fund* is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The funds of the City of Clemson can be divided into two categories, governmental funds and proprietary funds.

Governmental funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

While the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains four governmental type funds – a **general fund**, **special revenue funds**, **capital projects funds**, and a **debt service fund**. Information is presented separately in the governmental funds balance sheets and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The City adopts annual appropriated budgets for these four governmental fund types, and budgetary comparison statements have been provided to demonstrate compliance with the individual budgets.

Proprietary funds – Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City of Clemson maintains five proprietary funds, which are enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water operations, wastewater operations, commercial sanitation services, public transportation services, and downtown parking deck operations.

Notes to the financial statements

The accompanying notes to the financial statements, which begin immediately after the basic financial statements, provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain other required information concerning **Victim Services**. The Victim Services supplementary schedule of fines and assessments follows the section pertaining to the financial statements.

Financial Analysis of the City as a Whole

At the close of fiscal year 2009, the City of Clemson’s assets exceeded liabilities by **\$33,648,411**. The largest portion of the City’s net assets (68 percent) reflects its investment in capital assets (land and buildings, other improvements, and equipment). The City of Clemson uses these capital assets to provide services to citizens, and consequently, are *not* available for future spending.

The following table provides a summary comparison of the City’s net assets for the fiscal years ended June 30, 2009 and June 30, 2008. Additional current year information concerning net assets can be found in the Statement of Net Assets presented on [page 11](#).

Summary of Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Current & Other Assets	\$ 9,409,063	\$ 10,427,098	\$ 5,644,988	\$ 5,726,972	\$ 15,054,051	\$ 16,154,070
Capital Assets	15,051,740	14,386,810	18,441,726	18,891,763	33,493,466	33,278,573
Total Assets	\$ 24,460,803	\$ 24,813,908	\$ 24,086,714	\$ 24,618,735	\$ 48,547,517	\$ 49,432,643
Long-term Liabilities	\$ 7,378,417	\$ 8,386,231	\$ 4,508,834	\$ 4,669,487	\$ 11,887,251	\$ 13,055,718
Other Liabilities	2,084,035	2,358,445	927,820	1,150,506	3,011,855	3,508,951
Total Liabilities	\$ 9,462,452	\$ 10,744,676	\$ 5,436,654	\$ 5,819,993	\$ 14,899,106	\$ 16,564,669
Net Assets						
Investment Capital Assets (Net of Related Debt)	\$ 8,978,544	\$ 8,291,242	\$ 13,761,737	\$ 13,973,938	\$ 22,740,281	\$ 22,265,180
Restricted	237,353	214,128	803,817	838,462	1,041,170	1,052,590
Unrestricted	5,782,454	5,563,862	4,084,506	3,986,342	9,866,960	9,550,204
Total Net Assets	\$ 14,998,351	\$ 14,069,232	\$ 18,650,060	\$ 18,798,742	\$ 33,648,411	\$ 32,867,974

At the end of the current fiscal year, the City of Clemson is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental Activities

During the current year, the City of Clemson’s governmental net assets increased by \$929,119. Governmental activities transferred \$255,164 to business-type activities, which actually resulted in a reduction of governmental net assets. Without the transfers, governmental activities would have realized an increase in net assets of \$1,184,283. Other areas of change are as follows:

- Total revenues increased by approximately 4%, which resulted in additional revenue of \$402,000. Various revenue items contributed to the increase in governmental activities resources.
- Even though *net* program revenues increased \$142,000 as a result of additional revenues derived from charges for services and capital grants, operating grants decreased 43% to \$270,500.
- Due to increased construction within the City’s corporate limits, the City realized an increase in ad valorem taxes of \$377,000. Unfavorable economic conditions contributed to decreases of \$53,000 in sales and use taxes, and \$138,000 of investment earnings.
- A decrease in South Carolina aid to municipalities resulted in a decrease in intergovernmental revenues of \$25,000. Advanced public safety enforcement efforts provided a 1% increase in fines and forfeitures.

The following table provides a summary comparison of the City’s revenues, expenses, and changes in net assets for the fiscal years ended June 30, 2009 and June 30, 2008. Additional current year information concerning changes in net assets can be found in the Statement of Activities presented on [pages 12 & 13](#).

Summary of Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
REVENUES						
Program Revenues						
Charges for Services	\$ 1,524,746	\$ 1,470,057	\$ 4,762,424	\$ 4,790,713	\$ 6,287,170	\$ 6,260,770
Operating Grants	270,519	476,736	3,096,441	3,311,138	3,366,960	3,787,874
Capital Grants	734,000	440,350	145,000	721,636	879,000	1,161,986
General Revenues						
Ad Valorem Taxes	4,422,204	4,044,877	-	-	4,422,204	4,044,877
Sales & Use Taxes	1,152,876	1,206,014	-	-	1,152,876	1,206,014
Licenses & Permits	1,709,230	1,565,539	-	-	1,709,230	1,565,539
Intergovernmental	654,347	679,677	-	-	654,347	679,677
Fines & Forfeitures	292,110	290,255	-	-	292,110	290,255
Investment Earnings	195,704	333,429	110,813	187,510	306,517	520,939
Other	291,376	337,791	-	-	291,376	337,791
Total Revenues	\$ 11,247,112	\$ 10,844,725	\$ 8,114,678	\$ 9,010,997	\$ 19,361,790	\$ 19,855,722

(continued)

Summary of Changes in Net Assets *(continued)*

	Governmental Activities		Business-Type Activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
EXPENSES						
General Government	\$ 2,216,893	\$ 2,216,726	\$ -	\$ -	\$ 2,216,893	\$ 2,216,726
Public Safety	2,960,726	2,857,097	-	-	2,960,726	2,857,097
Public Works	2,086,131	2,022,930	-	-	2,086,131	2,022,930
Culture & Recreation	1,778,272	1,249,955	-	-	1,778,272	1,249,955
Urban Redevelopment	13,611	31,082	-	-	13,611	31,082
Equipment Services	128,521	135,554	-	-	128,521	135,554
Intergovernmental	329,162	175,473	-	-	329,162	175,473
Interest	387,754	438,945	-	-	387,754	438,945
Other	161,759	142,097	-	-	161,759	142,097
Water	-	-	2,215,120	2,252,466	2,215,120	2,252,466
Wastewater	-	-	2,257,442	2,310,876	2,257,442	2,310,876
Commercial Sanitation	-	-	252,576	229,168	252,576	229,168
Clemson Area Transit	-	-	3,690,818	3,779,376	3,690,818	3,779,376
Parking Deck	-	-	102,568	97,552	102,568	97,552
Total Expenses	\$ 10,062,829	\$ 9,269,859	\$ 8,518,524	\$ 8,669,438	\$ 18,581,353	\$ 17,939,297
Change in Net Assets Before Transfers	\$ 1,184,283	\$ 1,574,866	\$ (403,846)	\$ 341,559	\$ 780,437	\$ 1,916,425
Transfers	(255,164)	(399,223)	255,164	399,223	-	-
Change in Net Assets After Transfers	\$ 929,119	\$ 1,175,643	\$ (148,682)	\$ 740,782	\$ 780,437	\$ 1,916,425
Net Assets, Beginning	14,069,232	12,893,589	18,798,742	18,057,960	32,867,974	30,951,549
Net Assets, Ending	<u>\$ 14,998,351</u>	<u>\$ 14,069,232</u>	<u>\$ 18,650,060</u>	<u>\$ 18,798,742</u>	<u>\$ 33,648,411</u>	<u>\$ 32,867,974</u>

Business-type Activities

The City's business-type net assets decreased by **\$148,682**, or approximately 1%. The majority of the decrease was attributable to a 20% decrease in operating and capital grants, amounting to approximately \$790,000. Before transfers of \$255,164, business-type activities realized a decrease in net assets of \$403,846. Other elements of net asset changes are as follows:

- Charges for utility and transportation services decreased approximately 1%, to \$4,762,424.
- Unrestricted investment earnings decreased \$77,000 due to a slight decrease in funds available for investment, and a reduction in market interest rates.
- The City's transportation services fund received operating grants amounting to **\$1,074,376**, and realized **\$2,022,065** of intergovernmental revenues from local, state and federal agencies.

Financial Analysis of the City's Funds

Governmental Funds

The focus of the City of Clemson's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Clemson's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Clemson's governmental funds reported combined ending fund balances of **\$8,238,645**. Approximately 92% of this total amount (\$7,574,347) constitutes *unreserved fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed, (1) to liquidate contracts and purchase orders (\$56,409), (2) as a reserve for long-term receivables (\$370,536), and (3) to pay debt service (\$237,353). The General Fund is the chief operating fund of the City of Clemson. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2,814,699, while total fund balance reached \$2,817,699. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 35% of total General Fund expenditures, while total fund balance also represents approximately 35% of that same amount. The unreserved and undesignated fund balance increased \$207,871 from June 30, 2008.

Proprietary Funds

The City of Clemson's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the water and wastewater utilities at the end of the year amounted to \$1,146,074 and \$1,420,975 respectively. Commercial sanitation operations ended the year with \$325,504 of unrestricted net assets, while transit operations reported \$1,013,643 of net assets that were unrestricted. Also, the City's investment in the downtown parking deck provided this proprietary fund with \$178,310 of unrestricted net assets at the end of the year.

General Fund Budget Highlights

Differences between original budget expenditures and final amended budget expenditures were relatively minor (\$20,000 in appropriations), compared to the total General Fund expenditures budget of \$7.7 million, and can be briefly summarized as follows:

- \$20,000 increase in funds allocated to the Department of Planning and Codes. The additional resources were used to finance a portion of professional contract services in the department.
- No additional appropriations related to expenditure functions of the General Fund.

Original budget revenues were not amended, as additional expenditure appropriations were funded from unreserved fund balance. During the year, actual revenues exceeded budget estimates by **\$535,182** and actual expenditures were **\$319,805** more than the City's budget estimates. The combined large favorable revenue, and minor unfavorable expenditure variances, eliminated the need to extensively reduce existing fund balance.

Capital Assets and Debt Administration

Capital Assets (net of accumulated depreciation)

The City of Clemson's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$33,493,466. This investment in capital assets includes land, buildings, other improvements, equipment, and construction in progress.

Of the \$33,493,466 investment, \$15,051,740 pertained to governmental activities and \$18,441,726 was reported as an investment in business-type activities. Additional information pertaining to the City of Clemson’s capital assets can be found in [Note 6](#). Major capital asset events during the current fiscal year included the following:

- The City issued \$107,000 of five year Lease Purchase debt to partially defray the cost of acquiring commercial sanitation capital equipment. Commercial sanitation revenues are pledged to retire the debt.
- Approximately \$225,000 was expended by various departments for acquisition of capital equipment.
- Minor improvements to City buildings amounted to \$130,000.
- Street construction and improvement costs amounted to \$1,770,000 in the current fiscal year.
- Approximately \$105,000 was expended for construction improvements to City parks.

Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Land and Buildings	\$ 5,503,456	\$ 5,635,545	\$ 2,830,618	\$ 2,825,579	\$ 8,334,074	\$ 8,461,124
Other Improvements	5,854,295	6,251,059	12,819,715	13,110,220	18,674,010	19,361,279
Equipment	1,570,384	1,931,730	1,568,632	2,167,403	3,139,016	4,099,133
Construction in Progress	2,123,605	568,476	1,222,761	788,561	3,346,366	1,357,037
Total Capital Assets	<u>\$ 15,051,740</u>	<u>\$ 14,386,810</u>	<u>\$ 18,441,726</u>	<u>\$ 18,891,763</u>	<u>\$ 33,493,466</u>	<u>\$ 33,278,573</u>

Debt Administration

At June 30, 2009, the City of Clemson had total bonded debt outstanding of \$915,000 for which ad valorem taxes are pledged for repayment of the debt. In 1998, the City created a tax increment district, and in 2002 issued \$5,000,000 of tax increment bonds to finance various capital projects within the tax increment district. In 2006, the City issued \$3,000,000 of additional tax increment debt. Ad valorem taxes from the district will service the debt. There were also a number of lease purchase agreements outstanding at fiscal year end, including a \$1.4 million debt issue for recreation park improvements. The remainder of the City’s debt pertains to governmental and business-type activities.

Outstanding governmental debt at June 30, 2009 is as follows:

- General Obligation Bonds \$915,000
- Tax Increment Bonds \$5,574,391
- Capital Lease Purchase Agreements \$1,692,940

Outstanding business-type debt at June 30, 2009 is as follows:

- Water Revenue Bonds (South Carolina Revolving Fund Loans) \$3,719,022
- Wastewater Revenue Bonds \$568,750
- Commercial Sanitation Capital Lease Purchase Agreement \$107,000
- Clemson Area Transit Capital Lease Purchase Agreements \$285,217

Current state statutes limit the amount of general obligation debt a municipality may issue to 8% of its total assessed valuation. The current legal debt limitation for the City of Clemson is \$3,724,014, which is in excess of the City's outstanding general obligation debt of \$915,000. Additional information concerning the City's long-term debt can be found in [Notes 7 & 8](#).

Future Outlook

The management of the City of Clemson holds the philosophy that in order to secure a fiscally stable municipal government, the budget process should be a "team effort". Issues that are important in the budget process include (1) matching revenues with expenses for all funds of the City, (2) maintaining appropriate levels of liquid assets in order to meet cash flow requirements throughout the fiscal year, and (3) ensuring that City services are as cost effective as possible.

During the preparation of future budgets, the City will attempt to continue the high level of service that Clemson residents are accustomed to receiving. The City will also continue to promote the "team approach" in delivery of governmental services. Clemson has historically provided affordable services to its residents, and management believes that this trend will continue. The City's ad valorem tax rate of 81.00 mills actually translates to a "net ad valorem tax rate" of 59.16 mills with the local option sales tax credit factor taken into account. As a result, the City's tax rate compares quite favorably to other municipalities in both North and South Carolina.

Requests for Information

This financial report is designed to provide a general overview of City of Clemson finances, comply with finance related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning the information provided in this report, or requests for additional information, should be addressed to the City of Clemson, Office of Finance, 1250 Tiger Boulevard - Suite 2, Clemson, South Carolina, 29631-2661. The Comprehensive Annual Financial Report may also be accessed via the City's website at <http://www.cityofclemson.org>.

"REMAINDER OF PAGE INTENTIONALLY LEFT BLANK"

BASIC FINANCIAL STATEMENTS



CITY OF CLEMSON
STATEMENT OF NET ASSETS
June 30, 2009

Assets	Governmental Activities	Business-type Activities	Total
Cash	\$ 8,796,815	\$ 625	\$ 8,797,440
Investments	3,699,003	-	3,699,003
Receivables (Net of Allowance):			
Property Taxes	16,533	-	16,533
Accounts	522,497	444,727	967,224
Interest	44,125	-	44,125
Other	84,046	218,190	302,236
Due from Other Governmental Units	425,383	155,990	581,373
Internal Balances	(4,261,339)	4,261,339	-
Inventory	82,000	20,367	102,367
Investment in Joint Venture	-	276,605	276,605
Deferred Charges	-	76,159	76,159
Restricted Cash - Revenue Bond Covenants	-	190,986	190,986
Capital Assets not Being Depreciated			
Land	1,595,400	462,083	2,057,483
Construction in Progress	2,123,605	1,222,761	3,346,366
Capital Assets net of Accumulated Depreciation			
Buildings	3,908,056	2,368,535	6,276,591
Other Improvements	5,854,295	12,819,715	18,674,010
Equipment	1,570,384	1,568,632	3,139,016
Total Assets	\$ 24,460,803	\$ 24,086,714	\$ 48,547,517
Liabilities			
Accounts Payable and Other Current Liabilities	\$ 438,389	\$ 231,262	\$ 669,651
Contracts Payable	9,919	139,937	149,856
Accrued Interest Payable	82,923	-	82,923
Deferred Support	1,935	-	1,935
Revenue Received in Advance	343,151	-	343,151
Liabilities Payable From Restricted Assets	-	235,266	235,266
Noncurrent Liabilities:			
Due Within One Year	1,207,718	321,355	1,529,073
Due in More Than One Year	7,378,417	4,508,834	11,887,251
Total Liabilities	\$ 9,462,452	\$ 5,436,654	\$ 14,899,106
Net Assets			
Invested in Capital Assets, Net of Related Debt	\$ 8,978,544	\$ 13,761,737	\$ 22,740,281
Restricted For:			
Debt Service	237,353	803,817	1,041,170
Unrestricted	5,782,454	4,084,506	9,866,960
Total Net Assets	\$ 14,998,351	\$ 18,650,060	\$ 33,648,411

See Notes to Financial Statements

CITY OF CLEMSON

STATEMENT OF ACTIVITIES
Fiscal Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,836,335	\$ 2,620,770	\$ -	\$ -	\$ (215,565)	\$ -	\$ (215,565)
Public Safety	2,960,726	378,521	-	-	(2,582,205)	-	(2,582,205)
Public Works	2,086,131	434,494	185,377	734,000	(732,260)	-	(732,260)
Culture and Recreation	1,778,272	92,301	85,142	-	(1,600,829)	-	(1,600,829)
Urban Redevelopment	13,611	-	-	-	(13,611)	-	(13,611)
Interest on Long-term Debt	387,754	-	-	-	(387,754)	-	(387,754)
Total Governmental Activities	\$ 10,062,829	\$ 3,526,086	\$ 270,519	\$ 734,000	\$ (5,532,224)	\$ -	\$ (5,532,224)
Business-type Activities:							
Water	\$ 2,215,120	\$ 2,124,358	\$ -	\$ 72,500	\$ -	\$ (18,262)	\$ (18,262)
Wastewater	2,257,442	2,190,405	-	72,500	-	5,463	5,463
Sanitation	252,576	316,247	-	-	-	63,671	63,671
Transit	3,690,818	37,868	3,096,441	-	-	(556,509)	(556,509)
Parking Deck	102,568	93,546	-	-	-	(9,022)	(9,022)
Total Business-type Activities	\$ 8,518,524	\$ 4,762,424	\$ 3,096,441	\$ 145,000	\$ -	\$ (514,659)	\$ (514,659)
Total Primary Government	\$ 18,581,353	\$ 8,288,510	\$ 3,366,960	\$ 879,000	\$ (5,532,224)	\$ (514,659)	\$ (6,046,883)

continued

CITY OF CLEMSON

STATEMENT OF ACTIVITIES
Fiscal Year Ended June 30, 2009

continued

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Revenues:							
Property Taxes					\$ 4,422,204	\$ -	\$ 4,422,204
Local Option Sales Tax					1,014,343	-	1,014,343
Local Accommodations Tax					138,533	-	138,533
Intergovernmental - Unrestricted					654,347	-	654,347
Unrestricted Investment Earnings					195,704	110,813	306,517
Other					291,376	-	291,376
Transfers					(255,164)	255,164	-
Total General Revenues and Transfers					\$ 6,461,343	\$ 365,977	\$ 6,827,320
Change in Net Assets					\$ 929,119	\$ (148,682)	\$ 780,437
Net Assets, Beginning					14,069,232	18,798,742	32,867,974
Net Assets, Ending					\$ 14,998,351	\$ 18,650,060	\$ 33,648,411

See Notes to Financial Statements

CITY OF CLEMSON
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2009

Assets	General	Tax Increment Fund	City Hall Expansion Fund	Other Governmental Funds	Total
Cash	\$ 8,796,815	\$ -	\$ -	\$ -	\$ 8,796,815
Investments	3,699,003	-	-	-	3,699,003
Receivables (Net of Allowance)					
Property Taxes	15,679	-	-	854	16,533
Accounts	44,093	-	-	478,404	522,497
Interest	44,125	-	-	-	44,125
Other	84,046	-	-	-	84,046
Due from Other Governmental Units	346,627	2,971	-	75,785	425,383
Due from Other Funds	39,234	716,469	2,501,376	1,634,778	4,891,857
Inventory	-	-	-	82,000	82,000
Total Assets	\$ 13,069,622	\$ 719,440	\$ 2,501,376	\$ 2,271,821	\$ 18,562,259
 Liabilities and Fund Balances					
Liabilities:					
Vouchers Payable	\$ 245,916	\$ -	\$ -	\$ -	\$ 245,916
Accounts Payable	169,934	-	-	22,538	192,472
Contracts Payable	-	-	9,919	-	9,919
Due to Other Funds	9,113,962	-	-	39,234	9,153,196
Deferred Support	378,960	-	-	-	378,960
Revenue Received in Advance	343,151	-	-	-	343,151
Total Liabilities	\$ 10,251,923	\$ -	\$ 9,919	\$ 61,772	\$ 10,323,614
 Fund Balances:					
Reserved for:					
Encumbrances	\$ 3,000	\$ -	\$ 42,309	\$ 11,100	\$ 56,409
Long-Term Receivables	-	-	-	370,536	370,536
Debt Service	-	-	-	237,353	237,353
Unreserved, Undesignated, Reported in:					
General Fund	2,814,699	-	-	-	2,814,699
Tax Increment Fund	-	719,440	-	-	719,440
Special Revenue Funds	-	-	-	1,591,060	1,591,060
Capital Projects Funds	-	-	2,449,148	-	2,449,148
Total Fund Balances	\$ 2,817,699	\$ 719,440	\$ 2,491,457	\$ 2,210,049	\$ 8,238,645
Total Liabilities and Fund Balances	\$ 13,069,622	\$ 719,440	\$ 2,501,376	\$ 2,271,821	\$ 18,562,259

See Notes to Financial Statements

CITY OF CLEMSON

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2009**

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances - governmental funds		\$ 8,238,645
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$27,708,226 and the accumulated depreciation is \$12,656,486.		15,051,740
Accrued interest payable on long-term debt in governmental funds is not due and payable in the current period and, therefore, is not reported as a liability in the funds.		(82,923)
Certain deferred revenues in the governmental funds are reportable for governmental activities and, therefore are not included on the statement of net assets.		377,025
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Long-term liabilities at year-end consist of:		
Capital Leases	\$ 1,692,940	
Bonds Payable	6,489,391	
Compensated Absences	403,805	
		<u>(8,586,136)</u>
Net assets of governmental activities		<u><u>\$ 14,998,351</u></u>

See Notes to Financial Statements

CITY OF CLEMSON

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Fiscal Year Ended June 30, 2009**

	General	Tax Increment Fund	Highway 123 Streetscape Fund	City Hall Expansion Fund	Other Governmental Funds	Total
Revenues						
Property Taxes	\$ 2,712,986	\$ 1,561,021	\$ -	\$ -	\$ 148,197	\$ 4,422,204
Local Option Sales Tax	961,800	-	-	-	52,543	1,014,343
Local Accomodations Tax	-	-	-	-	138,533	138,533
Hospitality Fees/Tax	-	-	-	-	911,540	911,540
License and Permits	1,709,230	-	-	-	-	1,709,230
Intergovernmental	716,147	-	84,000	-	85,142	885,289
Federal Aid	-	-	200,000	-	123,577	323,577
Charges for Services	565,195	-	-	-	48,011	613,206
Fines and Forfeitures	292,110	-	-	-	-	292,110
Investment Earnings	59,913	36,517	10,920	30,767	57,587	195,704
Contributions and Donations	450,000	-	-	-	-	450,000
Other	230,756	8,086	-	-	50,168	289,010
Total Revenues	\$ 7,698,137	\$ 1,605,624	\$ 294,920	\$ 30,767	\$ 1,615,298	\$ 11,244,746
Expenditures						
Current Operating						
General Government	\$ 2,170,596	\$ 82,021	\$ -	\$ -	\$ 123,772	\$ 2,376,389
Public Safety	2,717,327	-	-	-	15,593	2,732,920
Public Works	2,098,513	-	-	-	-	2,098,513
Culture and Recreation	572,203	12,333	-	-	272,110	856,646
Equipment Services	128,521	-	-	-	-	128,521
Urban Redevelopment	-	-	-	-	13,611	13,611
Other	161,759	-	-	-	-	161,759
Debt Service						
Principal	116,187	-	-	-	933,630	1,049,817
Interest	5,655	-	-	-	394,208	399,863
Fees	-	-	-	-	1,013	1,013
Capital Outlay	-	-	1,322,877	128,697	563,945	2,015,519
Intergovernmental	-	-	-	-	329,162	329,162

continued

CITY OF CLEMSON

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Fiscal Year Ended June 30, 2009**

continued

	<u>General</u>	<u>Tax Increment Fund</u>	<u>Highway 123 Streetscape Fund</u>	<u>City Hall Expansion Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Total Expenditures	\$ 7,970,761	\$ 94,354	\$ 1,322,877	\$ 128,697	\$ 2,647,044	\$ 12,163,733
Excess of Revenues Over (Under) Expenditures	\$ (272,624)	\$ 1,511,270	\$ (1,027,957)	\$ (97,930)	\$ (1,031,746)	\$ (918,987)
Other Financing Sources (Uses)						
Transfers In	\$ 415,450	\$ -	\$ 90,193	\$ 2,589,387	\$ 877,537	\$ 3,972,567
Transfers Out	(135,000)	(2,676,975)	-	-	(1,015,276)	(3,827,251)
Total Other Financing Sources (Uses)	\$ 280,450	\$ (2,676,975)	\$ 90,193	\$ 2,589,387	\$ (137,739)	\$ 145,316
Net Change in Fund Balances	\$ 7,826	\$ (1,165,705)	\$ (937,764)	\$ 2,491,457	\$ (1,169,485)	\$ (773,671)
Fund Balances, Beginning	\$ 2,809,873	\$ 1,885,145	\$ 937,764	\$ -	\$ 3,379,534	\$ 9,012,316
Fund Balances, Ending	\$ 2,817,699	\$ 719,440	\$ -	\$ 2,491,457	\$ 2,210,049	\$ 8,238,645

See Notes to Financial Statements

CITY OF CLEMSON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Fiscal Year Ended June 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (773,671)
Governmental funds report capital outlays as expenditures (\$2,629,605). However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$1,564,195). This is the amount by which capital outlays exceeded depreciation in the current period.	1,065,410
Transfers of capital assets to proprietary funds not recorded in governmental funds	(400,479)
Revenues in the statement of activities that do not represent current financial resources are not reported as revenues in the funds.	2,366
The repayment of long-term debt (\$1,049,817) consumes the current financial resources of governmental funds. This transaction, however, has no effect on net assets.	1,049,817
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities however interest expense is recognized as it accrues, regardless of when it is due.	12,109
Compensated absence expense reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	(26,433)
Change in net assets of governmental activities	\$ 929,119

See Notes to Financial Statements

CITY OF CLEMSON

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
Fiscal Year Ended June 30, 2009**

	<i>Budgeted</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
Revenues				
Property Taxes	\$ 2,565,516	\$ 2,565,516	\$ 2,712,986	\$ 147,470
Local Option Sales Tax	984,554	984,554	961,800	(22,754)
Licenses and Permits	1,564,000	1,564,000	1,709,230	145,230
Intergovernmental	932,000	932,000	716,147	(215,853)
Charges for Services	597,885	597,885	565,195	(32,690)
Fines and Forfeitures	279,000	279,000	292,110	13,110
Investment Earnings	90,000	90,000	59,913	(30,087)
Contributions and Donations	-	-	450,000	450,000
Other	150,000	150,000	230,756	80,756
Total Revenues	\$ 7,162,955	\$ 7,162,955	\$ 7,698,137	\$ 535,182
Expenditures				
Current Operating				
General Government				
Council	\$ 177,870	\$ 177,870	\$ 172,085	\$ 5,785
Municipal Court	272,100	272,100	267,155	4,945
Administration	478,460	478,460	489,276	(10,816)
Finance	180,865	180,865	187,386	(6,521)
Information Tech Services	147,950	147,950	139,579	8,371
Planning and Codes	571,477	591,477	598,372	(6,895)
Public Buildings	285,818	285,818	316,743	(30,925)
Total	\$ 2,114,540	\$ 2,134,540	\$ 2,170,596	\$ (36,056)
Public Safety				
Police	\$ 2,255,635	\$ 2,255,635	\$ 2,247,327	\$ 8,308
Fire	470,000	470,000	470,000	-
Total	\$ 2,725,635	\$ 2,725,635	\$ 2,717,327	\$ 8,308
Public Works				
Streets	\$ 672,830	\$ 672,830	\$ 1,050,005	\$ (377,175)
Residential Sanitation	868,271	868,271	838,204	30,067
Administration	193,448	193,448	210,304	(16,856)
Total	\$ 1,734,549	\$ 1,734,549	\$ 2,098,513	\$ (363,964)
Culture and Recreation	\$ 609,750	\$ 609,750	\$ 572,203	\$ 37,547
Equipment Services	\$ 141,882	\$ 141,882	\$ 128,521	\$ 13,361
Debt Service				
Principal	\$ 116,500	\$ 116,500	\$ 116,187	\$ 313
Interest	6,000	6,000	5,655	345
Total	\$ 122,500	\$ 122,500	\$ 121,842	\$ 658

continued

CITY OF CLEMSON

continued

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
Fiscal Year Ended June 30, 2009

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<i>Expenditures, continued</i>				
<i>Other</i>	\$ 182,100	\$ 182,100	\$ 161,759	\$ 20,341
<i>Total Expenditures</i>	\$ 7,630,956	\$ 7,650,956	\$ 7,970,761	\$ (319,805)
<i>Excess of Revenues Over (Under)</i>				
<i>Expenditures</i>	\$ (468,001)	\$ (488,001)	\$ (272,624)	\$ 215,377
<i>Other Financing Sources</i>				
<i>Transfers Out</i>	\$ -	\$ -	\$ (135,000)	\$ (135,000)
<i>Transfers In</i>	414,208	414,208	415,450	1,242
<i>Total</i>	\$ 414,208	\$ 414,208	\$ 280,450	\$ (133,758)
<i>Net Change in Fund Balances</i>	\$ (53,793)	\$ (73,793)	\$ 7,826	\$ 81,619
<i>Fund Balance, Beginning</i>	2,809,873	2,809,873	2,809,873	-
<i>Fund Balance, Ending</i>	\$ 2,756,080	\$ 2,736,080	\$ 2,817,699	\$ 81,619

See Notes to Financial Statements

CITY OF CLEMSON

**TAX INCREMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property Taxes	\$ 1,400,000	\$ 1,561,021	\$ 161,021
Other Revenues	-	8,086	8,086
Investment Earnings	52,000	36,517	(15,483)
Total Revenues	<u>\$ 1,452,000</u>	<u>\$ 1,605,624</u>	<u>\$ 153,624</u>
Expenditures			
Current Operating			
Culture and Recreation	\$ 25,000	\$ 12,333	\$ 12,667
General Government	89,000	82,021	6,979
Total Expenditures	<u>\$ 114,000</u>	<u>\$ 94,354</u>	<u>\$ 19,646</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 1,338,000</u>	<u>\$ 1,511,270</u>	<u>\$ 173,270</u>
Other Financing Sources (Uses)			
Transfer Out	<u>\$ (810,537)</u>	<u>\$ (2,676,975)</u>	<u>\$ (1,866,438)</u>
Net Change in Fund Balance	<u>\$ 527,463</u>	<u>\$ (1,165,705)</u>	<u>\$ (1,693,168)</u>
Fund Balance, Beginning	<u>1,885,145</u>	<u>1,885,145</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,412,608</u></u>	<u><u>\$ 719,440</u></u>	<u><u>\$ (1,693,168)</u></u>

CITY OF CLEMSON
CAPITAL PROJECTS FUND
HIGHWAY 123 STREETScape
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance</u>
Revenues					
Federal Aid	\$ 200,000	\$ -	\$ 200,000	\$ 200,000	\$ -
Intergovernmental	84,000	-	84,000	84,000	-
Investment Earnings	4,500	76,071	10,920	86,991	82,491
Total Revenues	<u>\$ 288,500</u>	<u>\$ 76,071</u>	<u>\$ 294,920</u>	<u>\$ 370,991</u>	<u>\$ 82,491</u>
Expenditures					
Capital Outlay					
Streets	\$ 1,489,087	\$ 538,307	\$ 1,322,877	\$ 1,861,184	\$ (372,097)
Excess of Revenues Over (Under) Expenditures	<u>\$ (1,200,587)</u>	<u>\$ (462,236)</u>	<u>\$ (1,027,957)</u>	<u>\$ (1,490,193)</u>	<u>\$ (289,606)</u>
Other Financing Sources:					
Transfers In	\$ 245,000	\$ 245,000	\$ 90,193	\$ 335,193	\$ 90,193
Proceeds Tax Increment Financing Bond	1,155,000	1,155,000	-	1,155,000	-
Total Other Financing Sources	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>	<u>\$ 90,193</u>	<u>\$ 1,490,193</u>	<u>\$ 90,193</u>
Net Change in Fund Balance	<u>\$ 199,413</u>	<u>\$ 937,764</u>	<u>\$ (937,764)</u>	<u>\$ -</u>	<u>\$ (199,413)</u>
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>937,764</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 199,413</u>	<u>\$ 937,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (199,413)</u>

Note:

1. The project is budgeted on a project duration basis and is treated as a legal nonappropriated budget.

CITY OF CLEMSON

**CAPITAL PROJECTS FUND
CITY HALL EXPANSION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Current Year</u>	<u>Variance</u>
Revenues			
<i>Investment Earnings</i>	\$ 77,500	\$ 30,767	\$ (46,733)
Expenditures			
<i>General Government</i>			
<i>Public Buildings</i>	\$ 10,000	\$ -	\$ 10,000
<i>Capital Outlay</i>			
<i>Public Buildings</i>	2,761,500	128,697	2,632,803
Total Expenditures	\$ 2,771,500	\$ 128,697	\$ 2,642,803
Excess of Revenues Over (Under) Expenditures	\$ (2,694,000)	\$ (97,930)	\$ 2,596,070
Other Financing Sources:			
<i>Transfers In</i>	650,000	2,589,387	1,939,387
Net Change in Fund Balance	\$ (2,044,000)	\$ 2,491,457	\$ 4,535,457
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ (2,044,000)	\$ 2,491,457	\$ 4,535,457

Note:

- 1. The project is budgeted on a project duration basis and is treated as a legal nonappropriated budget .**

CITY OF CLEMSON
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2009

Assets	Water	Wastewater	Sanitation	Transit	Parking Deck	Total
Current Assets						
Cash	\$ 300	\$ 150	\$ -	\$ 175	\$ -	\$ 625
Accounts Receivable	90,157	90,645	25,459	2,302	-	208,563
Unbilled Utility Receivables	123,773	105,539	6,852	-	-	236,164
Note Receivable-Current	14,721	-	-	-	-	14,721
Due from Other Governmental Units	-	-	-	155,990	-	155,990
Due from Other Funds	1,059,488	1,668,197	316,285	1,037,958	179,411	4,261,339
Inventory	20,367	-	-	-	-	20,367
Total Current Assets	\$ 1,308,806	\$ 1,864,531	\$ 348,596	\$ 1,196,425	\$ 179,411	\$ 4,897,769
Noncurrent Assets						
Restricted Cash - Revenue Bond Covenants	\$ 190,986	\$ -	\$ -	\$ -	\$ -	\$ 190,986
Investment in Joint Venture	-	276,605	-	-	-	276,605
Deferred Charges	74,772	1,387	-	-	-	76,159
Note Receivable	203,469	-	-	-	-	203,469
Capital Assets						
Land and Buildings	167,149	260,171	-	95,573	2,683,179	3,206,072
Other Improvements	7,161,373	13,350,225	-	22,454	-	20,534,052
Equipment	408,622	1,059,464	396,722	5,378,474	22,803	7,266,085
Accumulated Depreciation	(1,313,490)	(7,668,530)	(199,636)	(4,269,049)	(336,539)	(13,787,244)
Construction in Progress	-	1,222,761	-	-	-	1,222,761
Total Noncurrent Assets	\$ 6,892,881	\$ 8,502,083	\$ 197,086	\$ 1,227,452	\$ 2,369,443	\$ 19,188,945
Total Assets	\$ 8,201,687	\$ 10,366,614	\$ 545,682	\$ 2,423,877	\$ 2,548,854	\$ 24,086,714

continued

CITY OF CLEMSON

continued

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2009

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Transit</u>	<u>Parking Deck</u>	<u>Total</u>
Liabilities						
Current Liabilities						
Accounts Payable	\$ 10,047	\$ 42,900	\$ 1,300	\$ 57,229	\$ 1,101	\$ 112,577
Contracts Payable	89,286	16,166	-	34,485	-	139,937
Accrued Expenses	29,048	34,832	6,531	48,274	-	118,685
Compensated Absences	39,861	58,900	8,645	42,794	-	150,200
Revenue Bonds Payable - Current	71,445	105,000	-	-	-	176,445
Capital Leases Payable - Current	-	-	20,106	62,907	-	83,013
Total Current Liabilities	\$ 239,687	\$ 257,798	\$ 36,582	\$ 245,689	\$ 1,101	\$ 780,857
Noncurrent Liabilities						
Customer Deposits Payable	\$ 228,650	\$ -	\$ 6,616	\$ -	\$ -	\$ 235,266
Revenue Bonds Payable	3,647,577	463,750	-	-	-	4,111,327
Capital Leases Payable	-	-	86,894	222,310	-	309,204
Total Noncurrent Liabilities	\$ 3,876,227	\$ 463,750	\$ 93,510	\$ 222,310	\$ -	\$ 4,655,797
Total Liabilities	\$ 4,115,914	\$ 721,548	\$ 130,092	\$ 467,999	\$ 1,101	\$ 5,436,654
Net Assets						
Invested in Capital Assets, Net of Related Debt	\$ 2,704,632	\$ 7,655,341	\$ 90,086	\$ 942,235	\$ 2,369,443	\$ 13,761,737
Restricted for Debt Service	235,067	568,750	-	-	-	803,817
Unrestricted	1,146,074	1,420,975	325,504	1,013,643	178,310	4,084,506
Total Net Assets	\$ 4,085,773	\$ 9,645,066	\$ 415,590	\$ 1,955,878	\$ 2,547,753	\$ 18,650,060

See Notes to Financial Statements

CITY OF CLEMSON
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Fiscal Year Ended June 30, 2009

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Transit</u>	<u>Parking Deck</u>	<u>Totals</u>
Operating Revenues						
Charges for Services	\$ 2,027,390	\$ 1,951,480	\$ 309,931	\$ 31,515	\$ 92,392	\$ 4,412,708
Impact Fees	9,720	48,642	-	-	-	58,362
Late Charges	26,907	29,650	4,356	-	-	60,913
Other	43,723	160,633	1,960	6,353	1,155	213,824
Total Operating Revenues	\$ 2,107,740	\$ 2,190,405	\$ 316,247	\$ 37,868	\$ 93,547	\$ 4,745,807
Operating Expenses						
Water Department	\$ 1,684,818	\$ -	\$ -	\$ -	\$ -	\$ 1,684,818
Wastewater Collection	-	734,015	-	-	-	734,015
Wastewater Treatment	-	1,095,020	-	-	-	1,095,020
Billing Administration	217,350	-	-	-	-	217,350
Engineering	-	52,077	-	-	-	52,077
Commercial Sanitation	-	-	223,999	-	-	223,999
Transit Operations	-	-	-	2,993,888	-	2,993,888
Parking Deck Operations	-	-	-	-	37,038	37,038
Depreciation	207,120	353,799	25,388	683,360	65,530	1,335,197
Other	8,717	5,959	546	-	-	15,222
Total Operating Expenses	\$ 2,118,005	\$ 2,240,870	\$ 249,933	\$ 3,677,248	\$ 102,568	\$ 8,388,624
Operating Income (Loss)	\$ (10,265)	\$ (50,465)	\$ 66,314	\$ (3,639,380)	\$ (9,021)	\$ (3,642,817)

continued

CITY OF CLEMSON

continued

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Fiscal Year Ended June 30, 2009

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Transit</u>	<u>Parking Deck</u>	<u>Totals</u>
Non-Operating Revenues (Expenses)						
Investment Earnings	\$ 36,830	\$ 34,933	\$ 7,663	\$ 27,493	\$ 3,894	\$ 110,813
Operating Grants	-	-	-	1,074,376	-	1,074,376
Intergovernmental	16,618	-	-	2,022,065	-	2,038,683
Debt Service - Interest	(97,115)	(16,572)	(2,643)	(13,570)	-	(129,900)
Total Non-Operating Revenues (Expenses)	\$ (43,667)	\$ 18,361	\$ 5,020	\$ 3,110,364	\$ 3,894	\$ 3,093,972
Income (Loss) Before Contributions and Transfers	\$ (53,932)	\$ (32,104)	\$ 71,334	\$ (529,016)	\$ (5,127)	\$ (548,845)
Capital Contributions	72,500	472,978	-	-	-	545,478
Transfers In	15,000	129,723	-	-	-	144,723
Transfers Out	(91,835)	(165,879)	(7,424)	(8,900)	(16,000)	(290,038)
Change in Net Assets	\$ (58,267)	\$ 404,718	\$ 63,910	\$ (537,916)	\$ (21,127)	\$ (148,682)
Toal Net Assets, Beginning	4,144,040	9,240,348	351,680	2,493,794	2,568,880	18,798,742
Total Net Assets, Ending	\$ 4,085,773	\$ 9,645,066	\$ 415,590	\$ 1,955,878	\$ 2,547,753	\$ 18,650,060

See Notes to Financial Statements

CITY OF CLEMSON

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
Fiscal Year Ended June 30, 2009

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Transit</u>	<u>Parking Deck</u>	<u>Totals</u>
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 2,160,790	\$ 2,212,681	\$ 312,615	\$ 38,011	\$ 93,546	\$ 4,817,643
Payments to Suppliers	(1,348,337)	(1,065,909)	(100,581)	(1,544,411)	(36,796)	(4,096,034)
Payments to Employees	(650,404)	(866,355)	(127,362)	(1,469,327)	-	(3,113,448)
Net Cash Provided (Used) by Operating Activities	\$ 162,049	\$ 280,417	\$ 84,672	\$ (2,975,727)	\$ 56,750	\$ (2,391,839)
Cash Flows from Noncapital Financing Activities						
Transfer from (to) Other Funds	\$ 8,305	\$ (122,731)	\$ (59,618)	\$ 119,514	\$ (60,644)	\$ (115,174)
Grants Available for Operating Purposes	-	-	-	1,054,052	-	1,054,052
Subsidies from Other Governmental Agencies	16,618	-	-	2,010,815	-	2,027,433
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ 24,923	\$ (122,731)	\$ (59,618)	\$ 3,184,381	\$ (60,644)	\$ 2,966,311
Cash Flows from Capital and Related Financing Activities						
Proceeds from Capital Debt	\$ -	\$ -	\$ 107,000	\$ -	\$ -	\$ 107,000
Capital Contributions	72,500	472,978	-	-	-	545,478
Purchases of Capital Assets	(55,946)	(70,443)	(139,716)	(73,576)	-	(339,681)
Acquisition and Construction of Capital Assets	(72,500)	(472,978)	-	-	-	(545,478)
Principal Paid on Capital Debt	(93,153)	(105,000)	-	(146,682)	-	(344,835)
Interest Paid on Capital Debt	(97,115)	(17,176)	-	(15,889)	-	(130,180)
Proceeds from Sale of Capital Asset	14,358	-	-	-	-	14,358
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (231,856)	\$ (192,619)	\$ (32,716)	\$ (236,147)	\$ -	\$ (693,338)
Cash Flows from Investing Activities						
Investment Income Received	\$ 36,830	\$ 34,933	\$ 7,662	\$ 27,493	\$ 3,894	\$ 110,812
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (8,054)	\$ -	\$ -	\$ -	\$ -	\$ (8,054)
Cash and Cash Equivalents, Beginning	199,340	150	-	175	-	199,665
Cash and Cash Equivalents, Ending	\$ 191,286	\$ 150	\$ -	\$ 175	\$ -	\$ 191,611

continued

CITY OF CLEMSON

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
Fiscal Year Ended June 30, 2009

continued

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Transit</u>	<u>Parking Deck</u>	<u>Totals</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ (10,265)	\$ (50,465)	\$ 66,314	\$ (3,639,380)	\$ (9,021)	\$ (3,642,817)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities						
Depreciation Expense	\$ 207,120	\$ 353,799	\$ 25,388	\$ 683,360	\$ 65,530	\$ 1,335,197
(Increase) Decrease in Accounts Receivable	40,436	15,076	(3,800)	143	-	51,855
(Increase) Decrease in Inventory	23,213	-	-	-	-	23,213
(Increase) Decrease in Investment in Joint Venture	-	(17,184)	-	-	-	(17,184)
(Increase) Decrease in Deferred Charges	2,862	259	-	-	-	3,121
Increase (Decrease) in Accounts Payable	(200,503)	(21,288)	(3,492)	(52,063)	241	(277,105)
Increase (Decrease) in Contracts Payable	82,828	(2,795)	-	34,485	-	114,518
Increase (Decrease) in Accrued Wages	1,519	1,028	457	335	-	3,339
Increase (Decrease) in Deferred Revenue	9,164	7,200	-	-	-	16,364
Increase (Decrease) in Compensated Absences	2,225	(5,213)	(363)	(2,607)	-	(5,958)
Increase (Decrease) in Customer Deposits	3,450	-	168	-	-	3,618
Total Adjustments	<u>\$ 172,314</u>	<u>\$ 330,882</u>	<u>\$ 18,358</u>	<u>\$ 663,653</u>	<u>\$ 65,771</u>	<u>\$ 1,250,978</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 162,049</u>	<u>\$ 280,417</u>	<u>\$ 84,672</u>	<u>\$ (2,975,727)</u>	<u>\$ 56,750</u>	<u>\$ (2,391,839)</u>

See Notes To Financial Statements

This Page Intentionally Left Blank

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The City of Clemson was created in 1943 after the freeholders voted to change the name from Calhoun to Clemson. Calhoun was founded sometime before 1900. Currently the City operates under a council form of government with an elected mayor and six council members.

The accompanying financial statement presents the government and its component units, which are entities for which the City is considered financially accountable. Blended component units are legally separate entities albeit, in substance, part of the primary government and, therefore are included with data of the primary government. Discretely presented component units are presented separately to emphasize legal separation from the primary government. The City of Clemson is comprised of the various departments of the General Fund, the Community Development Fund, (which administers the various community development grants), the Proprietary Funds (water, wastewater, commercial sanitation, transit system, and parking deck), the Debt Service Fund, the Capital Projects Fund, and various other Special Revenue Funds. There are no blended or discretely presented component units included in this financial statement. No entities are excluded that would make the financial statement misleading.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

*The **government-wide financial statements** (the **statement of net assets** and the **statement of activities**) report information on all of the activities of the primary government. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.*

*The **statement of activities** demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1.) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and, 2.) grants or contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.*

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The *government-wide financial statements* are reported using the economic resources measurement focus and the accrual basis of accounting, as are the *proprietary fund financial statements*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if collected within 60 days of the fiscal year end. Expenditures are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Tax Increment Fund* was established to receive and to record property taxes pursuant to an ordinance established for a comprehensive plan for redevelopment to certain identified areas within the City and to accumulate funds for amortization of future indebtedness from the issuance of Tax Increment Bonds of the City.

The *City Hall Expansion Fund* was established to account for construction of the City Hall Expansion project. The majority of the funding for this project will come from tax increment funds.

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

The **Highway 123 Streetscape fund** was established to account for improvements to Highway 123 funded by tax increment bonds and federal aid. This project was completed during the current fiscal year.

The government reports the following major proprietary funds:

The **water fund** accounts for charges to users for water services and the cost of operations of the system.

The **wastewater fund** accounts for charges to users for sewer services and the cost of operations of the system.

The **sanitation fund** leases commercial trash receptacles to businesses and apartment complexes and sells trashcan liners to the citizens of Clemson.

The **transit fund** accumulates costs and expenses of providing a transit system to the City of Clemson, Clemson University, and surrounding areas.

The **parking deck fund** accounts for charges to users on a daily basis and for special events.

Additionally, the government reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenues that are restricted for specific expenditures other than special assessments, expendable trusts, or major capital projects.

Capital projects funds are used to account for major capital projects funded by issuance of general obligation bonds, tax increment bonds, and other financing sources.

The **debt service fund** accounts for the resources accumulated, and payments made, for principal and interest on long-term general obligation debt of governmental funds.

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include 1.) charges to customers or applicants for goods, services, or privileges provided, 2.) operating grants and contributions, and 3.) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, all taxes are general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's primary ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. The water and wastewater funds also recognize as operating revenue impact fees intended to recover the cost of connecting new customers to the system.

Operating expenses for the proprietary funds include the costs of utility purchases and services, administrative expenses and asset depreciation. All revenues and expenses not meeting this definition are reported as nonoperating. The City applies all applicable FASB pronouncements issued after November 1989 in accounting and reporting for its proprietary funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

The City's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types and component units within the State of South Carolina) that authorize the City to invest in the following:

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

- a. *Obligations of the United States and agencies thereof;*
- b. *General obligations of the State of South Carolina or any of its political units;*
- c. *Savings and loan associations to the extent that the same is insured by an agency of the federal government;*
- d. *Certificates of deposit and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts are collaterally secured by securities of the type described in a. and b. above, held by a third party as escrow agent, or custodian of a market value, not less than the amount of the certificates or funds in deposit accounts so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government;*
- e. *Collateralized repurchase agreements when collateralized by securities as set forth in a. and b. above and held by the City or a third party as escrow agent or custodian;*
- f. *South Carolina Pooled Investment Fund established and maintained by the State Treasurer.*

Investments for the City are reported at fair value. The South Carolina Pooled Investment Fund operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pooled shares.

Inventories

The inventory of the Water Fund (proprietary fund type) consists of expendable supplies and construction materials, which are accounted for in a perpetual inventory system. The inventory is valued at cost and is recorded as an expense as consumed. The inventory of the Community Development fund is one piece of real estate valued at the lower of cost or market value.

Receivables and Payables

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These funds are not expected to be repaid within one year. These amounts are eliminated in the governmental and business-type activities, which are presented as "internal balances". All property taxes and other receivables are shown net of an allowance for uncollectibles.

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Restricted Assets

Certain resources in the City's proprietary funds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts as required by certain bond covenants. The 2005 Water A and 2005 Water B State Revolving Fund Trustee Accounts are used to segregate resources accumulated for debt service payments over the next twelve months for each of the respective revenue bonds.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The City qualifies as a phase 3 government for reporting major general infrastructure assets and, therefore, elects to record such assets prospectively. However, with the exception of several subdivisions, the City has been tracking the cost and depreciation of its infrastructure since 1973 and such assets are reflected in the accompanying financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capital value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Public domain infrastructure	50
System infrastructure	30
Vehicles	3
Office equipment	5
Computer equipment	5

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Compensated absences are typically funded by the General Fund.

Long-Term Obligations

In the [government-wide financial statements](#), and [proprietary fund types](#) in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the [fund financial statements](#), governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the [fund financial statements](#), governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

2. BUDGETARY PRACTICES

Annual budgets and supplementary budget appropriations are adopted by ordinance by the City Council providing for operations and capital expenditures of the City. The budget is prepared by function and activity within an individual fund; and, includes information on the past year, current year estimates and requested appropriations for the next fiscal year. All budgets are required to have two readings before being enacted into law.

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

2. BUDGETARY PRACTICES, continued

Revisions that alter the total expenditures of any department or any fund must be approved by City Council. Internal budget amendment documents are prepared for budget transfers.

Budgeted amounts as presented have been amended by City Council on various dates. Individual amendments were not material in relation to original appropriations. Supplementary appropriations were made during the current year.

*Departmental budget variances greater than 10% or \$10,000, whichever is smaller, must be approved by City Council. The **Community Development Fund** receives block grant entitlements, which are mandated by project budgets that extend over several accounting periods. Therefore, budget control is exercised by project. All other Special Revenue funds have annual budgets. During the current year none of the Special Revenue Fund budgets were revised, therefore, there are no separate columns for the original and final budgets for the individual fund statements.*

Budgets for the General, Special Revenue, Debt Service, and Proprietary funds are adopted on a basis consistent with generally accepted accounting principles. Budgetary appropriations lapse at year end. Outstanding purchase commitments are recorded as a reserve for encumbrance and are reflected as an expense/expenditure in the subsequent year.

3. CASH AND INVESTMENTS

Cash includes demand deposits and investments with financial institutions such as nonnegotiable certificates of deposits, money market accounts, and bank investment contracts. Cash deposits in excess of amounts insured by Federal Deposit Insurance are collateralized by US Government securities held by the counterparty in the counterparty's name.

The City has a compensating balance arrangement on its general checking of \$100,000. Daily amounts in excess of that amount may be swept by the bank and invested in short-term repurchase agreements. Repurchase agreements and pooled funds are collateralized by US Government Securities.

In accordance with GASB # 31, investments are recorded at cost or fair value depending on the nature and term of the investment. Immaterial differences at the balance sheet date are not adjusted. The City presently holds both short-term and long-term investments. All investments are expected to be held until maturity. Any significant discount or premium on the purchase of long-term investments is amortized over the term of the investment by the straight-line method. The City recognized a valuation gain on its investments of \$57,757 as of the balance sheet date.

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS, continued

The following is an analysis of investments held at June 30, 2009: Amounts are recorded at cost or fair value depending on the nature and term of the investment. Adjustments are not made to adjust original cost unless significant in amount.

<u>Investment</u>	<u>Credit Rating</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Federal Farm Credit Bank Bond			
Due 05/07/20	AAA/Aaa/AAA	\$ 100,000	\$ 99,281
Due 05/20/24	AAA/Aaa	100,000	98,750
Federal Home Loan Mortgage Notes			
Due 04/14/23	AAA/Aaa/AAA	100,000	101,737
Due 09/24/24	Aaa/AAA	100,000	100,281
Due 02/15/25	AAA/Aaa/AAA	50,000	48,812
Due 08/15/25	Aaa/AAA	100,000	97,769
Due 05/15/26	AAA/Aaa/AAA	100,000	101,328
Due 06/15/26	AAA/Aaa/AAA	100,000	101,414
Due 07/15/26	AAA/Aaa/AAA	100,000	101,884
Due 09/15/26	AAA/Aaa/AAA	100,000	100,552
Due 04/15/27	AAA/Aaa/AAA	100,000	99,398
Due 05/15/27	AAA/Aaa/AAA	100,000	99,501
Due 06/15/27	AAA/Aaa/AAA	100,000	100,169
Due 01/15/28	AAA/Aaa/AAA	150,000	144,546
Due 01/15/28	AAA/Aaa/AAA	100,000	96,263
Due 03/15/28	AAA/Aaa/AAA	50,000	48,137
Federal National Mortgage Notes			
Due 02/11/20	AAA/Aaa/AAA	50,000	50,016
Due 09/07/22	AAA/Aaa/AAA	150,000	152,907
Due 02/01/23	AAA/Aaa/AAA	100,000	97,531
Due 02/08/23	Aaa/AAA	100,000	98,375
Due 03/24/23	AAA/Aaa/AAA	50,000	49,469
Due 04/25/23	AAA/Aaa/AAA	150,000	145,782
Due 06/03/26	AAA/Aaa/AAA	100,000	96,469
Due 04/18/36	AAA	100,000	102,313
Federal Home Loan Bank Bond			
Due 01/14/15	AAA/Aaa	130,000	132,438
GNMA II Guaranteed Pass Thru			
Due 06/20/28	N/A	27,884	29,278
S.C. State Public Service Auth			
Due 01/01/32	AA-/Aa2/AA	100,000	94,853
Tennessee Valley Auth			
Due 01/15/28	AAA/Aaa	100,000	95,611
State Investment Pool			
Due 09/30/09	AAA/Aaa	1,014,139	1,014,139
Totals		<u>\$ 3,722,023</u>	<u>\$ 3,699,003</u>

Interest rate risk – Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The City has no formal policy regarding interest rate risk for investments.

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS, continued

Credit risk – Credit risk is the risk that a counterparty will not fulfill its obligations. The City has no formal policy regarding credit risk for investments.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. This risk is mitigated by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The City has no formal policy regarding concentration of credit risk for investments.

Custodial credit risk, deposits - In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2009, \$7,403,376 of the City's bank balance of \$9,093,350 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name. The City minimizes its exposure to custodial credit risk for deposits by review of financial statements issued by the financial institutions holding municipal deposits.

Custodial credit risk, investments - For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk. Of the investments of **\$3,699,003** the City has a custodial credit risk exposure of \$29,278 because the related securities are uninsured, unregistered and held by the City's brokerage firm which is also the counterparty for these particular securities. The City minimizes its exposure to custodial credit risk for investments by review of financial statements issued by the brokerage and financial institutions holding the municipal investments.

4. PROPERTY TAXES / RECEIVABLES

Property taxes, the primary source of revenue for the **General, Park Land, Tax Increment, and Debt Service Funds**, are collected for the City by the Pickens County Tax Collector. No fee is charged for this service, but the City must pay its share of the cost of printing the tax notices and lists. The property tax calendar is as follows:

Levy	on October 1st on all real and personal property (except vehicles) based on the assessment of the preceding January 1 st
Tax Due	on or before January 15 th
Penalty	3% after January 15 th 7% additional after February 1 st
Liens	liens are filed upon execution after March 16th with an additional 5% penalty
Property Sales	on delinquent property held in year after year of levy
Motor Vehicles	monthly, assessed and collected in advance of vehicle registration with motor vehicle department

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

4. PROPERTY TAXES / RECEIVABLES, continued

Receivables as of year-end for the City's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Tax Increment</u>	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Transit</u>	<u>Nonmajor</u>	<u>Total</u>
Receivables:								
Property Taxes	\$ 186,788	\$ 110,282	\$ -	\$ -	\$ -	\$ -	\$ 10,204	\$ 307,274
Accounts	44,093	-	213,930	196,184	32,311	2,302	478,404	967,224
Interest	44,125	-	-	-	-	-	-	44,125
Inter-governmental	346,627	2,971	-	-	-	155,990	75,785	581,373
Other	84,046	-	-	-	-	-	-	84,046
Gross Receivables	\$ 705,679	\$ 113,253	\$213,930	\$ 196,184	\$ 32,311	\$ 158,292	\$ 564,393	\$1,984,042
Less:								
Allowance for Uncollectibles	(171,110)	(110,282)	-	-	-	-	(9,349)	(290,741)
Net Total Receivables	<u>\$ 534,569</u>	<u>\$ 2,971</u>	<u>\$213,930</u>	<u>\$ 196,184</u>	<u>\$ 32,311</u>	<u>\$ 158,292</u>	<u>\$ 555,044</u>	<u>\$1,693,301</u>

Included in accounts receivable in the Nonmajor funds are mortgages arising from loans to individuals qualifying for community development grant funds for constructing or renovating their personal residences. The balance at June 30, 2009 is \$394,926 of which \$370,536 is long-term.

5. NOTE RECEIVABLE – TOWN OF CENTRAL

The City sold its Highway 93 Water Tank to the Town of Central for \$250,000 in 2007. The terms of the sale call for the Town of Central to pay \$5,009 per quarter for 15 years at an interest rate of 2.5%. The balance of the note at June 30, 2009 is \$218,190 with \$14,721 due within the next year.

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

Governmental activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated:				
Land	\$ 1,595,400	\$ -	\$ -	\$ 1,595,400
Construction in Progress	568,476	1,555,129	-	2,123,605
Total capital assets, not depreciated	<u>\$ 2,163,876</u>	<u>\$ 1,555,129</u>	<u>\$ -</u>	<u>\$ 3,719,005</u>

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

6. CAPITAL ASSETS, continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Capital assets, depreciated:</i>				
Other improvements	\$ 7,065,979	\$ -	\$ -	\$ 7,065,979
Buildings	5,318,285	-	-	5,318,285
Infrastructure	5,345,935	450,000	-	5,795,935
Furniture and equipment	5,763,259	223,998	(178,234)	5,809,023
<i>Total capital assets depreciated</i>	<u>\$ 23,493,458</u>	<u>\$ 673,998</u>	<u>\$ (178,234)</u>	<u>\$ 23,989,222</u>
<i>Less accumulated depreciation for:</i>				
Other improvements	\$ (2,439,221)	\$ (544,426)	\$ -	\$ (2,983,647)
Buildings	(1,278,140)	(132,089)	-	(1,410,229)
Infrastructure	(3,721,634)	(302,339)	-	(4,023,973)
Furniture and equipment	(3,831,529)	(585,341)	178,234	(4,238,636)
<i>Total accumulated depreciation</i>	<u>\$ (11,270,524)</u>	<u>\$ (1,564,195)</u>	<u>\$ 178,234</u>	<u>\$ (12,656,485)</u>
<i>Total capital assets, depreciated, net</i>	<u>\$ 12,222,934</u>	<u>\$ (890,197)</u>	<u>\$ -</u>	<u>\$ 11,332,737</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 14,386,810</u>	<u>\$ 664,932</u>	<u>\$ -</u>	<u>\$ 15,051,742</u>
Business-type activities:				
<i>Capital assets, not depreciated:</i>				
Land	\$ 388,507	\$ 73,576	\$ -	\$ 462,083
Construction in Progress	788,561	434,200	-	1,222,761
<i>Total capital assets, not depreciated</i>	<u>\$ 1,177,068</u>	<u>\$ 507,776</u>	<u>\$ -</u>	<u>\$ 1,684,844</u>
<i>Capital assets, depreciated:</i>				
Other improvements	\$ 7,289,370	\$ 36,721	\$ -	\$ 7,326,091
Buildings	2,743,989	-	-	2,743,989
Infrastructure	13,062,961	145,000	-	13,207,961
Furniture and equipment	7,304,210	195,662	(233,788)	7,266,084
<i>Total capital assets depreciated</i>	<u>\$ 30,400,530</u>	<u>\$ 377,383</u>	<u>\$ (233,788)</u>	<u>\$ 30,544,125</u>
<i>Less accumulated depreciation for:</i>				
Other improvements	\$ (3,824,573)	\$ (154,905)	\$ -	\$ (3,979,478)
Buildings	(306,917)	(68,537)	-	(375,454)
Infrastructure	(3,417,538)	(317,321)	-	(3,734,859)
Furniture and equipment	(5,136,807)	(794,434)	233,788	(5,697,453)
<i>Total accumulated depreciation</i>	<u>\$ (12,685,835)</u>	<u>\$ (1,335,197)</u>	<u>\$ 233,788</u>	<u>\$ (13,787,244)</u>
<i>Total capital assets, depreciated, net</i>	<u>\$ 17,714,695</u>	<u>\$ (957,814)</u>	<u>\$ -</u>	<u>\$ 16,756,881</u>
<i>Business-type activities capital assets, net</i>	<u>\$ 18,891,763</u>	<u>\$ (450,038)</u>	<u>\$ -</u>	<u>\$ 18,441,725</u>

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

6. CAPITAL ASSETS, continued

Depreciation expense was charged to functions/programs of the City as follows:

<i>Government Activities:</i>	
General Government	\$ 156,930
Public Safety	240,061
Public Works	567,974
Culture and Recreation	589,375
Equipment Services	9,855
Total Depreciation Expense-Governmental Activities	<u>\$ 1,564,195</u>
 <i>Business-type Activities:</i>	
Water	\$ 207,120
Wastewater	353,799
Sanitation	25,388
Transit	683,360
Parking Deck	65,530
Total Depreciation Expense-Business-Type Activities	<u>\$ 1,335,197</u>

7. CAPITAL LEASES

The City has several lease agreements which qualify as capital leases for accounting purposes. The leases have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of assets leased under capital leases:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Equipment	\$ 1,044,922	\$ 956,024
Other Improvements	2,309,124	-
Less: Accumulated Depreciation	(681,426)	(469,163)
Carrying Value	<u>\$ 2,672,620</u>	<u>\$ 486,861</u>

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2009:

<u>Fiscal Year Ending</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
06/30/2010	\$ 381,526	\$ 186,015
06/30/2011	310,672	94,023
06/30/2012	310,672	94,023
06/30/2013	231,131	23,444
06/30/2014	231,131	23,444
2015 – 2016	462,288	-
Total minimum lease payments	<u>\$ 1,927,420</u>	<u>\$ 420,949</u>
Less interest portion	(234,480)	(28,732)
Present value of future minimum Lease payments	<u>\$ 1,692,940</u>	<u>\$ 392,217</u>

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

8. LONG-TERM DEBT

The City issued revenue bonds in its business-type activities where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at June 30, 2009, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Current Portion</u>
2005 Water A	2.5 %	\$ 3,190,922	\$ 61,929
2005 Water B	3.0 %	528,100	9,516
1994 Wastewater Fund	68 % of Prime*	<u>568,750</u>	<u>105,000</u>
Total		<u>\$ 4,287,772</u>	<u>\$ 176,445</u>

* Actual rate is 68% of the bank's prime rate with a ceiling of 7.5%.

Annual debt service requirements to maturity for revenue bonds including interest of \$1,538,084 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 176,446	\$ 110,302	\$ 286,748
2011	202,419	124,022	326,441
2012	204,943	113,622	318,565
2013	207,534	103,157	310,691
2014	210,191	92,623	302,814
2015-2019	612,067	383,842	995,909
2020-2024	645,958	305,381	951,339
2025-2029	734,260	217,079	951,339
2030-2034	834,697	116,642	951,339
2035-2037	<u>459,258</u>	<u>16,414</u>	<u>475,672</u>
Totals	<u>\$ 4,287,773</u>	<u>\$ 1,583,084</u>	<u>\$ 5,870,857</u>

Water and Wastewater System Revenue Bond Ordinances requires the following reserve on the Water and Wastewater Funds retained earnings at June 30, 2009:

	<u>Water</u>	<u>Wastewater</u>
Reserve for future principal and interest payments (1)	\$ 39,639	\$ 148,473
Reserve for operations and maintenance	167,079	201,478
Reserve for depreciation	27,349	546,186
Reserve for contingency	1,000	500
Less adjustment to bond balance	-	(327,887)
Total	<u>\$ 235,067</u>	<u>\$ 568,750</u>

(1) The reserve for future principal and interest payments in the **Water Fund** is reflected in restricted cash in the Water Fund.

Operating revenues of the **Water and Wastewater Funds** will be used to repay the outstanding revenue bond indebtedness

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

8. LONG-TERM DEBT, continued

General obligation bonds are issued in the governmental activities to provide funding for the acquisition and construction of major capital facilities. Bonds issued and the amounts outstanding at June 30, 2009 are as follows:

<u>Purpose</u>	<u>Bond Proceeds</u>	<u>Interest Rate</u>	<u>Balance 6/30/09</u>
Law Enforcement Facility	\$ 750,000	6.104% Avg.	\$ 390,000
Central Recreation Facility	700,000	5.330 %	215,000
Capital Projects / Land	455,000	4.970 %	310,000
Various Capital Projects	5,000,000	4.810 %	3,275,000
Various Capital Projects	<u>3,000,000</u>	3.790 %	<u>2,299,391</u>
Totals	<u>\$ 9,905,000</u>		<u>\$ 6,489,391</u>

Annual debt service requirements to maturity for general obligation bonds including interest of \$1,373,573 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 706,430	\$ 292,662	\$ 999,092
2011	740,959	260,298	1,001,257
2012	815,849	225,251	1,041,100
2013	751,115	190,305	941,420
2014	786,769	156,395	943,164
2015-2017	<u>2,688,269</u>	<u>248,662</u>	<u>2,936,931</u>
Totals	<u>\$ 6,489,391</u>	<u>\$ 1,373,573</u>	<u>\$ 7,862,964</u>

Individual bonds are in issues of \$5,000 each. Interest is due on December 1 and June 1 of each fiscal year. Principal payments are due on December 1 each year. Property taxes will be used to pay debt service principal and interest as it becomes due. The City has pledged its full faith and credit as collateral for the general obligation bonds. The City is not obligated for any special assessment debt.

Long-term liability activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Governmental Activities:</i>					
General Obligation Bonds	\$ 7,156,718	\$ -	\$ (667,327)	\$ 6,489,391	\$ 706,430
Capital Leases	2,075,430	-	(382,490)	1,692,940	318,783
Compensated Absences	<u>377,490</u>	<u>226,699</u>	<u>(200,385)</u>	<u>403,804</u>	<u>182,505</u>
<i>Governmental Activity Long-Term Liabilities</i>	<u>\$ 9,609,638</u>	<u>\$ 226,699</u>	<u>\$ (1,250,202)</u>	<u>\$ 8,586,135</u>	<u>\$ 1,207,718</u>

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

8. LONG-TERM DEBT, continued

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Business-Type Activities:</i>					
Revenue Bonds	\$ 4,485,925	\$ -	\$ (198,153)	\$ 4,287,772	\$ 176,445
Capital Leases	431,899	107,000	(146,682)	392,217	83,013
Compensated Absences	156,157	78,344	(84,301)	150,200	61,897
<i>Business-Type Activity</i>					
Long-Term Liabilities	<u>\$ 5,073,981</u>	<u>\$ 185,344</u>	<u>\$ (429,136)</u>	<u>\$ 4,830,189</u>	<u>\$ 321,355</u>

9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2009 is as follows:

Due to/from funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water	General	\$ 1,059,488
Wastewater	General	1,668,197
Sanitation	General	316,285
Transit	General	1,037,958
Parking Deck	General	179,411
Tax Increment Fund	General	716,469
City Hall Expansion	General	2,501,376
General	Nonmajor Governmental Funds	39,234
Nonmajor Governmental Funds	General	<u>1,634,778</u>
Total		<u>\$ 9,153,196</u>

The outstanding balances between funds result mainly from all operating cash being recorded in the General Fund.

Interfund transfers are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
<u>Governmental Funds</u>			
<i>General Fund:</i>			
Nonmajor Governmental	\$ 125,412	\$ -	
Water	91,835	-	
Wastewater	165,879	-	
Sanitation	7,424	-	
Transit	8,900	-	
Parking Deck	16,000	-	
City Hall Expansion	-	135,000	
Total General Fund	<u>\$ 415,450</u>	<u>\$ 135,000</u>	
<i>Tax Increment Fund:</i>			
Nonmajor Governmental	\$ -	\$ 810,537	
City Hall Expansion	-	1,800,000	
Highway 123 Streetscape	-	66,438	
Total Tax Increment Fund	<u>\$ -</u>	<u>\$ 2,676,975</u>	

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, continued

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
<i>City Hall Expansion:</i>			
<i>Nonmajor Governmental</i>	\$ 654,387	\$ -	
<i>General Fund</i>	135,000	-	
<i>Tax Increment Fund</i>	1,800,000	-	
<i>Total City Hall Expansion</i>	<u>\$ 2,589,387</u>	<u>\$ -</u>	
<i>Highway 123 Streetscape Fund:</i>			
<i>Nonmajor Governmental</i>	\$ 23,754	\$ -	
<i>Tax Increment Fund</i>	66,439	-	
<i>Total Highway 123 Streetscape</i>	<u>\$ 90,193</u>	<u>\$ -</u>	
<i>Nonmajor Governmental:</i>			
<i>General Fund</i>	\$ -	\$ 125,412	
<i>Tax Increment Fund</i>	810,537	-	
<i>City Hall Expansion</i>	-	654,387	
<i>Highway 123 Streetscape</i>	-	23,754	
<i>Water</i>	-	15,000	
<i>Wastewater</i>	-	129,723	
<i>Nonmajor Governmental</i>	67,000	67,000	
<i>Total Nonmajor Governmental</i>	<u>\$ 877,537</u>	<u>\$ 1,015,276</u>	
<i>Total Governmental Fund Transfers</i>	<u>\$ 3,972,567</u>	<u>\$ 3,827,251</u>	<u>\$ 145,316</u>
<u><i>Proprietary Funds</i></u>			
<i>Water:</i>			
<i>General Fund</i>	\$ -	\$ 91,835	
<i>Nonmajor Governmental</i>	15,000	-	
<i>Total Water</i>	<u>\$ 15,000</u>	<u>\$ 91,835</u>	
<i>Wastewater:</i>			
<i>General Fund</i>	\$ -	\$ 165,879	
<i>Nonmajor Governmental</i>	129,722	-	
<i>Total Wastewater</i>	<u>\$ 129,722</u>	<u>\$ 165,879</u>	
<i>Sanitation:</i>			
<i>General Fund</i>	\$ -	\$ 7,424	
<i>Transit:</i>			
<i>General Fund</i>	\$ -	\$ 8,900	
<i>Parking Deck:</i>			
<i>General Fund</i>	\$ -	\$ 16,000	
<i>Total Proprietary Fund Transfers</i>	<u>\$ 144,722</u>	<u>\$ 290,038</u>	<u>\$ (145,316)</u>

Transfers are used to 1.) move funds collected for debt service principal and interest payments, 2.) move amounts to help pay loan costs attributable to that fund, 3.) re-allocate capital project funds not spent due to projects being completed under budget and 4.) move unrestricted general fund revenues to finance programs of the government accounted for in the other funds.

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

10. CONSTRUCTION COMMITMENTS

The City has two ongoing construction projects as of June 30, 2009. The projects include City Hall Expansion Engineering and Design and Clemson Area Transit Multi-Modal Facility Engineering and Design. The City's commitments with contractors at year-end are as follows:

	Spent to Date	Commitments at 6-30-09
Project:		
City Hall Expansion Engineering & Design	\$ 128,697	\$ 42,309
Clemson Area Transit Multi-Modal Facility Engineering & Design		
Phase I	68,910	80,835
Phase II	-	112,400
Total	<u>\$ 197,607</u>	<u>\$ 235,544</u>

11. FIRE SERVICES AGREEMENT

On July 1, 2003 the City of Clemson renewed its contract with Clemson University for the University to provide fire protection services to the City. The original arrangement became effective July 1, 2003, and remained in effect until June 30, 2008. The contract was extended for one year by the parties on May 22, 2008 for the year ended June 30, 2009. The contract was extended for an additional year on April 20, 2009 for the year beginning July 1, 2009.

Under the terms of the contract the City is to pay the University an annual fee. The University shall own and maintain all fire suppression equipment and tools and shall assume responsibility for all full-time, paid firefighters. The City shall be responsible for providing a certified State Resident Fire Marshall. During the current period the City paid \$470,000 for fire suppression services.

For the performance of the one year extension of the agreement the City is to pay to Clemson University compensation as follows:

For the year beginning:	July	2009	\$ 508,000
-------------------------	------	------	------------

12. EMPLOYEES RETIREMENT SYSTEMS

All permanent employees of the City participate in the SC Retirement System or the SC Police Officers' Retirement System. These systems are administered by the State Budget and Control Board of South Carolina, which appoints a director to exercise general supervision over the Retirement Systems. Both the South Carolina Retirement System and Police Officers Retirement System are cost-sharing multiple-employer PERS .

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

12. EMPLOYEES RETIREMENT SYSTEMS, continued

Both the South Carolina Retirement System and the Police Officers Retirement System offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits, and survivor benefits. Both employees and employers are required to contribute to the Plan. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws.

Employee required contributions to the plan are as follows:

South Carolina Retirement System	6.5 % of salary
Police Officers Retirement System	
Class II	6.5 % of salary
Class I	\$ 21 per month

Employers are required to contribute to the plan at the following actuarially determined rates:

South Carolina Retirement System	9.24 % of salary
Police Officers Retirement System	
Class II	10.65 % of salary
Class I	7.8 % of salary

In addition to the above rates, participating employers of the South Carolina Retirement System contribute .15% of payroll to provide a group life insurance benefit for their participants. Participating employers under the Police Officer's Retirement System also contribute .2% of payroll to provide a group life insurance benefit and .2% of payroll for accidental death benefits.

All employers contribute at the actuarially required contribution rates. Three-year trend information is as follows:

Year Ending	South Carolina Retirement System		Police Officers Retirement System	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
06/30/09	\$ 431,617	100 %	\$ 152,925	100 %
06/30/08	395,491	100 %	142,589	100 %
06/30/07	324,939	100 %	136,720	100 %

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers Retirement System is issued and publicly available by writing the South Carolina Retirement System, PO Box 11960, Columbia, SC 29211-1960.

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

13. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The amounts of any excess of expenditures over appropriations, at the legal level of control, are as follows: Variances were approved by council.

General Fund	Appropriations	Expenditures
Current Operating		
Administration	\$ 478,460	\$ 489,276
Finance	180,865	187,386
Planning and Codes	591,477	598,372
Public Buildings	285,818	316,743
Public Works		
Streets	672,830	1,050,005
Administration	193,448	210,304
<hr/>		
Nonmajor Governmental Funds	Appropriations	Expenditures
Capital Outlay	\$ 53,200	\$ 59,911
Tourism		
Tourism Related	20,000	25,959

14. JOINT VENTURE

The City of Clemson entered into a joint venture in 1978 with the Town of Pendleton to construct and operate a waste water treatment facility. The joint venture is accounted for in the City of Clemson's Wastewater Fund under the equity method of accounting.

The investment qualifies under GASB Statement No. 14 as a joint venture with the following characteristics:

- Contractual entity - a joint venture must be an organization that results from a contractual agreement.
- Separate status - The Pendleton/Clemson Waste Treatment Facility operates as a separate and specific activity.
- Joint control - The facility is owned and operated by the Town of Pendleton and the City of Clemson through a board appointed by the two entities.
- Ongoing financial relationship - Each of the two entities has both an ongoing financial interest and an ongoing financial responsibility.

A substantial portion of the costs of construction of the facility (75%) was funded through Environmental Protection Agency grants. The remainder of the construction costs (25%) and the cost of collector loans were funded through individual loans by the City of Clemson and the Town of Pendleton from the Farmers Home Administration.

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

14. JOINT VENTURE, continued

The Town of Pendleton obtained a loan in the amount of \$948,300 repayable over a forty-year period at 5 percent. Both the proportionate assets of the system and the debt are included in the Town of Pendleton's financial statement.

The City of Clemson also financed its share of construction costs with a Farmer's Home Administration loan. Assets constructed both with EPA grants and the FmHA loan include plant facility and collector lines which are included in the financial statements of the Wastewater Fund. At June 30, 2009 the Wastewater Fund had total assets of \$10,366,614 and total liabilities of \$721,548.

The joint facility operated by the Town of Pendleton prepares and issues separate financial statements. The facility assets and the debt on those assets are excluded from the financial statement. The Pendleton/Clemson Facility is audited by other auditors. A copy of the Pendleton/Clemson Facility financial statement may be obtained from the Town of Pendleton.

Total treatment plant capacity is two million gallons of sewage waste per day. Clemson has access to one million gallons of capacity. The City has leased 200,000 gallons per day to Anderson County. The original agreement was for four years and ended on June 30, 2008 and included two renewable one-year extensions. The parties exercised the options to extend the contract to June 30, 2010.

The facility operates on a fiscal year ending June 30. Prior year summary financial information is as follows:

Total Assets	\$ 408,419
Total Liabilities	7,814
Total Equity	400,605
Total Operating Revenues	518,700
Total Operating Expenses	474,924
Net Income (Loss)	43,776
Outstanding Debt	-

The City records its investment in joint ventures under the equity method of accounting for investments. The current balance in investments in joint venture is \$276,605, which includes \$2,515 of amortization of the difference of the cost of the investment and the value of the underlying assets and \$19,699 of current year net income as follows:

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

14. JOINT VENTURE, continued

Carrying Value, 6/30/08	\$ 259,421	
Current year income (loss)	19,699	
	\$ 279,120	\$ 279,120
Net value of underlying assets	(178,522)	
Difference	\$ 100,598	
Amortization - SL over 40 years		(2,515)
Carrying Value, 6/30/09		\$ 276,605

The details of the original agreement and the operation of the facility are as follows:

	<u>% Costs to Each Municipality</u>	
	<u>Clemson</u>	<u>Pendleton</u>
Design, Bidding, Grant Application, Study	54%	46%
Soil Test, Survey, Plan of Operation, Maintenance, Manual	37%	63%
Land & Right of Ways within City Limits	All Within Clemson	All Within Pendleton
Monthly Construction Cost Estimates on Project	54.74%	45.26%

The Municipalities pay their proportionate share of operations and maintenance costs determined by respective percentages of influent flow. The governing body consists of 3 members, 2 from Pendleton and 1 from Clemson. They are responsible for establishing annual budgets, establishing user rates, issuance of financial statements and other relevant financial activities. The Town of Pendleton is responsible for the proper operations and maintenance of the Pendleton/Clemson Waste Treatment Facility. An initial operating fund of \$15,000 was established - \$10,000 from Pendleton and \$5,000 from Clemson. Additional operating funds will be contributed in accordance with usage ratios.

The operating staff consists of Town of Pendleton employees except staff position # 2.

1. Chief Operator.
2. Operator/Lab Technician...paid by the City of Clemson
3. Operator
4. Maintenance Technician

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

15. RISK MANAGEMENT

The City is exposed to various risks of loss from theft, natural disasters, accidental damage to assets, errors and omissions, and tort liabilities. The City participates in a pooled risk management program through the South Carolina Municipal Insurance and Risk Financing Fund to cover the risk of such losses. Job related accidents are insured through workers' compensation insurance provided through the South Carolina Municipal Insurance Trust.

Premiums are paid annually to purchase such policies and any claims are filed with the carriers. There has been no reduction in insurance coverage from prior years and no settlements have exceeded insurance coverage within the prior three fiscal years. No unasserted claims exist as of the balance sheet date and no liabilities are recorded in the financial statements.

16. LOCAL OPTION SALES TAX

Citizens and residents of the City of Clemson and Pickens County approved by referendum a 1% local option sales tax beginning May 1995. Property owners are given tax credits on property tax notices issued in September payable by January 15th. The total amount of the revenues collected is applied to a rollback of county and municipal taxes. The City received \$1,014,343 during the current year.

17. HOSPITALITY ORDINANCE

Beginning on January 1, 1997, the City adopted a 1% hospitality fee to be charged on gross proceeds derived from the sale of all food and beverages served by a restaurant, hotel, motel, or other food service facility within the City (including prepared foods of grocery and convenience stores). Beginning on September 1, 2003, the City adopted an additional 1% hospitality tax under the same guidelines as the hospitality fee. The funds are to be used for the preservation, maintenance, and development of the City of Clemson; acquisition of lands and construction of passive and active parks; enhancement of existing infrastructures; acquisition of capital equipment for law enforcement and public safety, and costs to preserve the general health, safety and welfare of the citizens of, and visitors to, the City of Clemson. During the year the City received \$455,770 of hospitality fees and \$455,770 of hospitality taxes.

18. CENTRAL / CLEMSON RECREATION FACILITY

The City of Clemson entered into an intergovernmental agreement with the Town of Central to develop a plan for the joint funding, construction, operation and use of a multi-purpose recreational and athletic facility; and an Agreement for Contribution and for Shared Use and Governance with the Town of Central. The location of the facility is within the Town of Central and is a component unit of Central. All construction costs and related construction management are the responsibility of the Town of Central.

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

18. CENTRAL / CLEMSON RECREATION FACILITY, continued

Clemson's contribution to the facility in the form of intergovernmental expenditures are recorded in a capital projects fund and were funded by a General Obligation bond issue of \$700,000 and various equity transfers and grant applications. The facility is operated by the Town of Central with shared usage. Clemson is charged for its share of the annual operating costs.

19. CLEMSON REDEVELOPMENT PLAN / CAPITAL PROJECTS

On December 21, 1998, the City passed an ordinance establishing and approving a plan for the redevelopment of portions of the City of Clemson pursuant to the "City of Clemson Redevelopment Plan", dated October 16, 1998. The plan provides for a comprehensive program for redevelopment of identified areas of the City. The planned expenditures for public improvements totaling approximately \$9,402,000 will be funded with proceeds from Tax Increment Bonds of the City to be issued from time to time as permitted by the Act (Tax Increment Financing Plan. Sections 31-6-10 to 31-6-120 of the South Carolina Code of Laws 1976, as amended). The amount of indebtedness to be supported by tax increment financing will include up to \$8,000,000 of Tax Increment Bonds of the City. The Tax Increment Fund (TIF) was established to record property taxes received under the redevelopment plan. During the year, the City received \$1,561,021 in TIF designated property taxes. Also during the current year \$2,676,975 was transferred to various capital projects.

The City's total issue of \$8,000,000 for various capital projects is detailed below.

<u>Project</u>	<u>Original</u>	<u>Amended</u>
Keowee Trail	\$ 840,000	\$ 840,000
College Avenue Phase IV	350,000	550,000
US 123 / SC 133 Connector	300,000	-
Hwy 123 Streetscape	1,155,000	1,155,000
Hwy 93 Gateway Park	250,000	250,000
Downtown Parking Deck	2,810,000	2,810,000
Catherine Smith Plaza	325,000	325,000
Morrison Annex	1,300,000	1,400,000
Tax Increment Financing Fee	20,000	20,000
City Hall Expansion	650,000	650,000
	<hr/>	<hr/>
Total	\$ 8,000,000	\$ 8,000,000
	<hr/>	<hr/>

CITY OF CLEMSON

NOTES TO FINANCIAL STATEMENTS

20. JOINT MUNICIPAL WATER SYSTEM

On March 18, 2002 the City entered into a Water Sale and Purchase Agreement with the Anderson Regional Joint Water System. The City participates as a member with various other governmental entities and water districts. The agreement calls for the right to purchase up to 2.02 million gallons per day of potable water.

In exchange for the rights to receive water, the City pays monthly amounts based on debt amortization, capital charges, depreciation charges and operating costs of the system. The system facilities are owned solely by the Anderson Regional Joint Water System and no assets or liabilities are recorded on the books of The City of Clemson.

On November 15, 2005 the City agreed to an amendment to the original agreement. The amendment calls for the City to have the ability to purchase an additional 2.74 million gallons per day to bring their total capacity under this agreement to 4.76 million gallons per day. At the same time the City entered into an agreement to provide the Town of Central up to .4 million gallons per day in Potable Water without impairing Clemson's ability to satisfy its own demand.

21. SUBSEQUENT EVENTS

City Council agreed to enter into contractual agreement for construction of the City Hall expansion project with Marsh-Bell Construction of Easley for an amount not to exceed \$1,872,350. Marsh-Bell was the lowest of three bidders. Construction began in September, 2009 and is contracted to be completed in approximately 300 days.

On October 8, 2009 the South Carolina Department of Transportation approved a grant for the City of Clemson in the amount of \$2,500,000 to build a Clemson Area Transit Facility to house twenty buses. On October 19, 2009 Council agreed to accept the grant award and proceed with the bidding process for the project. Construction has not begun at the date of this report.

This Page Intentionally Left Blank

COMBINING AND
INDIVIDUAL FUND
STATEMENTS AND SCHEDULES



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds -- used to account for the proceeds of specific revenues that are restricted for specific expenditures other than special assessments, expendable trusts, or major capital projects.

The **Community Development Fund** is used to account for the financial and compliance requirements of various funding sources for the betterment of the community as a whole.

The **Emergency Phone System Fund** was established to account for the revenues derived from charges assessed on phone subscribers within the City's boundaries to fund the operation of the emergency 911 system.

The **Tourism Fund** is established to account for the revenues derived from accommodations taxes and the expenditures to promote tourism.

The **Park Land Fund** is used to accumulate monies to purchase various real properties for park development within the City. Revenues for the fund will be from property taxes.

The **Hospitality Fee Fund** and **Hospitality Tax Fund** is used to account for collection of a gross proceeds tax on the sale of all food and beverages by certain businesses within the City. The proceeds of these funds are to be used for the preservation, maintenance, and the development of the City of Clemson; acquisition of lands and construction of passive and active parks; acquisition of capital equipment for public safety enhancement of existing infrastructures, and the costs to forefend the general health, safety, and welfare of the citizens of, and the visitors to, the City of Clemson.

The **Local Accommodations Tax Fund** was established to receive a tax on every person engaged or continuing in the business of furnishing accommodations to transients within the jurisdiction of the City of Clemson. The revenue generated by the tax will be used exclusively for tourism-related expenditures within the City.

Capital Projects Fund -- established to account for major capital projects funded by issuance of general obligation bonds, tax increment bonds, and other financing sources.

Debt Service Fund -- used to account for the accumulation of resources and payment of general obligation and tax increment bonds principal and interest from governmental resources.

CITY OF CLEMSON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2009

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
Assets				
Receivables (Net of Allowance)				
Property Taxes	\$ 99	\$ -	\$ 755	\$ 854
Accounts	478,404	-	-	478,404
Due from Other Governmental Units	31,911	39,234	4,640	75,785
Due from Other Funds	1,391,902	10,918	231,958	1,634,778
Inventory	82,000	-	-	82,000
Total Assets	<u>\$ 1,984,316</u>	<u>\$ 50,152</u>	<u>\$ 237,353</u>	<u>\$ 2,271,821</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 11,620	\$ 10,918	\$ -	\$ 22,538
Due to Other Funds	-	39,234	-	39,234
Total Liabilities	<u>\$ 11,620</u>	<u>\$ 50,152</u>	<u>\$ -</u>	<u>\$ 61,772</u>
Fund Balances				
Reserved for Encumbrances	\$ 11,100	\$ -	\$ -	\$ 11,100
Reserved for Debt Service	-	-	237,353	237,353
Reserved for Long - Term Receivables	370,536	-	-	370,536
Unreserved	1,591,060	-	-	1,591,060
Total Fund Balances	<u>\$ 1,972,696</u>	<u>\$ -</u>	<u>\$ 237,353</u>	<u>\$ 2,210,049</u>
Total Liabilities and Fund Balances	<u>\$ 1,984,316</u>	<u>\$ 50,152</u>	<u>\$ 237,353</u>	<u>\$ 2,271,821</u>

CITY OF CLEMSON

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Fiscal Year Ended June 30, 2009

	Special Revenue	Capital Projects	Debt Service	Total
Revenues				
Property Taxes	\$ 17,166	\$ -	\$ 131,031	\$ 148,197
Local Option Sales Tax	6,086	-	46,457	52,543
Local Accomodations Tax	138,533	-	-	138,533
Hospitality Fees/Tax	911,540	-	-	911,540
Intergovernmental	85,142	-	-	85,142
Federal Aid	-	123,577	-	123,577
Charges for Services	48,011	-	-	48,011
Investment Earnings	46,086	5,852	5,649	57,587
Other	49,198	-	970	50,168
Total Revenues	\$ 1,301,762	\$ 129,429	\$ 184,107	\$ 1,615,298
Expenditures				
Current Operating				
General Government	\$ -	\$ 123,772	\$ -	\$ 123,772
Public Safety	15,593	-	-	15,593
Urban Redevelopment	13,611	-	-	13,611
Culture and Recreation	272,110	-	-	272,110
Debt Service				
Principal	266,303	-	667,327	933,630
Interest	71,129	-	323,079	394,208
Fees	-	-	1,013	1,013
Capital Outlay	163,466	400,479	-	563,945
Intergovernmental				
Tourism - Promotion	36,000	-	-	36,000
Tourism - Tourism Related	293,162	-	-	293,162
Total Expenditures	\$ 1,131,374	\$ 524,251	\$ 991,419	\$ 2,647,044
Excess of Revenues Over (Under) Expenditures	\$ 170,388	\$ (394,822)	\$ (807,312)	\$ (1,031,746)
Other Financing Sources (Uses)				
Transfers In	\$ 47,000	\$ -	\$ 830,537	\$ 877,537
Transfers Out	(228,754)	(786,522)	-	(1,015,276)
Total Other Financing Sources (Uses)	\$ (181,754)	\$ (786,522)	\$ 830,537	\$ (137,739)
Net Change in Fund Balances	\$ (11,366)	\$ (1,181,344)	\$ 23,225	\$ (1,169,485)
Fund Balances, Beginning	\$ 1,984,062	\$ 1,181,344	\$ 214,128	\$ 3,379,534
Fund Balances, Ending	\$ 1,972,696	\$ -	\$ 237,353	\$ 2,210,049

CITY OF CLEMSON

NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 June 30, 2009

	<u>Community Development Funds</u>	<u>Emergency Phone System</u>	<u>Tourism Fund</u>	<u>Park Land Fund</u>	<u>Hospitality Fee Fund</u>	<u>Hospitality Tax Fund</u>	<u>Local Accom Tax Fund</u>	<u>Total 6/30/09</u>
Assets								
<i>Receivables (Net of Allowance)</i>								
<i>Property Taxes</i>	\$ -	\$ -	\$ -	\$ 99	\$ -	\$ -	\$ -	\$ 99
<i>Accounts</i>	398,075	2,483	-	-	33,057	33,057	11,732	478,404
<i>Due from Other Governmental Units</i>	-	-	31,303	608	-	-	-	31,911
<i>Due from Other Funds</i>	84,586	123,620	21,124	18,341	326,886	591,660	225,685	1,391,902
<i>Inventory</i>	82,000	-	-	-	-	-	-	82,000
Total Assets	<u>\$ 564,661</u>	<u>\$ 126,103</u>	<u>\$ 52,427</u>	<u>\$ 19,048</u>	<u>\$ 359,943</u>	<u>\$ 624,717</u>	<u>\$ 237,417</u>	<u>\$ 1,984,316</u>
Liabilities and Fund Balances								
<i>Liabilities</i>								
<i>Accounts and Vouchers Payable</i>	\$ 12	\$ -	\$ -	\$ -	\$ 6,299	\$ 5,309	\$ -	\$ 11,620
<i>Fund Balances</i>								
<i>Reserved for Encumbrances</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,100	\$ -	\$ 11,100
<i>Reserved for Long-Term Receivables</i>	370,536	-	-	-	-	-	-	370,536
<i>Unreserved</i>	194,113	126,103	52,427	19,048	353,644	608,308	237,417	1,591,060
Total Fund Balances	<u>\$ 564,649</u>	<u>\$ 126,103</u>	<u>\$ 52,427</u>	<u>\$ 19,048</u>	<u>\$ 353,644</u>	<u>\$ 619,408</u>	<u>\$ 237,417</u>	<u>\$ 1,972,696</u>
Total Liabilities and Fund Balances	<u>\$ 564,661</u>	<u>\$ 126,103</u>	<u>\$ 52,427</u>	<u>\$ 19,048</u>	<u>\$ 359,943</u>	<u>\$ 624,717</u>	<u>\$ 237,417</u>	<u>\$ 1,984,316</u>

CITY OF CLEMSON

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
Fiscal Year Ended June 30, 2009**

	Community Development Funds	Emergency Phone System	Tourism Fund	Park Land Fund	Hospitality Fee Fund	Hospitality Tax Fund	Local Accom Tax Fund	Total 6/30/09
Revenues								
Property Taxes	\$ -	\$ -	\$ -	\$ 17,166	\$ -	\$ -	\$ -	\$ 17,166
Local Option Sales Tax	-	-	-	6,086	-	-	-	6,086
Local Accommodations Tax	-	-	-	-	-	-	138,533	138,533
Hospitality Fees/Tax	-	-	-	-	455,770	455,770	-	911,540
Intergovernmental	-	-	85,142	-	-	-	-	85,142
Other Revenues	11,142	578	64	121	32,672	2,888	1,733	49,198
Charges for Services	-	48,011	-	-	-	-	-	48,011
Investment Earnings	14,465	2,546	272	545	7,399	13,473	7,386	46,086
Total Revenues	\$ 25,607	\$ 51,135	\$ 85,478	\$ 23,918	\$ 495,841	\$ 472,131	\$ 147,652	\$ 1,301,762
Expenditures								
Current Operating								
Public Safety	\$ -	\$ 15,263	\$ -	\$ -	\$ 330	\$ -	\$ -	\$ 15,593
Urban Redevelopment	13,611	-	-	-	-	-	-	13,611
Culture and Recreation	-	-	-	-	153,258	118,852	-	272,110
Capital Outlay	-	4,387	-	-	55,524	103,555	-	163,466
Intergovernmental								
Tourism - Promotion	-	-	36,000	-	-	-	-	36,000
Tourism - Tourism Related	-	-	73,000	-	25,959	49,460	144,743	293,162
Debt Service								
Principal	-	-	-	-	93,336	172,967	-	266,303
Interest	-	-	-	-	12,965	58,164	-	71,129
Total Expenditures	\$ 13,611	\$ 19,650	\$ 109,000	\$ -	\$ 341,372	\$ 502,998	\$ 144,743	\$ 1,131,374
Excess of Revenues Over (Under) Expenditures	\$ 11,996	\$ 31,485	\$ (23,522)	\$ 23,918	\$ 154,469	\$ (30,867)	\$ 2,909	\$ 170,388
Other Financing Sources (Uses)								
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 32,000	\$ -	\$ 47,000
Transfers Out	-	-	-	(20,000)	(123,000)	(38,754)	(47,000)	(228,754)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ (20,000)	\$ (108,000)	\$ (6,754)	\$ (47,000)	\$ (181,754)
Net Change in Fund Balances	\$ 11,996	\$ 31,485	\$ (23,522)	\$ 3,918	\$ 46,469	\$ (37,621)	\$ (44,091)	\$ (11,366)
Fund Balances, Beginning	552,653	94,618	75,949	15,130	307,175	657,029	281,508	1,984,062
Fund Balances, Ending	\$ 564,649	\$ 126,103	\$ 52,427	\$ 19,048	\$ 353,644	\$ 619,408	\$ 237,417	\$ 1,972,696

CITY OF CLEMSON
COMMUNITY DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
<i>Other Revenues</i>	\$ 3,000	\$ 11,142	\$ 8,142
<i>Investment Earnings</i>	14,000	14,465	465
	<u>17,000</u>	<u>25,607</u>	<u>8,607</u>
Total Revenues	<u>\$ 17,000</u>	<u>\$ 25,607</u>	<u>\$ 8,607</u>
Expenditures			
<i>Current Operating</i>			
<i>Urban Redevelopment</i>			
<i>Rehabilitation</i>	\$ 52,700	\$ 13,611	\$ 39,089
	<u>52,700</u>	<u>13,611</u>	<u>39,089</u>
Excess of Revenues Over (Under) Expenditures	\$ (35,700)	\$ 11,996	\$ 47,696
Fund Balance, Beginning	<u>552,653</u>	<u>552,653</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 516,953</u></u>	<u><u>\$ 564,649</u></u>	<u><u>\$ 47,696</u></u>

CITY OF CLEMSON

**EMERGENCY PHONE SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for Services	\$ 42,000	\$ 48,011	\$ 6,011
Other Revenues	-	578	578
Investment Earnings	<u>2,000</u>	<u>2,546</u>	<u>546</u>
Total Revenues	<u>\$ 44,000</u>	<u>\$ 51,135</u>	<u>\$ 7,135</u>
Expenditures			
Current Operating			
Public Safety	\$ 25,000	\$ 15,263	\$ 9,737
Capital Outlay	<u>2,500</u>	<u>4,387</u>	<u>(1,887)</u>
Total Expenditures	<u>\$ 27,500</u>	<u>\$ 19,650</u>	<u>\$ 7,850</u>
Excess of Revenues Over (Under) Expenditures	\$ 16,500	\$ 31,485	\$ (715)
Fund Balance, Beginning	<u>94,618</u>	<u>94,618</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 111,118</u>	<u>\$ 126,103</u>	<u>\$ 14,985</u>

CITY OF CLEMSON

TOURISM FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET TO ACTUAL

Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
<i>Intergovernmental</i>	\$ 94,000	\$ 85,142	\$ (8,858)
<i>Other Revenues</i>	-	64	64
<i>Investment Earnings</i>	800	272	(528)
	<u>94,800</u>	<u>85,478</u>	<u>(9,322)</u>
Total Revenues	\$ 94,800	\$ 85,478	\$ (9,322)
Expenditures			
<i>Intergovernmental</i>			
<i>Tourism - Promotion</i>	\$ 36,000	\$ 36,000	\$ -
<i>Tourism - Tourism Related</i>	73,000	73,000	-
	<u>109,000</u>	<u>109,000</u>	<u>-</u>
Total Expenditures	\$ 109,000	\$ 109,000	\$ -
Excess of Revenues Over (Under) Expenditures	\$ (14,200)	\$ (23,522)	\$ (9,322)
Fund Balance, Beginning	<u>75,949</u>	<u>75,949</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 61,749</u></u>	<u><u>\$ 52,427</u></u>	<u><u>\$ (9,322)</u></u>

CITY OF CLEMSON

PARK LAND FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET TO ACTUAL

Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property Taxes	\$ 16,331	\$ 17,166	\$ 835
Local Option Sales Tax	6,282	6,086	(196)
Other Revenues	-	121	121
Investment Earnings	<u>500</u>	<u>545</u>	<u>45</u>
Total Revenues	<u>\$ 23,113</u>	<u>\$ 23,918</u>	<u>\$ 805</u>
Excess of Revenues Over (Under) Expenditures	\$ 23,113	\$ 23,918	\$ 805
Other Financing Uses			
Transfer Out	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net Change in Fund Balance	\$ 3,113	\$ 3,918	\$ 805
Fund Balance, Beginning	<u>15,130</u>	<u>15,130</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 18,243</u></u>	<u><u>\$ 19,048</u></u>	<u><u>\$ 805</u></u>

CITY OF CLEMSON

**HOSPITALITY FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Hospitality Fees	\$ 425,000	\$ 455,770	\$ 30,770
Other Revenues	-	32,672	32,672
Investment Earnings	18,000	7,399	(10,601)
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	\$ 443,000	\$ 495,841	\$ 52,841
Expenditures			
Current Operating			
Culture and Recreation	\$ 163,640	\$ 153,258	\$ 10,382
Public Safety	1,000	330	670
Capital Outlay	50,700	55,524	(4,824)
Tourism - Tourism Related	20,000	25,959	(5,959)
Debt Service			
Principal	93,500	93,336	164
Interest	13,100	12,965	135
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	\$ 341,940	\$ 341,372	\$ 568
Excess of Revenues Over (Under) Expenditures	\$ 101,060	\$ 154,469	\$ 53,409
Other Financing Sources (Uses)			
Transfer In	\$ 15,000	\$ 15,000	\$ -
Transfer Out	(123,000)	(123,000)	-
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	\$ (108,000)	\$ (108,000)	\$ -
Net Change in Fund Balance	\$ (6,940)	\$ 46,469	\$ 53,409
Fund Balance, Beginning	307,175	307,175	-
	<u> </u>	<u> </u>	<u> </u>
Fund Balance, Ending	\$ 300,235	\$ 353,644	\$ 53,409
	<u> </u>	<u> </u>	<u> </u>

CITY OF CLEMSON

HOSPITALITY TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Hospitality Tax	\$ 425,000	\$ 455,770	\$ 30,770
Other Revenues	-	2,888	2,888
Investment Earnings	<u>21,000</u>	<u>13,473</u>	<u>(7,527)</u>
Total Revenues	\$ 446,000	\$ 472,131	\$ 26,131
Expenditures			
Current Operating			
Culture and Recreation	\$ 168,325	\$ 118,852	\$ 49,473
Capital Outlay	150,000	103,555	46,445
Tourism - Tourism Related	79,000	49,460	29,540
Debt Service			
Principal	173,000	172,967	33
Interest	<u>58,200</u>	<u>58,164</u>	<u>36</u>
Total Expenditures	\$ 628,525	\$ 502,998	\$ 125,527
Excess of Revenues Over (Under) Expenditures	\$ (182,525)	\$ (30,867)	\$ 151,658
Other Financing Sources (Uses)			
Transfers In	\$ 32,000	\$ 32,000	\$ -
Transfers Out	<u>(15,000)</u>	<u>(38,754)</u>	<u>(23,754)</u>
Total Other Financing Sources (Uses)	\$ 17,000	\$ (6,754)	\$ (23,754)
Net Change in Fund Balance	\$ (165,525)	\$ (37,621)	\$ 127,904
Fund Balance, Beginning	<u>657,029</u>	<u>657,029</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 491,504</u>	<u>\$ 619,408</u>	<u>\$ 127,904</u>

CITY OF CLEMSON

**LOCAL ACCOMMODATIONS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local Accommodations Tax	\$ 145,000	\$ 138,533	\$ (6,467)
Other Revenues	-	1,733	1,733
Investment Earnings	<u>5,000</u>	<u>7,386</u>	<u>2,386</u>
Total Revenues	<u>\$ 150,000</u>	<u>\$ 147,652</u>	<u>\$ (2,348)</u>
Expenditures			
Intergovernmental			
Tourism - Tourism Related	<u>\$ 159,800</u>	<u>\$ 144,743</u>	<u>\$ 15,057</u>
Excess of Revenues Over (Under) Expenditures	\$ (9,800)	\$ 2,909	\$ 12,709
Other Financing Uses			
Transfer Out	<u>(47,000)</u>	<u>(47,000)</u>	<u>-</u>
Net Change in Fund Balance	\$ (56,800)	\$ (44,091)	\$ 12,709
Fund Balance, Beginning	<u>281,508</u>	<u>281,508</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 224,708</u></u>	<u><u>\$ 237,417</u></u>	<u><u>\$ 12,709</u></u>

CITY OF CLEMSON

**NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2009**

Assets	US 123/ SC 133 Connector	East Clemson Wastewater Collection	Total 6/30/09
	<hr/>	<hr/>	<hr/>
Due from Other Governmental Units	\$ 39,234	\$ -	\$ 39,234
Due from Other Funds	-	10,918	10,918
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 39,234	\$ 10,918	\$ 50,152
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
 Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ -	\$ 10,918	\$ 10,918
Due to Other Funds	39,234	-	39,234
	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 39,234	\$ 10,918	\$ 50,152
	<hr/>	<hr/>	<hr/>
Fund Balance:			
Reserved for Encumbrances	\$ -	\$ -	\$ -
Unreserved	-	-	-
	<hr/>	<hr/>	<hr/>
Total Fund Balance	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ 39,234	\$ 10,918	\$ 50,152
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF CLEMSON

**NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
Fiscal Year Ended June 30, 2009**

	<u>US 123/ SC 133 Connector</u>	<u>East Clemson Wastewater Collection</u>	<u>Undesignated Capital Project</u>	<u>Totals 6/30/09</u>
Revenues				
Federal Aid	\$ 123,577	\$ -	\$ -	\$ 123,577
Investment Earnings	-	5,852	-	5,852
Total Revenues	<u>\$ 123,577</u>	<u>\$ 5,852</u>	<u>\$ -</u>	<u>\$ 129,429</u>
Expenditures				
General Government				
Other Services	\$ 123,772	\$ -	\$ -	\$ 123,772
Capital Outlay	-	400,479	-	400,479
Total Expenditures	<u>\$ 123,772</u>	<u>\$ 400,479</u>	<u>\$ -</u>	<u>\$ 524,251</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (195)</u>	<u>\$ (394,627)</u>	<u>\$ -</u>	<u>\$ (394,822)</u>
Other Financing Sources (Uses)				
Transfers Out	<u>\$ (2,412)</u>	<u>\$ (129,723)</u>	<u>\$ (654,387)</u>	<u>\$ (786,522)</u>
Net Change in Fund Balances	<u>\$ (2,607)</u>	<u>\$ (524,350)</u>	<u>\$ (654,387)</u>	<u>\$ (1,181,344)</u>
Fund Balances, Beginning	<u>2,607</u>	<u>524,350</u>	<u>654,387</u>	<u>1,181,344</u>
Fund Balances, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF CLEMSON
CAPITAL PROJECTS FUND
US 123/SC 133 CONNECTOR
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance</u>
Revenues					
Federal Aid	\$ 574,000	\$ 450,423	\$ 123,577	\$ 574,000	\$ -
Investment Earnings	4,500	2,607	-	2,607	(1,893)
Total Revenues	<u>\$ 578,500</u>	<u>\$ 453,030</u>	<u>\$ 123,577</u>	<u>\$ 576,607</u>	<u>\$ (1,893)</u>
Expenditures					
General Government					
Streets - Other Services	\$ 574,000	\$ 450,423	\$ 123,772	\$ 574,195	\$ (195)
Excess of Revenues Over (Under) Expenditures	<u>\$ 4,500</u>	<u>\$ 2,607</u>	<u>\$ (195)</u>	<u>\$ 2,412</u>	<u>\$ (2,088)</u>
Other Financing Sources (Uses)					
Transfers Out	\$ -	\$ (300,000)	\$ (2,412)	\$ (302,412)	\$ (302,412)
Proceeds Tax Increment Financing Bond	-	300,000	-	300,000	300,000
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,412)</u>	<u>\$ (2,412)</u>	<u>\$ (2,412)</u>
Net Change in Fund Balance	<u>\$ 4,500</u>	<u>\$ 2,607</u>	<u>\$ (2,607)</u>	<u>\$ -</u>	<u>\$ (4,500)</u>
Fund Balance, Beginning	-	-	2,607	-	-
Fund Balance, Ending	<u>\$ 4,500</u>	<u>\$ 2,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,500)</u>

Note:

1. The project is budgeted on a project duration basis and is treated as a legal nonappropriated budget .

CITY OF CLEMSON

**CAPITAL PROJECTS FUND
EAST CLEMSON WASTEWATER COLLECTION SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance</u>
Revenues					
State Aid	\$ 264,000	\$ 264,000	\$ -	\$ 264,000	\$ -
Investment Earnings	10,000	46,611	5,852	52,463	42,463
Total Revenues	<u>\$ 274,000</u>	<u>\$ 310,611</u>	<u>\$ 5,852</u>	<u>\$ 316,463</u>	<u>\$ 42,463</u>
Expenditures					
Capital Outlay					
Other Improvements	\$ 1,144,659	\$ 722,661	\$ 400,479	\$ 1,123,140	\$ 21,519
Excess of Revenues Over (Under) Expenditures	<u>\$ (870,659)</u>	<u>\$ (412,050)</u>	<u>\$ (394,627)</u>	<u>\$ (806,677)</u>	<u>\$ 63,982</u>
Other Financing Sources:					
Transfers In	\$ 936,400	\$ 936,400	-	936,400	-
Transfers Out	-	-	(129,723)	(129,723)	(129,723)
Total Other Financing Sources:	<u>\$ 936,400</u>	<u>\$ 936,400</u>	<u>\$ (129,723)</u>	<u>\$ 806,677</u>	<u>\$ (129,723)</u>
Net Change in Fund Balance	<u>\$ 65,741</u>	<u>\$ 524,350</u>	<u>\$ (524,350)</u>	<u>\$ -</u>	<u>\$ (65,741)</u>
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>524,350</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 65,741</u></u>	<u><u>\$ 524,350</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (65,741)</u></u>

Note:

1. The project is budgeted on a project duration basis and is treated as a legal nonappropriated budget .

CITY OF CLEMSON

**CAPITAL PROJECTS FUND
UNDESIGNATED CAPITAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET TO ACTUAL**

From Inception and for the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance</u>
Revenues					
<i>Investment Earnings</i>	\$ -	\$ 52,929	\$ -	\$ 52,929	\$ 52,929
Other Financing Sources (Uses)					
<i>Transfers Out</i>	\$ -	\$ (48,542)	\$ (654,387)	\$ (702,929)	\$ (702,929)
<i>Proceeds Tax Increment Financing Bond</i>	-	650,000	-	650,000	650,000
Total Other Financing Sources (Uses)	\$ -	\$ 601,458	\$ (654,387)	\$ (52,929)	\$ (52,929)
Net Change in Fund Balance	\$ -	\$ 654,387	\$ (654,387)	\$ -	\$ -
Fund Balance, Beginning	-	-	654,387	-	-
Fund Balance, Ending	\$ -	\$ 654,387	\$ -	\$ -	\$ -

Note:

1. The project is budgeted on a project duration basis and is treated as a legal nonappropriated budget .

CITY OF CLEMSON

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property Taxes	\$ 142,111	\$ 131,031	\$ (11,080)
Local Option Sales Tax	47,561	46,457	(1,104)
Other Revenues	-	970	970
Investment Earnings	5,800	5,649	(151)
	<u>195,472</u>	<u>184,107</u>	<u>(11,365)</u>
Total Revenues	\$ 195,472	\$ 184,107	\$ (11,365)
Expenditures			
Debt Service			
Principal	\$ 667,300	\$ 667,327	\$ (27)
Interest	323,325	323,079	246
Fees	2,000	1,013	987
	<u>992,625</u>	<u>991,419</u>	<u>1,206</u>
Total Expenditures	\$ 992,625	\$ 991,419	\$ 1,206
Excess of Revenues Over (Under) Expenditures	\$ (797,153)	\$ (807,312)	\$ (10,159)
Other Financing Sources			
Transfers In	830,537	830,537	-
	<u>830,537</u>	<u>830,537</u>	<u>-</u>
Net Change in Fund Balance	\$ 33,384	\$ 23,225	\$ (10,159)
Fund Balance, Beginning	214,128	214,128	-
	<u>214,128</u>	<u>214,128</u>	<u>-</u>
Fund Balance, Ending	\$ 247,512	\$ 237,353	\$ (10,159)
	<u>247,512</u>	<u>237,353</u>	<u>(10,159)</u>

CAPITAL ASSETS
USED IN THE OPERATION OF
GOVERNMENTAL FUNDS



CITY OF CLEMSON

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Capital Assets		
<i>Land</i>	\$ 1,595,400	\$ 1,595,400
<i>Buildings</i>	5,318,286	5,318,286
<i>Other Improvements</i>	12,861,914	12,411,914
<i>Equipment</i>	5,809,023	5,763,258
<i>Construction in Progress</i>	<u>2,123,604</u>	<u>568,476</u>
Total Capital Assets	<u>\$ 27,708,227</u>	<u>\$ 25,657,334</u>
Investments In Capital Assets		
<i>General Fund</i>	\$ 8,154,033	\$ 7,687,722
<i>Proprietary Funds</i>	183,071	183,071
<i>Special Revenue Funds</i>	3,675,065	3,542,056
<i>Capital Projects Fund</i>	14,301,810	12,850,237
<i>Debt Service Fund</i>	5,670	5,670
<i>Donations</i>	743,277	743,277
<i>Prior, Unidentified</i>	<u>645,301</u>	<u>645,301</u>
Total Investments In Capital Assets	<u>\$ 27,708,227</u>	<u>\$ 25,657,334</u>

CITY OF CLEMSON

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 Fiscal Year Ended June 30, 2009

Asset Type	Balance 6/30/08	Additions	Retirements	Reclassifications & Transfers	Balance 6/30/09
Land					
Public Buildings	\$ 764,125	\$ -	\$ -	\$ -	\$ 764,125
Recreation	827,775	-	-	-	827,775
Community Development	3,500	-	-	-	3,500
Total	\$ 1,595,400	\$ -	\$ -	\$ -	\$ 1,595,400
Buildings					
Public Buildings	\$ 4,592,777	\$ -	\$ -	\$ -	\$ 4,592,777
Recreation	304,564	-	-	-	304,564
Community Development	420,945	-	-	-	420,945
Total	\$ 5,318,286	\$ -	\$ -	\$ -	\$ 5,318,286
Other Improvements					
Municipal Court	\$ 2,126	\$ -	\$ -	\$ -	\$ 2,126
Planning	580,227	-	-	-	580,227
Public Buildings	560,199	-	-	-	560,199
Streets	4,645,584	450,000	-	-	5,095,584
Recreation	6,468,465	-	-	-	6,468,465
Equipment Services	26,493	-	-	-	26,493
Community Development	128,820	-	-	-	128,820
Total	\$ 12,411,914	\$ 450,000	\$ -	\$ -	\$ 12,861,914
Equipment					
Municipal Court	\$ 28,712	\$ -	\$ -	\$ -	\$ 28,712
Administration	40,568	-	-	-	40,568
Finance	127,950	-	12,452	-	115,498
Information Technology	34,885	5,645	-	-	40,530
Planning	140,528	-	-	-	140,528
Public Buildings	61,588	-	-	-	61,588
Police	1,310,704	28,590	6,486	-	1,332,808
Fire	570,838	-	-	-	570,838
Streets	750,681	37,500	71,579	6,716	723,318
Residential Sanitation	1,957,649	96,740	56,184	-	1,998,205
Public Works Administration	25,438	-	-	-	25,438
Recreation	377,560	-	1,075	(6,716)	369,769
Horticulture	172,385	55,524	30,457	-	197,452
Equipment Services	159,160	-	-	-	159,160
Community Development	4,611	-	-	-	4,611
Total	\$ 5,763,257	\$ 223,999	\$ 178,233	\$ -	\$ 5,809,023
Construction In Progress					
Public Buildings	\$ -	\$ 128,697	\$ -	\$ -	\$ 128,697
Streets	530,888	1,322,876	-	-	1,853,764
Recreation	37,588	103,555	-	-	141,143
Total	\$ 568,476	\$ 1,555,128	\$ -	\$ -	\$ 2,123,604
Total Capital Assets	\$ 25,657,333	\$ 2,229,127	\$ 178,233	\$ -	\$ 27,708,227

CITY OF CLEMSON

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2009

<u>Function & Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Other Improvements</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government						
Municipal Court	\$ -	\$ -	\$ 2,126	\$ 28,712	\$ -	\$ 30,838
Administration	-	-	-	40,568	-	40,568
Finance	-	-	-	115,498	-	115,498
Information Technology	-	-	-	40,530	-	40,530
Planning	-	-	580,227	140,528	-	720,755
Public Buildings	764,125	4,592,777	560,199	61,588	128,697	6,107,386
Total General Government	\$ 764,125	\$ 4,592,777	\$ 1,142,552	\$ 427,424	\$ 128,697	\$ 7,055,575
Public Safety						
Police	\$ -	\$ -	\$ -	\$ 1,332,808	\$ -	\$ 1,332,808
Fire	-	-	-	570,838	-	570,838
Total Public Safety	\$ -	\$ -	\$ -	\$ 1,903,646	\$ -	\$ 1,903,646
Public Works						
Streets	\$ -	\$ -	\$ 5,095,584	\$ 723,318	\$ 1,853,764	\$ 7,672,666
Residential Sanitation	-	-	-	1,998,205	-	1,998,205
Public Works Administration	-	-	-	25,438	-	25,438
Total Public Works	\$ -	\$ -	\$ 5,095,584	\$ 2,746,961	\$ 1,853,764	\$ 9,696,309
Culture & Recreation						
Recreation	\$ 827,775	\$ 304,564	\$ 6,468,465	\$ 369,769	\$ 141,143	\$ 8,111,716
Horticulture	-	-	-	197,452	-	197,452
Culture & Recreation	\$ 827,775	\$ 304,564	\$ 6,468,465	\$ 567,221	\$ 141,143	\$ 8,309,168
Equipment Services	\$ -	\$ -	\$ 26,493	\$ 159,160	\$ -	\$ 185,653
Community Development	\$ 3,500	\$ 420,945	\$ 128,820	\$ 4,611	\$ -	\$ 557,876
Total Capital Assets	\$ 1,595,400	\$ 5,318,286	\$ 12,861,914	\$ 5,809,023	\$ 2,123,604	\$ 27,708,227

This Page Intentionally Left Blank

OTHER REQUIRED
INFORMATION



CITY OF CLEMSON

**VICTIM SERVICES
SUPPLEMENTARY SCHEDULE OF FINES AND ASSESSMENTS
Fiscal Year Ended June 30, 2009**

Collections: (Municipal Court)

<i>Fines</i>	\$	593,520	
<i>Assessments</i>		246,300	
<i>Surcharges</i>		<u>127,888</u>	
Total Collections			\$ <u>967,708</u>

Retainage: (Municipal Treasurer)

<i>Fines</i>	\$	593,520	
<i>Assessments</i>		26,776	
<i>Surcharges</i>		<u>10,057</u>	
Total Retainage			\$ <u>630,353</u>

Amounts Remitted:

<i>State Treasurer - Assessments</i>			\$ <u>337,355</u>
--------------------------------------	--	--	--------------------------

**Amount of Funds Allocated to Victim
Services by Fund Source:**

<i>From Assessments and Surcharges (Paid prior to 06/30/2009)</i>			\$ <u>36,833</u>
---	--	--	-------------------------

<u>Funds Carried Forward to FY 2010 Designated as Victim Right's Funds</u>			\$ <u>-</u>
---	--	--	--------------------

This Page Intentionally Left Blank

STATISTICAL SECTION



STATISTICAL SECTION

This part of The City of Clemson's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health

<u>Contents</u>	<u>Pages</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	82-88
Revenue Capacity <i>These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.</i>	89-92
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the city's ability to issue additional debt in the future.</i>	93-97
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.</i>	98-99
Operating Information <i>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.</i>	100-102

Sources: *Unless otherwise noted, the information in these schedules is derived from The Comprehensive Annual Financial Reports for the relevant year. The City implemented Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.*

Schedule 1
City of Clemson
Net Assets by Component, Last Six Fiscal Years
(accrual basis of accounting)

	<i>Fiscal Year</i>					
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<i>Governmental Activities</i>						
<i>Invested in capital assets, net of related debt</i>	\$ 6,091,113	\$ 7,169,768	\$ 6,693,640	\$ 6,219,941	\$ 8,291,242	\$ 8,978,544
<i>Restricted</i>	783,820	743,483	197,031	176,906	214,128	237,353
<i>Unrestricted</i>	<u>1,179,592</u>	<u>810,128</u>	<u>3,547,765</u>	<u>6,496,742</u>	<u>5,563,862</u>	<u>5,782,454</u>
<i>Total Governmental Activities Net Assets</i>	<u>\$ 8,054,525</u>	<u>\$ 8,723,379</u>	<u>\$ 10,438,436</u>	<u>\$ 12,893,589</u>	<u>\$ 14,069,232</u>	<u>\$ 14,998,351</u>
<i>Business-type Activities</i>						
<i>Invested in capital assets, net of related debt</i>	\$ 13,231,079	\$ 14,417,580	\$ 14,334,572	\$ 13,222,737	\$ 13,973,938	\$ 13,761,737
<i>Restricted</i>	758,665	765,375	797,255	925,932	838,462	803,817
<i>Unrestricted</i>	<u>1,517,716</u>	<u>2,105,454</u>	<u>2,736,692</u>	<u>3,909,291</u>	<u>3,986,342</u>	<u>4,084,506</u>
<i>Total Business-type Activities Net Assets</i>	<u>\$ 15,507,460</u>	<u>\$ 17,288,409</u>	<u>\$ 17,868,519</u>	<u>\$ 18,057,960</u>	<u>\$ 18,798,742</u>	<u>\$ 18,650,060</u>
<i>Primary Government</i>						
<i>Invested in capital assets, net of related debt</i>	\$ 19,322,192	\$ 21,587,348	\$ 21,028,212	\$ 19,442,678	\$ 22,265,180	\$ 22,740,281
<i>Restricted</i>	1,542,485	1,508,858	994,286	1,102,838	1,052,590	1,041,170
<i>Unrestricted</i>	<u>2,697,308</u>	<u>2,915,582</u>	<u>6,284,457</u>	<u>10,406,033</u>	<u>9,550,204</u>	<u>9,866,960</u>
<i>Total Primary Government Net Assets</i>	<u>\$ 23,561,985</u>	<u>\$ 26,011,788</u>	<u>\$ 28,306,955</u>	<u>\$ 30,951,549</u>	<u>\$ 32,867,974</u>	<u>\$ 33,648,411</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in the fiscal year 2004.

Schedule 2
City of Clemson
Changes in Net Assets, Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses						
<i>Governmental Activities:</i>						
General Government	\$ 1,849,222	\$ 1,904,745	\$ 2,339,510	\$ 2,558,597	\$ 2,669,850	\$ 2,836,335
Public Safety	2,064,135	2,191,053	2,377,965	2,540,899	2,857,097	2,960,726
Public Works	1,671,737	1,776,676	1,996,915	1,883,390	2,022,930	2,086,131
Culture and Recreation	747,196	936,997	1,238,200	1,008,891	1,249,955	1,778,272
Equipment Services	110,340	115,716	-	-	-	-
Urban Redevelopment	60,128	73,816	12,748	34,016	31,082	13,611
Other	33,478	43,381	-	-	-	-
Interest on Long-term Debt	330,718	313,638	386,742	452,246	438,945	387,754
Intergovernmental	725,180	1,545,283	-	-	-	-
Total Governmental Activities Expenses	<u>7,592,134</u>	<u>8,901,305</u>	<u>8,352,080</u>	<u>8,478,039</u>	<u>9,269,859</u>	<u>10,062,829</u>
<i>Business-type Activities:</i>						
Water	1,493,115	1,516,779	1,706,688	1,749,773	2,252,466	2,215,120
Wastewater	1,761,566	1,843,171	1,968,864	1,991,209	2,310,876	2,257,442
Sanitation	158,774	171,340	199,796	192,632	229,168	252,576
Transit	1,695,608	2,228,119	2,366,298	3,038,536	3,779,376	3,690,818
Parking Deck	14,006	79,614	104,854	92,298	97,552	102,568
Total Business-type Activities Expenses	<u>5,123,069</u>	<u>5,839,023</u>	<u>6,346,500</u>	<u>7,064,448</u>	<u>8,669,438</u>	<u>8,518,524</u>
Total Primary Government Expenses	<u>\$ 12,715,203</u>	<u>\$ 14,740,328</u>	<u>\$ 14,698,580</u>	<u>\$ 15,542,487</u>	<u>\$ 17,939,297</u>	<u>\$ 18,581,353</u>
Program Revenues						
<i>Governmental Activities:</i>						
<i>Charges for Services:</i>						
Refuse Collection	\$ 196,283	\$ 225,275	\$ 357,585	\$ 425,071	\$ 414,130	\$ 419,044
Other Public Works	95,984	414,027	388,035	443,250	429,580	434,494
Parks and Recreation	70,067	524,264	662,028	618,925	81,352	92,301
Other Activities	79,774	1,654,840	1,618,798	1,759,671	2,400,789	2,580,247
Operating Grants and Contributions	622,305	1,518,446	866,865	601,931	476,736	270,519
Capital Grants and Contributions	350,000	122,660	64,669	17,759	440,350	734,000
Total Governmental Activities Program Revenues	<u>1,414,413</u>	<u>4,459,512</u>	<u>3,957,980</u>	<u>3,866,607</u>	<u>4,242,937</u>	<u>4,530,605</u>

Continued

Schedule 2
City of Clemson
Changes in Net Assets, Last Six Fiscal Years
(accrual basis of accounting)

Continued

	Fiscal Year					
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	
<i>Business-type Activities:</i>						
<i>Charges for Services:</i>						
Water	\$ 1,465,748	\$ 1,616,573	\$ 1,919,062	\$ 2,046,144	\$ 2,181,428	\$ 2,124,358
Wastewater	2,151,679	2,205,649	2,059,271	2,202,635	2,180,063	2,190,405
Sanitation	143,059	135,642	134,931	157,695	224,671	316,247
Transit	114,410	169,873	156,395	150,467	116,079	37,868
Parking Deck	3,512	23,721	77,987	80,148	88,472	93,546
Operating Grants and Contributions	687,456	1,840,856	1,852,063	2,891,904	3,311,138	3,096,441
Capital Grants and Contributions	740,000	1,737,605	842,528	155,620	721,636	145,000
Total Business-type Activities Program Revenues	<u>5,305,864</u>	<u>7,729,919</u>	<u>7,042,237</u>	<u>7,684,613</u>	<u>8,823,487</u>	<u>8,003,865</u>
Total Primary Government Program Revenues	<u>\$ 6,720,277</u>	<u>\$ 12,189,431</u>	<u>\$ 11,000,217</u>	<u>\$ 11,551,220</u>	<u>\$ 13,066,424</u>	<u>\$ 12,534,470</u>
Net (Expense)/Revenue						
Governmental Activities	\$ (6,177,721)	\$ (4,441,793)	\$ (4,394,100)	\$ (4,611,432)	\$ (5,026,922)	\$ (5,532,224)
Business-type Activities	182,795	1,890,896	695,737	620,165	154,049	(514,659)
Total Primary Government Net Expense	<u>\$ (5,994,926)</u>	<u>\$ (2,550,897)</u>	<u>\$ (3,698,363)</u>	<u>\$ (3,991,267)</u>	<u>\$ (4,872,873)</u>	<u>\$ (6,046,883)</u>
General Revenues and Other Changes in Net Assets						
<i>Governmental Activities:</i>						
<i>General Revenues</i>						
Property Taxes	\$ 2,664,653	\$ 2,558,706	\$ 3,316,692	\$ 3,592,878	\$ 4,044,877	\$ 4,422,204
Local Option Sales Tax	811,222	878,318	980,250	1,005,458	1,057,525	1,014,343
Local Accommodations Tax	-	-	126,535	139,593	148,489	138,533
Hospitality Fees	616,806	-	-	-	-	-
Licenses and Permits	1,277,546	-	-	-	-	-
Intergovernmental	881,582	713,355	650,137	642,409	679,677	654,347
Fines and Forfeitures	181,838	-	-	-	-	-
Unrestricted Investment Earnings	88,405	129,730	293,493	523,332	333,429	195,704
Other	327,525	612,900	455,721	268,377	337,791	291,376
Transfers	(2,128,176)	217,638	286,329	894,538	(399,223)	(255,164)
Total Governmental Activities	<u>4,721,401</u>	<u>5,110,647</u>	<u>6,109,157</u>	<u>7,066,585</u>	<u>6,202,565</u>	<u>6,461,343</u>

Continued

Schedule 2
City of Clemson
Changes in Net Assets, Last Six Fiscal Years
(accrual basis of accounting)

Continued

	Fiscal Year					
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<i>Business-type Activities:</i>						
Intergovernmental	\$ 662,000	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	50,952	107,691	170,702	213,814	187,510	110,813
Gain on Sale of Capital Assets	-	-	-	250,000	-	-
Transfers	2,128,176	(217,638)	(286,329)	(894,538)	399,223	255,164
<i>Total Business-type Activities</i>	<u>2,841,128</u>	<u>(109,947)</u>	<u>(115,627)</u>	<u>(430,724)</u>	<u>586,733</u>	<u>365,977</u>
<i>Total Primary Government</i>	<u>\$ 7,562,529</u>	<u>\$ 5,000,700</u>	<u>\$ 5,993,530</u>	<u>\$ 6,635,861</u>	<u>\$ 6,789,298</u>	<u>\$ 6,827,320</u>
Changes in Net Assets						
Governmental Activities	\$ (1,456,320)	\$ 668,854	\$ 1,715,057	\$ 2,455,153	\$ 1,175,643	\$ 929,119
Business-type Activities	3,023,923	1,780,949	580,110	189,441	740,782	(148,682)
<i>Total Primary Government</i>	<u>\$ 1,567,603</u>	<u>\$ 2,449,803</u>	<u>\$ 2,295,167</u>	<u>\$ 2,644,594</u>	<u>\$ 1,916,425</u>	<u>\$ 780,437</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

Schedule 3
City of Clemson
Fund Balances, Governmental Funds, Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<i>General Fund</i>										
<i>Reserved</i>	\$ -	\$ 9,237	\$ 61,276	\$ -	\$ 144,989	\$ 18,259	\$ 188,910	\$ 90,500	\$ 203,045	\$ 3,000
<i>Unreserved</i>	<u>1,537,856</u>	<u>1,658,377</u>	<u>2,026,762</u>	<u>2,002,582</u>	<u>2,208,561</u>	<u>2,244,457</u>	<u>2,462,084</u>	<u>2,687,519</u>	<u>2,606,828</u>	<u>2,814,699</u>
<i>Total General Fund</i>	<u>\$ 1,537,856</u>	<u>\$ 1,667,614</u>	<u>\$ 2,088,038</u>	<u>\$ 2,002,582</u>	<u>\$ 2,353,550</u>	<u>\$ 2,262,716</u>	<u>\$ 2,650,994</u>	<u>\$ 2,778,019</u>	<u>\$ 2,809,873</u>	<u>\$ 2,817,699</u>
<i>All Other Governmental Funds</i>										
<i>Reserved</i>	\$ 1,043,379	\$ 590,961	\$ 1,000,382	\$ 2,531,435	\$ 903,061	\$ 688,587	\$ 2,866,690	\$ 1,096,905	\$ 1,643,868	\$ 423,945
<i>Unreserved, Reported In:</i>										
<i>Tax Increment Fund</i>	-	-	-	-	-	-	-	-	1,871,324	719,440
<i>Parking Deck Fund</i>	-	-	-	-	135,980	-	-	-	-	-
<i>Special Revenue Funds</i>	779,888	1,080,792	969,042	589,696	733,070	996,309	1,978,460	2,361,549	1,482,096	1,591,060
<i>Capital Projects Funds</i>	46,101	57,270	4,668,342	2,892,253	903,754	437,526	2,878,597	2,887,647	991,027	2,449,148
<i>Debt Service Fund</i>	<u>301,495</u>	<u>291,686</u>	<u>276,031</u>	<u>254,150</u>	<u>229,724</u>	<u>207,391</u>	<u>197,031</u>	<u>176,906</u>	<u>214,128</u>	<u>237,353</u>
<i>Total All Other Governmental Funds</i>	<u>\$ 2,170,863</u>	<u>\$ 2,020,709</u>	<u>\$ 6,913,797</u>	<u>\$ 6,267,534</u>	<u>\$ 2,905,589</u>	<u>\$ 2,329,813</u>	<u>\$ 7,920,778</u>	<u>\$ 6,523,007</u>	<u>\$ 6,202,443</u>	<u>\$ 5,420,946</u>

Schedule 4
City of Clemson
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues										
Property Taxes	\$ 2,149,812	\$ 2,310,932	\$ 2,441,052	\$ 2,502,082	\$ 2,664,653	\$ 2,558,706	\$ 3,316,692	\$ 3,592,878	\$ 4,044,877	\$ 4,422,204
Local Option Sales Tax	796,729	808,295	808,295	811,221	811,222	878,318	980,250	1,005,458	1,057,525	1,014,343
Local Accommodations Tax	-	-	-	-	-	-	126,535	139,593	148,489	138,533
Hospitality Fees	268,985	269,006	326,019	338,162	616,806	715,752	776,428	823,234	878,930	911,540
Licenses and Permits	1,065,203	1,214,056	1,162,548	1,284,977	1,277,546	1,421,173	1,413,112	1,566,309	1,565,539	1,709,230
Intergovernmental	650,043	736,882	802,761	724,648	881,582	831,123	1,172,118	1,004,678	1,081,210	885,289
Federal Aid	227,418	763,488	269,570	87,696	374,534	9,668	385,485	117,181	73,023	323,577
State Aid	550,000	226,368	998,470	793,519	597,771	1,513,670	14,669	17,759	264,000	-
Charges for Services	342,993	359,268	422,958	437,362	442,108	463,530	537,153	599,252	591,127	613,206
Fines and Forfeitures	240,906	199,688	200,388	146,577	181,838	217,951	309,152	258,122	290,255	292,110
Investment Earnings	153,935	176,751	151,195	159,416	88,405	129,730	293,493	523,332	333,429	195,704
Quasi-External Transactions	214,143	214,162	253,041	253,041	-	-	-	-	-	-
Contributions & Donations	-	-	-	-	-	-	-	122,481	178,530	450,000
Other Revenues	346,210	402,543	439,211	479,780	335,329	559,392	214,103	261,352	328,241	289,010
Total Revenues	\$ 7,006,377	\$ 7,681,439	\$ 8,275,508	\$ 8,018,481	\$ 8,271,794	\$ 9,299,013	\$ 9,539,190	\$ 10,031,629	\$ 10,835,175	\$ 11,244,746
Expenditures										
General Government	\$ 2,244,867	\$ 2,224,983	\$ 1,933,305	\$ 1,677,771	\$ 1,748,670	\$ 1,807,368	\$ 2,037,702	\$ 2,127,550	\$ 2,204,790	\$ 2,376,389
Public Safety	1,587,009	1,662,451	1,775,128	1,800,309	2,017,402	2,124,176	2,267,304	2,461,131	2,764,753	2,732,920
Public Works	1,237,586	1,244,205	1,307,892	1,234,085	1,442,850	1,734,580	1,828,740	1,781,507	2,007,694	2,098,513
Culture and Recreation	387,007	525,080	478,203	587,698	611,158	702,074	858,965	651,509	745,854	856,646
Urban Redevelopment	197,037	506,526	196,262	78,181	60,128	73,816	12,748	34,016	31,082	13,611
Equipment Services	90,521	90,069	92,642	96,137	102,747	110,636	116,558	163,516	140,489	128,521
Capital Outlay	354,169	685,026	1,433,686	1,628,500	4,567,445	1,249,093	466,962	4,297,994	1,958,847	2,015,519
Debt Service										
Interest	102,344	94,307	100,383	319,240	333,083	317,409	325,568	464,602	436,311	399,863
Principal	145,064	215,150	214,622	387,384	377,737	475,444	489,805	924,149	973,920	1,049,817
Fees	-	-	-	-	1,567	1,565	1,563	1,561	1,013	1,013
Intergovernmental	121,437	330,240	1,105,555	908,503	725,180	1,545,283	120,399	140,897	175,473	329,162
Other	38,835	221,798	26,318	25,935	31,911	41,816	93,882	153,481	142,097	161,759
Total Expenditures	\$ 6,505,876	\$ 7,799,835	\$ 8,663,996	\$ 8,743,743	\$ 12,019,878	\$ 10,183,260	\$ 8,620,196	\$ 13,201,913	\$ 11,582,323	\$ 12,163,733
Excess of Revenues										
Over (Under)										
Expenditures	\$ 500,501	\$ (118,396)	\$ (388,488)	\$ (725,262)	\$ (3,748,084)	\$ (884,247)	\$ 918,994	\$ (3,170,284)	\$ (747,148)	\$ (918,987)

Continued

**Schedule 4
City of Clemson
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years**

Continued

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Other Financing Sources (Uses)										
General Obligation Bonds	\$ -	\$ -	\$ 455,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lease Purchase Agreements	-	98,000	247,000	-	187,000	-	2,039,833	355,000	135,000	-
Tax Increment Bonds	-	-	5,000,000	-	-	-	2,350,000	-	-	-
Transfers In	-	10,000	10,000	10,000	1,554,071	1,204,192	1,500,103	2,046,491	1,559,591	3,972,567
Transfers Out	-	(10,000)	(10,000)	(10,000)	(1,003,963)	(986,555)	(829,687)	(1,151,953)	(1,236,153)	(3,827,251)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 98,000</u>	<u>\$ 5,702,000</u>	<u>\$ -</u>	<u>\$ 737,108</u>	<u>\$ 217,637</u>	<u>\$ 5,060,249</u>	<u>\$ 1,249,538</u>	<u>\$ 458,438</u>	<u>\$ 145,316</u>
Net Change In Fund Balances	<u>\$ 500,501</u>	<u>\$ (20,396)</u>	<u>\$ 5,313,512</u>	<u>\$ (725,262)</u>	<u>\$ (3,010,976)</u>	<u>\$ (666,610)</u>	<u>\$ 5,979,243</u>	<u>\$ (1,920,746)</u>	<u>\$ (288,710)</u>	<u>\$ (773,671)</u>
 <i>Debt Service As a Percentage of Noncapital Expenditures</i>										
	4.0%	4.3%	4.4%	9.9%	9.9%	9.5%	10.5%	16.7%	15.8%	15.2%

Schedule 5
City of Clemson
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate ^(a)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2000	\$ 29,394,598	\$ 4,662,686	\$ 34,057,284	79.10	\$ 534,316,500	6.37%
2001	29,576,823	5,404,843	34,981,666	79.10	544,421,745	6.43%
2002	28,561,785	5,583,467	34,145,252	81.60	529,205,626	6.45%
2003	31,100,299	5,033,907	36,134,206	81.60	566,280,288	6.38%
2004	30,463,882	4,796,716	35,260,598	81.60	553,414,376	6.37%
2005	32,654,430	4,550,980	37,205,410	81.60	587,583,167	6.33%
2006	37,945,629	4,063,665	42,009,294	76.90	700,154,900	6.00%
2007	37,736,666	4,076,916	41,813,582	77.90	822,681,920	5.08%
2008	37,527,471	4,041,902	41,569,373	79.50	817,914,453	5.08%
2009	42,741,623	3,808,547	46,550,170	81.00	918,308,243	5.07%

Source: Pickens County Auditor's Office

Note: ^(a) Per \$1,000 assessed value

Schedule 6
City of Clemson
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years
(rate presented as actual millage)

Fiscal Year	City Direct Rates				Overlapping Rates	
	Basic Rate	General Obligation Debt Service	Special Revenue Rate	Total Direct Rate	Pickens County School District	Pickens County
2000	74.22	4.33	0.55	79.10	125.20	55.70
2001	74.22	4.33	0.55	79.10	129.20	60.90
2002	76.30	4.73	0.57	81.60	136.50	64.80
2003	76.30	4.73	0.57	81.60	142.90	62.00
2004	76.30	4.73	0.57	81.60	140.10	63.00
2005	76.30	4.73	0.57	81.60	147.10	67.50
2006	71.60	4.73	0.57	76.90	140.00	61.40
2007	73.30	4.11	0.49	77.90	137.10	60.50
2008	74.90	4.11	0.49	79.50	176.10	61.50
2009	76.80	3.71	0.49	81.00	174.10	61.50

Source of Overlapping Rates: *Pickens County*

Schedule 7
City of Clemson
Principal Property Taxpayers, Current Year and Nine Years Ago

Taxpayer	2009		Taxpayer	2000	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Duke Energy Corporation	\$ 937,610	2.01%	Duke Energy Corporation	\$ 1,406,550	4.09%
Bellsouth Telecommunications	873,070	1.88%	Bellsouth Telecommunications	874,010	2.54%
Tiger Towne Village, LLC	514,320	1.10%	Bi-Lo, Inc.	395,447	1.15%
Berkeley Place, LLC	510,810	1.09%	Clemson Area Retirement Center, Inc.	362,652	1.05%
Clemson Area Retirement Center, Inc.	494,720	1.06%	Clemson Place, LLC	345,351	1.00%
EDR Clemson Place, Limited Partnership	455,910	1.00%	Clemson Inn Associates	300,880	0.87%
The Retreat of Clemson, LLC	398,950	0.86%	Langston Place Partnership	300,294	0.86%
Ingles Markets, Inc.	394,300	0.85%	Heritage Pointe, LLC	225,000	0.65%
JSI Clemson, LLC	358,660	0.77%	Clemson Motel, Ltd.	198,000	0.58%
Tristate SC One, Limited Partnership	<u>343,120</u>	<u>0.74%</u>	Nirman Enterprises Associates	<u>179,089</u>	<u>0.52%</u>
Total	<u>\$ 5,281,470</u>	<u>11.36%</u>		<u>\$ 4,587,273</u>	<u>13.31%</u>

Source: Pickens County Auditor's Office

**Schedule 8
City of Clemson
Property Tax Levies and Collections, Last Ten Fiscal Years**

<i>Fiscal Year Ended June 30,</i>	<i>Taxes Levied For the Fiscal Year</i>	<i>Collected Within the Fiscal Year of the Levy (a)</i>		<i>Receivable June 30, 2009</i>	<i>Estimated Tax Collections to Date (b)</i>	
		<i>Amount</i>	<i>Percentage of Levy</i>		<i>Estimated Amount</i>	<i>Percentage of Levy</i>
2000	\$ 1,939,131	\$ 1,793,709	92.50%	\$ 275	\$ 1,938,856	99.99%
2001	1,922,211	1,829,443	95.17%	2,023	1,920,188	99.89%
2002	1,955,972	1,942,979	99.34%	4,988	1,950,984	99.74%
2003	2,183,981	1,957,340	89.62%	6,590	2,177,391	99.70%
2004	2,068,971	2,031,750	98.20%	9,719	2,059,252	99.53%
2005	2,224,741	1,930,474	86.77%	10,988	2,213,753	99.51%
2006	2,355,234	2,264,062	96.13%	13,451	2,341,783	99.43%
2007	2,268,425	2,338,708	103.10%	21,410	2,247,015	99.06%
2008	2,296,135	2,487,570	108.34%	54,731	2,241,404	97.62%
2009	2,732,167	2,762,699	101.12%	86,711	2,645,456	96.83%

Source: Pickens County Office of Finance

Note: (a) Does not include current year taxes collected as delinquent in the year of the levy.

Note: (b) Collections in subsequent years by year of levy were unavailable. Amounts receivable at June 30, 2009 were used to estimate the total collections to date.

**Schedule 9
City of Clemson
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	General Obligation Bonds	Tax Incremental Financing Bonds	Capital Leases	Water Revenue Bonds	Capital Leases			
2000	\$ 1,575,000	\$ -	\$ 98,408	\$ 2,162,033	\$ 55,595	\$ 3,891,036	1.58%	350
2001	1,490,000	-	99,258	1,915,106	28,421	3,532,785	1.10%	296
2002	1,830,000	5,000,000	279,636	1,659,568	199,482	8,968,686	2.79%	751
2003	1,715,000	4,845,000	196,252	1,395,191	766,416	8,917,859	2.78%	747
2004	1,590,000	4,645,000	330,513	1,156,432	616,118	8,338,063	2.60%	698
2005	1,460,000	4,400,000	230,119	1,020,637	877,196	7,987,952	2.49%	669
2006	1,320,000	7,140,000	2,180,097	3,628,317	636,877	14,905,291	4.64%	1,248
2007	1,160,000	6,640,120	2,270,829	4,537,319	702,606	15,310,874	4.77%	1,282
2008	1,040,000	6,116,718	2,075,430	4,485,925	431,899	14,149,972	4.41%	1,185
2009	915,000	5,574,391	1,692,940	4,287,772	392,217	12,862,320	4.01%	1,077

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^(a) See Schedule 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Schedule 10
City of Clemson
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years

General Bonded Debt Outstanding

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property ^(a)</u>	<u>Per Capita ^(b)</u>
2000	\$ 1,575,000	0.29%	141.57
2001	1,490,000	0.27%	124.80
2002	1,830,000	0.35%	153.28
2003	1,715,000	0.30%	143.65
2004	1,590,000	0.29%	133.18
2005	1,460,000	0.25%	122.29
2006	1,320,000	0.19%	110.56
2007	1,160,000	0.14%	97.16
2008	1,040,000	0.13%	87.11
2009	915,000	0.10%	76.64

Notes: ^(a) See Schedule 5 for actual taxable value of property

^(b) See Schedule 14 for personal income and population

Schedule 11
City of Clemson
Direct and Overlapping Governmental Activities Debt As of June 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt Repaid With Property Taxes			
Pickens County School District	\$ 351,721,077	12.14%	\$ 42,698,939
Pickens County General Obligation Debt	15,405,526	13.94%	2,147,530
Other Debt			
Pickens County Capital Leases	1,258,102	13.94%	175,379
Pickens County Notes Payable	6,071,047	13.94%	846,304
Pickens County - Other Debt	3,327,784	13.94%	<u>463,893</u>
Subtotal, Overlapping Debt			46,332,045
City Direct Debt			<u>8,182,331</u>
Total Direct and Overlapping Debt			<u>\$ 54,514,376</u>

Source: Pickens County and Pickens County School District

Notes: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Pickens County and Pickens County School District taxable assessed value that is within the City's corporate boundaries.

Schedule 12
City of Clemson
Legal Debt Margin Information, Last Ten Fiscal Years

	<i>Fiscal Year</i>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 2,753,600	\$ 2,798,533	\$ 2,731,620	\$ 2,890,736	\$ 2,820,848	\$ 2,976,433	\$ 3,360,744	\$ 3,345,087	\$ 3,325,550	\$ 3,724,014
Total Net Debt Applicable to Limit	<u>1,273,505</u>	<u>1,198,314</u>	<u>1,553,969</u>	<u>1,460,850</u>	<u>1,360,276</u>	<u>1,252,609</u>	<u>1,122,968</u>	<u>983,094</u>	<u>825,872</u>	<u>677,647</u>
Legal Debt Margin	<u>\$ 1,480,095</u>	<u>\$ 1,600,219</u>	<u>\$ 1,177,651</u>	<u>\$ 1,429,886</u>	<u>\$ 1,460,572</u>	<u>\$ 1,723,824</u>	<u>\$ 2,237,776</u>	<u>\$ 2,361,993</u>	<u>\$ 2,499,678</u>	<u>\$ 3,046,367</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	46.25%	42.82%	56.89%	50.54%	48.22%	42.08%	33.41%	29.39%	24.83%	18.20%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed Value	\$ 46,550,170
Debt Limit (8% of assessed value)	3,724,014
Debt Applicable to Limit:	
General Obligation Bonds	915,000
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>(237,353)</u>
Total Net Debt Applicable to Limit	<u>677,647</u>
Legal Debt Margin	<u>\$ 3,046,367</u>

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 8 percent of total assessed property value.
The general obligation debt subject to the limitation may be offset by amounts set aside for repayment of general obligation bonds.

Schedule 13
City of Clemson
Pledged-Revenue Coverage, Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<i>Water Revenue Bonds</i>										
<i>Utility Service Charges</i>	\$ 1,388,716	\$ 1,478,919	\$ 1,462,485	\$ 1,470,810	\$ 1,455,712	\$ 1,572,123	\$ 1,938,992	\$ 2,059,097	\$ 2,210,784	\$ 2,134,850
<i>Less: Operating Expenses</i>	1,146,491	1,125,743	1,209,606	1,319,010	1,417,959	1,448,236	1,631,567	1,555,486	1,953,270	1,910,885
<i>Net Available Revenue</i>	242,225	353,176	252,879	151,800	37,753	123,887	307,425	503,611	257,514	223,965
<i>Debt Service</i>										
<i>Principal</i>	18,667	18,667	18,237	17,686	18,408	19,162	19,823	66,791	90,602	93,153
<i>Interest</i>	7,093	6,158	3,242	2,675	1,953	1,198	413	76,332	99,244	97,115
<i>Coverage</i>	9.40	14.23	11.77	7.46	1.85	6.08	15.19	3.52	1.36	1.18
<i>Wastewater Revenue Bonds</i>										
<i>Utility Service Charges</i>	\$ 1,909,487	\$ 2,004,707	\$ 2,102,885	\$ 2,125,287	\$ 2,128,078	\$ 2,018,221	\$ 2,124,192	\$ 2,132,578	\$ 2,195,198	\$ 2,176,696
<i>Less: Operating Expenses</i>	1,034,948	1,167,314	1,214,618	1,235,757	1,384,400	1,457,827	1,570,485	1,594,632	1,919,478	1,887,071
<i>Net Available Revenue</i>	874,539	837,393	888,267	889,530	743,678	560,394	553,707	537,946	275,720	289,625
<i>Debt Service</i>										
<i>Principal</i>	245,921	255,435	265,721	246,690	220,150	116,634	117,035	105,000	105,000	105,000
<i>Interest</i>	139,538	125,085	74,189	50,403	34,852	37,152	45,704	46,504	33,546	16,572
<i>Coverage</i>	2.27	2.20	2.61	2.99	2.92	3.64	3.40	3.55	1.99	2.38
<i>Commercial Sanitation Capital Leases</i>										
<i>Utility Service Charges</i>	\$ 183,096	\$ 203,970	\$ 175,947	\$ 166,114	\$ 150,332	\$ 146,180	\$ 144,392	\$ 168,482	\$ 233,563	\$ 323,910
<i>Less: Operating Expenses</i>	103,897	108,793	121,819	131,882	137,387	149,955	157,750	150,586	192,441	224,545
<i>Net Available Revenue</i>	79,199	95,177	54,128	34,232	12,945	(3,775)	(13,358)	17,896	41,122	99,365
<i>Debt Service</i>										
<i>Principal</i>	-	-	-	-	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-	-	-	-	2,643
<i>Coverage</i>	-	-	-	-	-	-	-	-	-	37.60
<i>Transit Capital Leases</i>										
<i>Contract Services</i>	\$ 782,082	\$ 849,874	\$ 1,058,760	\$ 1,515,108	\$ 1,468,800	\$ 2,025,502	\$ 1,943,035	\$ 3,082,395	\$ 3,478,832	\$ 3,161,802
<i>Less: Operating Expenses</i>	727,642	823,763	922,436	1,224,478	1,284,997	1,541,107	1,634,800	2,279,350	3,010,710	2,993,888
<i>Net Available Revenue</i>	54,440	26,111	136,324	290,630	183,803	484,395	308,235	803,045	468,122	167,914
<i>Debt Service</i>										
<i>Principal</i>	-	-	41,337	157,523	150,297	238,923	240,319	249,271	270,707	146,682
<i>Interest</i>	-	-	7,288	26,568	27,992	34,823	29,184	30,992	22,127	13,570
<i>Coverage</i>	-	-	2.80	1.58	1.03	1.77	1.14	2.87	1.60	1.05

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

Schedule 14
City of Clemson
Demographic and Economic Statistics, Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2000	11,125	\$ 246,496,625	\$ 22,157	2.9%
2001	11,939	321,063,588	26,892	5.0%
2002	11,939	321,063,588	26,892	6.0%
2003	11,939	321,063,588	26,892	6.8%
2004	11,939	321,063,588	26,892	6.8%
2005	11,939	321,063,588	26,892	6.9%
2006	11,939	321,063,588	26,892	6.2%
2007	11,939	321,063,588	26,892	5.5%
2008	11,939	321,063,588	26,892	7.1%
2009	11,939	321,063,588	26,892	9.8%

Source: United States Bureau of the Census-provided in 10 year increments

**Schedule 15
City of Clemson
Principal Employers, Current Year and Nine Years Ago**

Employer	2009		Employer	2000	
	Employees	Percentage of Total City Employment		Employees ^(b)	Percentage of Total City Employment ^(b)
Clemson University ^(a)	4,500	46.00%	Clemson University ^(a)	4,459	37.00%
City of Clemson	309	2.59%	City of Clemson	180	1.50%
Ramada Inn	125	1.05%		-	-
Pixie & Bills Restaurant	116	0.97%	Pixie & Bills Restaurant	100	0.84%
Bi-Lo	89	0.75%	Bi-Lo	155	1.30%
Clemson Elementary School	88	0.74%		-	-
Ingles Markets	80	0.67%	Ingles Markets	55	0.46%
Trehel Corporation	80	0.67%	Trehel Corporation	33	0.28%
Tigertown Tavern	62	0.52%	Tigertown Tavern	60	0.50%
Ruby Tuesday	59	0.49%		-	-
Total	5,508	54.45%	Total	5,042	41.88%

Notes: ^(a) Clemson University is technically not within the City's corporate boundaries. However, its impact is substantial, thus its employment base has been included as a principal employer.

^(b) Additional principal employers information regarding employment is not available.

Schedule 16
City of Clemson
Full-time-Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years

Full-time-Equivalent Employees as of June 30 of Year Indicated

<u>Function/Program</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<i>General Government</i>										
Council	-	-	-	-	2	2	2	1	1	1
Municipal Court	4	4	4	4	4	4	4	4	5	5
Administration	7	7	7	7	7	7	7	7	8	9
Finance	3	3	3	3	3	3	3	3	3	3
Information Technology	-	1	1	1	1	1	1	1	1	1
Planning & Codes Administration	6	6	6	6	6	6	8	8	8	7
Public Buildings	2	2	2	2	2	2	2	2	2	2
<i>Police</i>										
Officers	25	25	25	25	25	25	26	26	28	27
Telecommunicators	4	4	4	4	5	5	5	5	6	6
Other	3	3	3	3	3	3	3	3	3	3
<i>Refuse Collection</i>										
Residential Sanitation	14	14	14	14	14	14	14	14	13	13
Commercial Sanitation	2	2	2	2	2	2	2	2	2	2
<i>Other Public Works</i>										
Streets	6	6	6	6	6	6	6	6	6	6
Public Works Administration	2	2	2	2	2	2	2	3	3	3
Equipment Services	2	2	2	2	2	2	2	2	2	2
Engineering	2	2	2	2	3	3	3	3	2	2
<i>Other</i>										
Recreation	5	5	6	6	6	6	6	6	7	7
Water	6	6	6	6	7	7	7	7	8	8
Utility Billing Administration	4	4	4	4	5	5	5	5	5	7
Wastewater Collection	7	7	7	7	7	7	7	7	7	7
Wastewater Treatment	4	4	4	4	4	4	4	4	4	6
Transit Administration	4	4	4	4	4	4	4	6	6	6
Transit Operations	4	5	5	5	7	9	9	12	13	11
Horticulture	-	1	1	1	1	2	2	3	3	3
Total	<u>116</u>	<u>119</u>	<u>120</u>	<u>120</u>	<u>128</u>	<u>131</u>	<u>134</u>	<u>140</u>	<u>146</u>	<u>147</u>

Source: The City's Office of Human Resources

Schedule 17
City of Clemson
Operating Indicators by Function/Program, Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<i>General Government</i>										
<i>Building Permits Issued</i>	611	559	481	690	523	552	557	616	512	410
<i>Building Inspections Conducted</i>	2,575	3,105	2,976	3,523	3,074	3,166	3,232	2,084	1,246	786
<i>Police</i>										
<i>Parking Violations</i>	2,725	2,474	2,913	2,742	2,856	2,800	2,932	2,201	4,207	3,113
<i>Traffic Violations</i>	3,010	3,440	3,115	3,400	3,579	3,620	3,800	4,833	5,430	4,687
<i>Fire</i>										
<i>Inspections</i>	3,500	4,235	5,308	5,416	5,482	5,527	5,535	2,769	2,126	2,106
<i>Refuse Collection</i>										
<i>Refuse Collected (lbs)</i>	12,138,740	12,194,438	15,534,440	12,916,900	11,821,440	11,860,800	11,331,260	10,983,442	11,599,320	11,348,554
<i>Recyclables Collected (lbs)</i>	1,432,740	1,041,200	1,050,620	1,103,760	1,235,440	1,111,240	1,002,000	1,369,296	1,427,760	1,521,644
<i>Other Public Works</i>										
<i>Street Resurfacing (miles)</i>	5.25	1.42	2.38	2.89	4.11	3.22	4.43	4.62	4.45	0.00
<i>Water</i>										
<i>New Taps</i>	51	62	82	65	31	39	78	79	97	49
<i>Water Main Breaks</i>	160	197	219	201	178	153	188	170	179	161
<i>Average Daily Consumption</i>	1,690,000	1,670,000	1,707,000	1,568,000	1,604,000	1,681,000	1,705,000	1,736,000	1,892,000	1,829,000
<i>Peak Daily Consumption</i>	2,060,000	2,129,000	1,980,000	2,193,000	2,133,000	2,024,000	2,197,000	2,880,000	2,581,000	2,480,000
<i>Wastewater</i>										
<i>Average Daily Sewage Treatment</i>	1,140,000	1,090,000	1,080,000	1,080,000	1,060,000	1,090,000	1,110,000	1,140,000	1,440,000	1,450,000
<i>Transit</i>										
<i>Total Route Miles</i>	283,584	287,192	398,946	442,769	480,253	506,591	623,562	831,996	852,930	727,946
<i>Passengers</i>	728,175	763,204	900,383	1,152,510	1,343,234	1,404,892	1,513,134	1,771,346	1,877,448	1,613,403

Source: Various City Departments

Schedule 18
City of Clemson
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<i>Police</i>										
<i>Stations</i>	1	1	1	1	1	1	1	1	1	1
<i>Uniform Patrol Units</i>	18	18	18	18	18	18	18	18	18	18
<i>Refuse Collection</i>										
<i>Collection Trucks</i>	3	4	4	4	4	4	4	4	5	5
<i>Other Public Works</i>										
<i>Streets (miles)</i>	64	64	64	64	64	64	64	64	64	64
<i>Streetlights</i>	685	685	685	695	695	696	696	696	696	696
<i>Traffic Signals</i>	1	1	1	1	1	1	1	1	1	1
<i>Parks and Recreation</i>										
<i>Acreage</i>	85	85	85	85	85	85	85	100	100	100
<i>Playgrounds</i>	6	6	6	6	6	6	6	7	7	7
<i>Soccer Fields</i>	1	1	1	1	1	1	1	1	6	6
<i>Recreation Centers</i>	1	1	1	1	1	1	1	1	1	1
<i>Water</i>										
<i>Water Mains (miles)</i>	88.5	89	89	90	90	90	98.5	100	101.5	101.5
<i>Fire Hydrants</i>	352	353	369	370	371	372	392	412	439	439
<i>Wastewater</i>										
<i>Sewer Mains Gravity (miles)</i>	60	60	60	60	60	60	60	64	64	65
<i>Sewer Mains Force (miles)</i>	9	9	9	9	9	9	9	9	9	9
<i>Treatment Capacity (millions of gallons)</i>	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15
<i>Stormwater</i>										
<i>Stormwater Lines (miles)</i>	3.5	3.5	5	5	6	7	7	7	7	7
<i>Transit</i>										
<i>Buses</i>	9	9	14	17	19	20	20	26	26	26

Source: Various City Departments

FEDERAL FINANCIAL
ASSISTANCE



CITY OF CLEMSON

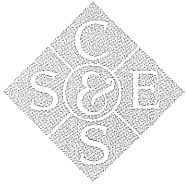
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2009**

<i>Federal Grantor/Pass-Through Grantor /Program Title</i>	<i>Federal CFDA Number</i>	<i>Pass Through Grantor's Number</i>	<i>Total Expenditures</i>
<i>US Department of Transportation</i>			
<i>Passed Through SC Dept. of Transportation</i>			
<i>Public Transportation Assistance...Transit Fund</i>	<i>20.509</i>	<i>MT-9A111-44</i>	<i>\$ 741,655</i>
<i>Public Transportation Planning...Transit Fund</i>	<i>20.509</i>	<i>MT-0A104-01</i>	<i>18,864</i>
<i>U.S. 123 / S.C. 133 Connector Project</i>	<i>20.205</i>	<i>026057</i>	<i>123,577</i>
<i>Total US Department of Transportation</i>			<i>\$ 884,096</i>
<i>Total Federal Assistance Expended</i>			<i>\$ 884,096</i>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Clemson and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations".

This Page Intentionally Left Blank



STANCIL
COOLEY ESTEP
& STAMEY, LLP

*Certified Public
Accountants*

631 ByPass 123
P. O. Drawer 1279
Seneca, SC 29679

(864) 882-3048
Fax 882-7489

602-5 College Avenue
Clemson, SC 29631

(864) 654-4945
Fax 654-9476

www.scescpa.com

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

*To the City Council
City of Clemson, South Carolina*

*We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Clemson, as of and for the year ended June 30, 2009, which collectively comprise the City of Clemson's basic financial statements and have issued our report thereon dated January 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States.*

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Clemson's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Clemson's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Clemson's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Clemson's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Clemson's financial statements that is more than inconsequential will not be prevented or detected by the City of Clemson's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Clemson's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

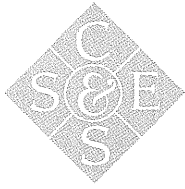
Compliance and Other Matters

*As part of obtaining reasonable assurance about whether the City of Clemson's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion, The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards**.*

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Stancil Cooley Estep & Stamey, LLP

*Clemson, South Carolina
January 28, 2010*



STANCIL

COOLEY ESTEP
& STAMEY, LLP

*Certified Public
Accountants*

631 ByPass 123
P. O. Drawer 1279
Seneca, SC 29679

(864) 882-3048
Fax 882-7489

602-5 College Avenue
Clemson, SC 29631

(864) 654-4945
Fax 654-9476

www.scescpa.com

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

*To the City Council
City of Clemson, South Carolina*

Compliance

*We have audited the compliance of City of Clemson, with the types of compliance requirements described in the **U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement** that are applicable to each of its major federal programs for the year ended June 30, 2009. The City of Clemson's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Clemson's management. Our responsibility is to express an opinion on City of Clemson's compliance based on our audit.*

*We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; and OMB Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Clemson's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Clemson's compliance with those requirements.*

In our opinion, the City of Clemson complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the City of Clemson is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to

federal programs. In planning and performing our audit, we considered the City of Clemson's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Clemson's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Stancil Cooley Estep & Stamey, LLP

*Clemson, South Carolina
January 28, 2010*

CITY OF CLEMSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2009

A. SUMMARY OF AUDIT RESULTS

The auditors' report expresses an unqualified opinion on the financial statements of the City of Clemson.

No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the "Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards".

No instances of noncompliance material to the financial statements of the City of Clemson were disclosed during the audit.

No material weaknesses relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133".

The auditors' report on compliance for the major federal award programs for the City of Clemson expresses an unqualified opinion.

Audit findings relative to the major federal award programs for the City of Clemson are reported in Part C of this schedule.

The following programs were tested as a major programs:

- *Transit Operating Grant, Grant # MT-9A111-44, CFDA # 20.509.*
- *Transit Study Grant, Grant # MT-0A104-01, CFDA # 20.509.*

The threshold for distinguishing Types A and B programs was \$300,000.

The City of Clemson was determined to be a low-risk auditee.

B. FINDINGS.....FINANCIAL STATEMENT AUDIT.....NONE

**C. FINDINGS AND QUESTIONED COSTS.....MAJOR FEDERAL
AWARD PROGRAMS AUDIT.....NONE**

This Page Intentionally Left Blank