



CITY OF CLEMSON  
SOUTH CAROLINA



Comprehensive Annual  
Financial Report



For the Fiscal Year Ended June 30, 2011

CITY OF CLEMSON  
SOUTH CAROLINA



Comprehensive Annual  
Financial Report



For the Fiscal Year Ended June 30, 2011



Prepared by the Office of Finance

**CITY OF CLEMSON**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2011**  
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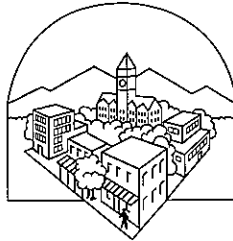
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# INTRODUCTORY SECTION





**LETTER OF TRANSMITTAL**

January 31, 2012

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, 2011. 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 14,000 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 14,000 permanent citizens, but has large City concerns because nine months of the year the community is “home” to approximately 19,000 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.
- **Wastewater Treatment Facility Improvements** – In the fall of 2009, the City began wastewater treatment improvements to its Cochran Road wastewater facility. A 300,000 gallon sludge digester, which processes sludge for land application, was constructed at an estimated cost of \$800,000. Partial funding was provided through a South Carolina Revolving Fund loan and stimulus financing from the American Recovery & Reinvestment Act (ARRA). Construction of the digester is complete and processing sludge as designed.
- **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, 2011 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 \$229,263 on all investments for the year ended June 30, 2011.

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, 2011, \$6,654,980 of the City's bank balance of \$8,511,275 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, 2011 amounted to \$1,644,595 of Mortgage Notes and Certificates, \$1,040,000 of Bank Bonds, \$100,000 of South Carolina Public Service Authority Revenue Refunding Bonds, and \$1,022,824 in the South Carolina Pooled Investment Fund. The City recognized a valuation loss on its investments of \$9,283 at June 30, 2011.

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, 2010. 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

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# 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, 2010

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.



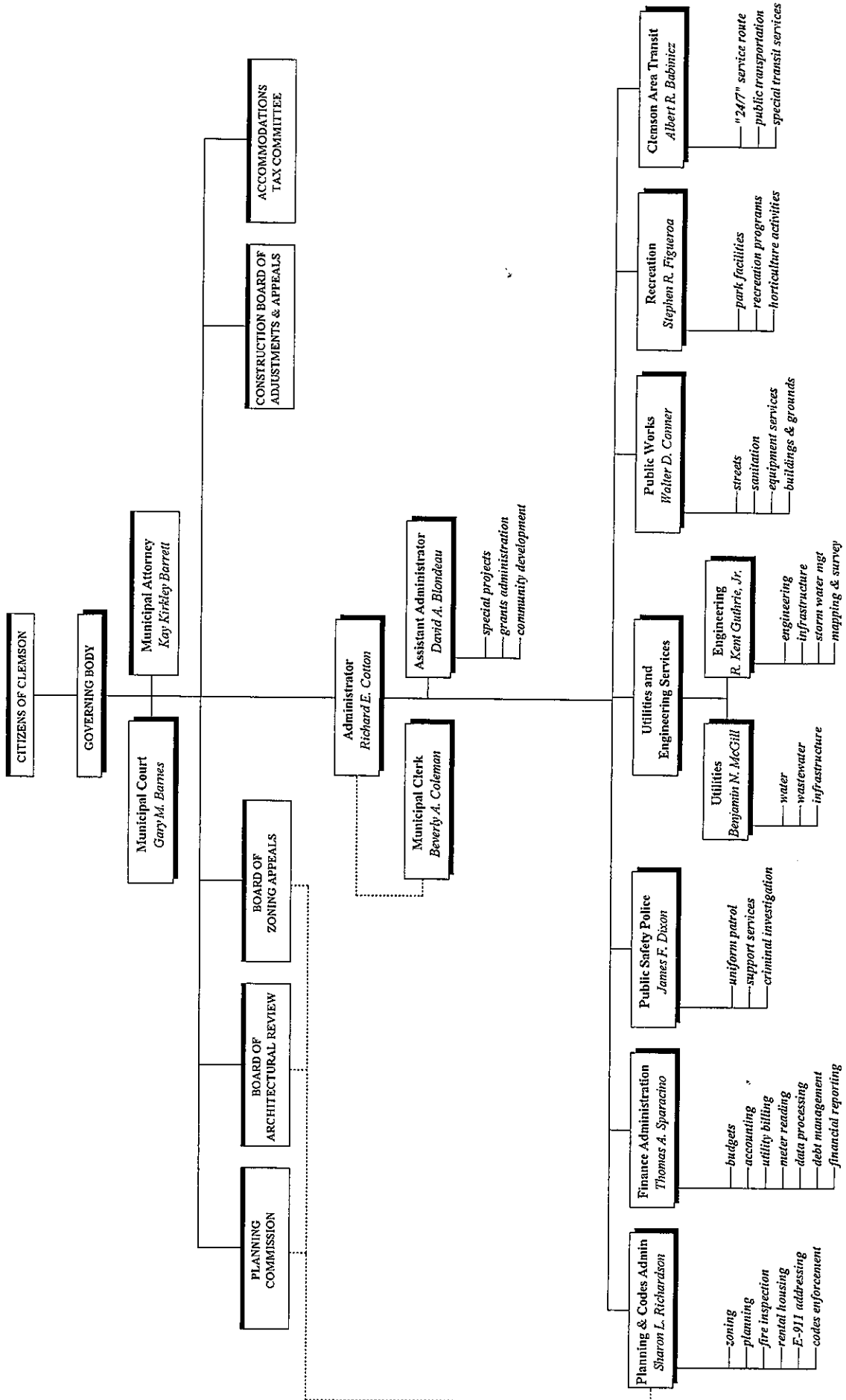
*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director

CITY OF CLEMSON  
ORGANIZATION CHART



CITY OF CLEMSON  
PRINCIPAL OFFICIALS  
JUNE 30, 2011

GOVERNING BODY

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

ADMINISTRATION

*Administrator - Richard E. Cotton, M.P.A.*  
*Assistant Administrator - David A. Blondeau, M.P.A.*  
*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 - R. Kent Guthrie, Jr., M.S.*  
*Municipal Judge - Gary M. Barnes, B.S.*  
*Director of Clemson Area Transit System - Albert R. Babinicz, M.B.A.*



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# FINANCIAL SECTION





## INDEPENDENT AUDITOR'S REPORT

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, 2011, 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, the tax increment fund budget to actual, the debt service fund budget to actual, and the aggregate remaining fund information of the City of Clemson, as of June 30, 2011, 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 issued our report dated January 31, 2012, 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

STANCIL  
COOLEY ESTEP  
& STAMEY, LLP

*Certified Public  
Accountants*

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accordance with **Government Auditing Standards** and should be considered in assessing the results of our audit.

*Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 12 and 62 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.*

*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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing*

*standards generally accepted in the United States of America. In our opinion, the information is 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 do not express an opinion or provide any assurance on them.*

**Stancil Cooley Estep & Stamey, LLP**

*Clemson, South Carolina  
January 31, 2012*

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**CITY OF CLEMSON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

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, 2011. 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 \$38,382,630 (*net assets*). Of this amount, \$9,560,311 (*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 \$3,840,807 during fiscal year 2010-11. Revenues increased \$3,065,400, while expenses increased approximately \$118,000.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$2,644,280 or 31% of total expenditures of the General Fund.
- The Tax Increment Fund, Transit Multi-Modal Facility, and Debt Service Fund were reported as major governmental functions at fiscal year end. Ad valorem taxes and investment earnings are the main sources of revenues in the TIF Fund, while expenses consist of transfers to the Debt Service Fund. The \$3.0 million Transit Multi-Modal Facility is 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 2011, the City of Clemson's assets exceeded liabilities by \$38,382,630. The largest portion of the City's net assets (70 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, 2011 and June 30, 2010. Additional current year information concerning net assets can be found in the Statement of Net Assets presented on page 13.

### **Summary of Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Current & Other Assets	\$ 9,220,027	\$ 9,063,619	\$ 6,657,311	\$ 6,004,126	\$ 15,877,338	\$ 15,067,745
Capital Assets	19,338,687	16,576,635	17,771,094	18,133,008	37,109,781	34,709,643
<b>Total Assets</b>	<b>\$ 28,558,714</b>	<b>\$ 25,640,254</b>	<b>\$ 24,428,405</b>	<b>\$ 24,137,134</b>	<b>\$ 52,987,119</b>	<b>\$ 49,777,388</b>
Long-term Liabilities	\$ 5,605,886	\$ 6,775,892	\$ 4,371,924	\$ 4,442,727	\$ 9,977,810	\$ 11,218,619
Other Liabilities	3,347,687	2,645,478	1,278,992	1,371,468	4,626,679	4,016,946
<b>Total Liabilities</b>	<b>\$ 8,953,573</b>	<b>\$ 9,421,370</b>	<b>\$ 5,650,916</b>	<b>\$ 5,814,195</b>	<b>\$ 14,604,489</b>	<b>\$ 15,235,565</b>
<b>Net Assets</b>						
Investment Capital Assets ( <i>Net of Related Debt</i> )	\$ 14,364,423	\$ 10,785,335	\$ 13,107,084	\$ 13,583,307	\$ 27,471,507	\$ 24,368,642
Restricted	150,655	265,347	1,200,157	720,860	1,350,812	986,207
Unrestricted	5,090,063	5,168,202	4,470,248	4,018,772	9,560,311	9,186,974
<b>Total Net Assets</b>	<b>\$ 19,605,141</b>	<b>\$ 16,218,884</b>	<b>\$ 18,777,489</b>	<b>\$ 18,322,939</b>	<b>\$ 38,382,630</b>	<b>\$ 34,541,823</b>

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 \$3,386,257. Governmental activities received transfers of \$22,604 from business-type activities, which resulted in an increase in governmental net assets. Without the transfers, governmental activities would have realized an increase in net assets of \$3,363,653. Other areas of change are as follows:

- Total revenues increased by approximately 22%, which resulted in an increase in revenue of \$2,402,618. Various revenue items contributed to the increase in governmental activities resources.
- *Net* program revenues increased \$1,788,500 as a result of approximately \$2.2 million received in capital grants to construct the Transit Multi-Modal Facility. Operating grants decreased 13%, while charges for services increased 5% to \$1,723,399.
- Due to increased construction within the City’s corporate limits, the City realized an increase in ad valorem taxes of \$195,000, and \$33,000 in licenses and permits. Favorable economic conditions contributed to an increase of \$105,000 in sales and use taxes.
- An increase in aid from Pickens County resulted in a \$104,000 increase in intergovernmental revenues, while fines and forfeitures decreased a minimal 5% to \$316,700.

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, 2011 and June 30, 2010. Additional current year information concerning changes in net assets can be found in the Statement of Activities presented on pages 14 & 15.

**Summary of Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>REVENUES</b>						
Program Revenues						
Charges for Services	\$ 1,723,399	\$ 1,648,723	\$ 5,494,860	\$ 5,110,318	\$ 7,218,259	\$ 6,759,041
Operating Grants	218,731	251,184	3,580,810	3,283,713	3,799,541	3,534,897
Capital Grants	2,201,458	455,162	10,580	21,614	2,212,038	476,776
General Revenues						
Ad Valorem Taxes	4,878,599	4,683,648	-	-	4,878,599	4,683,648
Sales & Use Taxes	1,270,007	1,164,550	-	-	1,270,007	1,164,550
Licenses & Permits	1,710,186	1,676,777	-	-	1,710,186	1,676,777
Intergovernmental	649,341	544,975	-	-	649,341	544,975
Fines & Forfeitures	316,708	333,274	-	-	316,708	333,274
Investment Earnings	137,620	168,538	91,643	99,442	229,263	267,980
Other	339,613	116,213	-	-	339,613	116,213
<b>Total Revenues</b>	<b>\$ 13,445,662</b>	<b>\$ 11,043,044</b>	<b>\$ 9,177,893</b>	<b>\$ 8,515,087</b>	<b>\$ 22,623,555</b>	<b>\$ 19,558,131</b>

(continued)

## Summary of Changes in Net Assets *(continued)*

EXPENSES	Governmental Activities		Business-Type Activities		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
General Government	\$ 2,223,921	\$ 1,989,454	\$ -	\$ -	\$ 2,223,921	\$ 1,989,454
Public Safety	3,235,124	3,061,726	-	-	3,235,124	3,061,726
Public Works	2,132,326	2,260,906	-	-	2,132,326	2,260,906
Culture & Recreation	1,647,387	1,748,027	-	-	1,647,387	1,748,027
Urban Redevelopment	2,214	8,773	-	-	2,214	8,773
Equipment Services	136,193	247,971	-	-	136,193	247,971
Intergovernmental	231,951	297,380	-	-	231,951	297,380
Interest	291,601	352,448	-	-	291,601	352,448
Other	181,292	158,013	-	-	181,292	158,013
Water	-	-	2,439,081	2,261,429	2,439,081	2,261,429
Wastewater	-	-	2,300,009	2,208,398	2,300,009	2,208,398
Commercial Sanitation	-	-	294,317	285,825	294,317	285,825
Clemson Area Transit	-	-	3,491,385	3,686,934	3,491,385	3,686,934
Parking Deck	-	-	175,947	97,435	175,947	97,435
<b>Total Expenses</b>	<b>\$ 10,082,009</b>	<b>\$ 10,124,698</b>	<b>\$ 8,700,739</b>	<b>\$ 8,540,021</b>	<b>\$ 18,782,748</b>	<b>\$ 18,664,719</b>
Change in Net Assets Before Transfers	\$ 3,363,653	\$ 918,346	\$ 477,154	\$ (24,934)	\$ 3,840,807	\$ 893,412
Transfers	22,604	302,187	(22,604)	(302,187)	-	-
Change in Net Assets After Transfers	\$ 3,386,257	\$ 1,220,533	\$ 454,550	\$ (327,121)	\$ 3,840,807	\$ 893,412
Net Assets, Beginning	16,218,884	14,998,351	18,322,939	18,650,060	34,541,823	33,648,411
Net Assets, Ending	<u>\$ 19,605,141</u>	<u>\$ 16,218,884</u>	<u>\$ 18,777,489</u>	<u>\$ 18,322,939</u>	<u>\$ 38,382,630</u>	<u>\$ 34,541,823</u>

### *Business-type Activities*

The City's business-type net assets increased by \$454,550 (2%). A large portion of the increase was attributable to an 8% increase in charges for services and a 9% increase in operating grants, amounting to \$682,000 in total. Prior to transfers of \$22,604, business-type activities realized an increase in net assets of \$477,154. Other elements of net asset changes are as follows:

- Charges for utility and transportation services increased approximately 8%, to \$5,494,860.
- Unrestricted investment earnings decreased \$7,800 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 \$1,456,198, and realized \$2,056,612 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, *unassigned 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 \$6,885,109. Approximately 38% of this total amount (\$2,592,520) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is not available for new spending because it has already been, (1) restricted for Special Revenue Funds (\$3,040,508), Capital Projects Funds (\$287,211), and Debt Service Fund (\$150,655), (2) committed in the General Fund (\$34,939), and (3) assigned for encumbrances in the General and Special Revenue Funds (\$779,276). At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,644,280, while total fund balance reached \$2,720,428. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 31% of total General Fund expenditures, while total fund balance represents approximately 32% of total General Fund expenditures. The unassigned fund balance decreased \$101,963 from June 30, 2010.

### ***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 \$652,654 and \$1,997,078 respectively. Commercial sanitation operations ended the year with \$379,130 of unrestricted net assets, while transit operations reported \$1,180,325 of net assets that were unrestricted. Also, the City's investment in the downtown parking deck provided this proprietary fund with \$261,061 of unrestricted net assets at the end of the year.

### **General Fund Budget Highlights**

There were not any differences between original budget expenditures and final amended budget expenditures during the fiscal year. The total General Fund expenditures budget was approximately \$8.0 million, and budget notes are as follows:

- Unless there is a compelling reason, the City does not amend the Governing Body approved fiscal year budget.
- The City views revenue and expenditure variances (favorable and unfavorable) as a measure of the accuracy of the City's budget process.

During the year, actual revenues exceeded budget estimates by \$472,257 and actual expenditures were \$660,817 more than the City's budget estimates. The combined favorable revenue, and 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, 2011, amounts to \$37,109,781. This investment in capital assets includes land, buildings, other improvements, equipment, and construction in progress.

Of the \$37,109,781 investment, \$19,338,687 pertained to governmental activities and \$17,771,094 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 \$145,000 of two year Lease Purchase debt to partially defray the cost of acquiring nine public safety patrol vehicles. Ad valorem tax and hospitality fee revenues are pledged to retire the debt.
- Construction of the Transit Multi-Modal Facility began in fiscal year 2009-10 and was substantially complete at current fiscal year end. The Facility will house transportation services operations and will include a shelter for the fleet of buses. Federal aid of approximately \$3.0 million provided funding for construction of the Facility.
- The \$2.8 million City Hall Expansion project was available for occupancy at fiscal year end by the City's Municipal Court and Planning and Codes department.

**Capital Assets**  
(net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Land and Buildings	\$ 7,682,358	\$ 5,598,472	\$ 2,693,543	\$ 2,762,079	\$ 10,375,901	\$ 8,360,551
Other Improvements	6,336,500	6,908,868	14,256,183	13,557,319	20,592,683	20,466,187
Equipment	1,671,048	1,396,860	773,607	1,093,568	2,444,655	2,490,428
Construction in Progress	3,648,781	2,672,435	47,761	720,042	3,696,542	3,392,477
<b>Total Capital Assets</b>	<b>\$ 19,338,687</b>	<b>\$ 16,576,635</b>	<b>\$ 17,771,094</b>	<b>\$ 18,133,008</b>	<b>\$ 37,109,781</b>	<b>\$ 34,709,643</b>

**Debt Administration**

At June 30, 2011, the City had total bonded debt outstanding of \$500,000 as a result of refunding three prior General Obligation Bond issues. 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 \$1.0 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, 2011 is as follows:**

- General Obligation Bonds \$500,000
- Tax Increment Bonds \$4,401,934
- Capital Lease Purchase Agreements \$1,644,523

**Outstanding business-type debt at June 30, 2011 is as follows:**

- Water Revenue Bonds (South Carolina Revolving Fund Loans) \$3,550,159
- Wastewater Revenue Bonds (South Carolina Revolving Fund Loan) \$523,017
- Wastewater Revenue Bonds \$358,750
- Wastewater Capital Lease Purchase Agreement \$98,000
- Commercial Sanitation Capital Lease Purchase Agreement \$66,161
- Clemson Area Transit Capital Lease Purchase Agreements \$67,923

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 \$4,147,113, which is in excess of the City's outstanding general obligation debt of \$500,000. 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 78.60 mills actually translates to a "net ad valorem tax rate" of 57.99 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>.

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# BASIC FINANCIAL STATEMENTS



**CITY OF CLEMSON**  
**STATEMENT OF NET ASSETS**  
June 30, 2011

<b>Assets</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Cash	\$ 8,138,816	\$ 625	\$ 8,139,441
Investments	3,862,348	-	3,862,348
Receivables (Net of Allowance):			
Property Taxes	362,775	-	362,775
Accounts	510,270	489,012	999,282
Interest	11,262	-	11,262
Other	86,376	188,378	274,754
Due from Other Governmental Units	663,855	180,030	843,885
Internal Balances	(4,415,675)	4,415,675	-
Inventory	-	38,125	38,125
Investment in Joint Venture	-	973,765	973,765
Deferred Charges	-	80,406	80,406
Restricted Cash - Revenue Bond Covenants	-	291,295	291,295
Capital Assets not Being Depreciated			
Land	1,595,400	462,083	2,057,483
Construction in Progress	3,648,781	47,761	3,696,542
Capital Assets net of Accumulated Depreciation			
Buildings	6,086,958	2,231,460	8,318,418
Other Improvements	6,336,500	14,256,183	20,592,683
Equipment	1,671,048	773,607	2,444,655
<b>Total Assets</b>	<b>\$ 28,558,714</b>	<b>\$ 24,428,405</b>	<b>\$ 52,987,119</b>
<b>Liabilities</b>			
Accounts Payable and Other Current Liabilities	\$ 535,315	\$ 479,491	\$ 1,014,806
Contracts Payable	547,833	82,563	630,396
Accrued Interest Payable	71,087	-	71,087
Deferred Support	301,753	-	301,753
Revenue Received in Advance	541,868	-	541,868
Liabilities Payable From Restricted Assets	-	257,706	257,706
Noncurrent Liabilities:			
Due Within One Year	1,349,831	459,232	1,809,063
Due in More Than One Year	5,605,886	4,371,924	9,977,810
<b>Total Liabilities</b>	<b>\$ 8,953,573</b>	<b>\$ 5,650,916</b>	<b>\$ 14,604,489</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	\$ 14,364,423	\$ 13,107,084	\$ 27,471,507
Restricted For:			
Debt Service	150,655	1,200,157	1,350,812
Unrestricted	5,090,063	4,470,248	9,560,311
<b>Total Net Assets</b>	<b>\$ 19,605,141</b>	<b>\$ 18,777,489</b>	<b>\$ 38,382,630</b>

See Notes to Financial Statements



CITY OF CLEMSON

STATEMENT OF ACTIVITIES

Fiscal Year Ended June 30, 2011

Functions/Programs	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
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
General Government	\$ 2,773,357	\$ 39,911	\$ 2,201,458	\$ 2,225,753	\$ -	\$ 2,225,753
Public Safety	3,235,124	-	-	(2,821,334)	-	(2,821,334)
Public Works	2,132,326	-	-	(1,667,928)	-	(1,667,928)
Culture and Recreation	1,647,387	178,820	-	(1,354,203)	-	(1,354,203)
Urban Redevelopment	2,214	-	-	(2,214)	-	(2,214)
Interest on Long-term Debt	291,601	-	-	(291,601)	-	(291,601)
<b>Total Governmental Activities</b>	<b>\$ 10,082,009</b>	<b>\$ 218,731</b>	<b>\$ 2,201,458</b>	<b>\$ (3,911,527)</b>	<b>\$ -</b>	<b>\$ (3,911,527)</b>
<b>Business-type Activities</b>						
Water	\$ 2,439,081	\$ -	\$ 10,580	\$ -	\$ (155,686)	\$ (155,686)
Wastewater	2,300,009	-	-	-	549,547	549,547
Sanitation	294,317	-	-	-	(6,758)	(6,758)
Transit	3,491,385	3,512,810	-	-	25,812	25,812
Parking Deck	175,947	68,000	-	-	(27,404)	(27,404)
<b>Total Business-type Activities</b>	<b>\$ 8,700,739</b>	<b>\$ 3,580,810</b>	<b>\$ 10,580</b>	<b>\$ -</b>	<b>\$ 385,511</b>	<b>\$ 385,511</b>
<b>Total Primary Government</b>	<b>\$ 18,782,748</b>	<b>\$ 3,799,541</b>	<b>\$ 2,212,038</b>	<b>\$ (3,911,527)</b>	<b>\$ 385,511</b>	<b>\$ (3,526,016)</b>

continued

CITY OF CLEMSON

STATEMENT OF ACTIVITIES  
Fiscal Year Ended June 30, 2011

continued

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>General Revenues:</b>							
Property Taxes					\$ 4,878,599	\$ -	\$ 4,878,599
Local Option Sales Tax					1,063,281	-	1,063,281
Local Accommodations Tax					206,726	-	206,726
Intergovernmental - Unrestricted					649,341	-	649,341
Unrestricted Investment Earnings					137,620	91,643	229,263
Other					339,613	-	339,613
Transfers					22,604	(22,604)	-
<b>Total General Revenues and Transfers</b>					<b>\$ 7,297,784</b>	<b>\$ 69,039</b>	<b>\$ 7,366,823</b>
<b>Change in Net Assets</b>					<b>\$ 3,386,257</b>	<b>\$ 454,550</b>	<b>\$ 3,840,807</b>
Net Assets, Beginning					16,218,884	18,322,939	34,541,823
Net Assets, Ending					<b>\$ 19,605,141</b>	<b>\$ 18,777,489</b>	<b>\$ 38,382,630</b>

CITY OF CLEMSON

GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2011

	General	Tax Increment Fund	Transit Multi- Modal Facility Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Assets</b>						
Cash	\$ 8,138,816	\$ -	\$ -	\$ -	\$ -	\$ 8,138,816
Investments	3,862,348	-	-	-	-	3,862,348
Receivables (Net of Allowance)						
Property Taxes	254,095	94,799	-	12,273	1,608	362,775
Accounts	45,890	-	-	-	464,380	510,270
Interest	11,262	-	-	-	-	11,262
Other	86,376	-	-	-	-	86,376
Due from Other Governmental Units	226,391	10,586	363,348	5,670	57,860	663,855
Due from Other Funds	172,102	402,372	-	142,333	3,430,502	4,147,309
<b>Total Assets</b>	<b>\$ 12,797,280</b>	<b>\$ 507,757</b>	<b>\$ 363,348</b>	<b>\$ 160,276</b>	<b>\$ 3,954,350</b>	<b>\$ 17,783,011</b>

**Liabilities and Fund Balances**

<b>Liabilities:</b>						
Vouchers Payable	\$ 276,866	\$ -	\$ -	\$ -	\$ -	\$ 276,866
Accounts Payable	237,021	2,292	3,750	-	15,385	258,448
Contracts Payable	21,995	-	239,256	-	286,582	547,833
Due to Other Funds	8,390,883	-	172,102	-	-	8,562,985
Deferred Support	608,219	90,801	-	9,621	1,261	709,902
Revenue Received in Advance	541,868	-	-	-	-	541,868
<b>Total Liabilities</b>	<b>\$ 10,076,852</b>	<b>\$ 93,093</b>	<b>\$ 415,108</b>	<b>\$ 9,621</b>	<b>\$ 303,228</b>	<b>\$ 10,897,902</b>

**Fund Balances:**

**Restricted For:**

Special Revenue Funds	\$ -	\$ 414,664	\$ -	\$ -	\$ 2,281,998	\$ 2,696,662
Special Revenue Funds - L-T Receivables	-	-	-	-	343,846	343,846
Capital Projects Funds	-	-	-	-	287,211	287,211
Debt Service Fund	-	-	-	150,655	-	150,655
<b>Committed:</b>						
General Fund	34,939	-	-	-	-	34,939
<b>Assigned:</b>						
Encumbrances	41,209	-	-	-	687,434	728,643
Special Revenue Funds	-	-	-	-	50,633	50,633
<b>Unassigned:</b>						
General Fund	2,644,280	-	(51,760)	-	-	2,644,280
Capital Projects Funds	-	-	(51,760)	-	-	(51,760)
<b>Total Fund Balances</b>	<b>\$ 2,720,428</b>	<b>\$ 414,664</b>	<b>\$ (51,760)</b>	<b>\$ 150,655</b>	<b>\$ 3,651,122</b>	<b>\$ 6,885,109</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,797,280</b>	<b>\$ 507,757</b>	<b>\$ 363,348</b>	<b>\$ 160,276</b>	<b>\$ 3,954,350</b>	<b>\$ 17,783,011</b>

CITY OF CLEMSON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET ASSETS  
June 30, 2011

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

Total fund balances - governmental funds		\$ 6,885,109
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$34,578,171 and the accumulated depreciation is \$15,239,485.		19,338,686
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.		(71,087)
Certain deferred revenues in the governmental funds are reportable for governmental activities and, therefore are not included on the statement of net assets.		408,150
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	\$ 1,644,523	
Bonds Payable	4,901,934	
Compensated Absences	409,260	
		<u>(6,955,717)</u>
Net assets of governmental activities		<u>\$ 19,605,141</u>

See Notes to Financial Statements

CITY OF CLEIMSON

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
Fiscal Year Ended June 30, 2011

	General	Tax Increment Fund	Transit Multi-Modal Facility Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Revenues</b>						
Property Taxes	\$ 3,085,144	\$ 1,624,914	\$ -	\$ 149,019	\$ 19,522	\$ 4,878,599
Local Option Sales Tax	1,008,203	-	-	48,698	6,380	1,063,281
Local Accommodations Tax	-	-	-	-	206,726	206,726
Hospitality Fees/Tax	-	-	-	-	1,047,555	1,047,555
License and Permits	1,710,186	-	-	-	-	1,710,186
Intergovernmental	649,341	-	-	-	168,808	818,149
Federal Aid	10,012	-	2,201,458	-	-	2,211,470
State Aid	-	-	-	-	39,911	39,911
Charges for Services	621,781	-	-	-	54,062	675,843
Fines and Forfeitures	316,708	-	-	-	-	316,708
Investment Earnings	50,534	27,484	-	4,573	55,029	137,620
Other	330,941	-	-	-	11,446	342,387
<b>Total Revenues</b>	<b>\$ 7,782,850</b>	<b>\$ 1,652,398</b>	<b>\$ 2,201,458</b>	<b>\$ 202,290</b>	<b>\$ 1,609,439</b>	<b>\$ 13,448,435</b>
<b>Expenditures</b>						
Current Operating						
General Government	\$ 2,232,972	\$ 30,813	\$ -	\$ -	\$ -	\$ 2,263,785
Public Safety	3,072,206	-	-	-	-	3,148,688
Public Works	1,940,504	8,940	-	-	76,482	1,949,444
Culture and Recreation	924,967	-	-	-	211,101	1,136,068
Equipment Services	136,193	-	-	-	-	136,193
Urban Redevelopment	-	-	-	-	2,214	2,214
Other	180,085	1,207	-	-	-	181,292
Debt Service						
Principal	70,000	-	-	1,686,918	259,635	2,016,553
Interest	12,829	-	-	236,645	51,037	300,511
Fees	-	-	-	20,134	-	20,134
Capital Outlay	-	-	2,382,468	-	1,111,163	3,493,631
Intergovernmental	-	-	-	-	231,951	231,951

continued

CITY OF CLEMSON

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
Fiscal Year Ended June 30, 2011

	General	Tax Incremental Fund	Transit Multi-Modal Facility Fund	Debt Service Fund	Other Governmental Funds	Total
Total Expenditures	\$ 8,569,756	\$ 40,960	\$ 2,382,468	\$ 1,943,697	\$ 1,943,583	\$ 14,880,464
Excess of Revenues Over (Under) Expenditures	\$ (786,906)	\$ 1,611,438	\$ (181,010)	\$ (1,741,407)	\$ (334,144)	\$ (1,432,029)
Other Financing Sources (Uses)						
Issuance of Long Term Debt	\$ 97,150	\$ -	\$ -	\$ 806,000	\$ 47,850	\$ 951,000
Transfers In	578,703	-	129,250	820,715	1,418,535	2,947,203
Transfers Out	(58,535)	(2,505,917)	-	-	(360,147)	(2,924,599)
Total Other Financing Sources (Uses)	\$ 617,318	\$ (2,505,917)	\$ 129,250	\$ 1,626,715	\$ 1,106,238	\$ 973,604
Net Change in Fund Balances	\$ (169,588)	\$ (894,479)	\$ (51,760)	\$ (114,692)	\$ 772,094	\$ (458,425)
Fund Balances, Beginning	2,890,016	1,309,143	-	265,347	2,879,028	7,343,534
Fund Balances, Ending	\$ 2,720,428	\$ 414,664	\$ (51,760)	\$ 150,655	\$ 3,651,122	\$ 6,885,109

continued

**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, 2011**

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

<i>Net change in fund balances - total governmental funds</i>	\$	(458,425)
<i>Governmental funds report capital outlays as expenditures (\$4,385,044). However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$1,610,958). This is the amount by which capital outlays exceeded depreciation in the current period.</i>		2,774,086
<i>The net effect of various miscellaneous transactions involving capital assets (sales and trade-ins).</i>		(12,035)
<i>Revenues in the statement of activities that do not represent current financial resources are not reported as revenues in the funds.</i>		(2,774)
<i>The issuance of long-term debt (\$951,000) provides current financial resources to governmental funds, while the repayment of long-term debt (\$2,016,553) consumes the current financial resources of governmental funds. This transaction, however, has no effect on net assets.</i>		1,065,553
<i>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.</i>		8,910
<i>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.</i>		10,942
<i>Change in net assets of governmental activities</i>	\$	<u><u>3,386,257</u></u>

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, 2011

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$ 2,839,817	\$ 2,839,817	\$ 3,085,144	\$ 245,327
Local Option Sales Tax	940,730	940,730	1,008,203	67,473
Licenses and Permits	1,685,500	1,685,500	1,710,186	24,686
Intergovernmental	751,970	751,970	649,341	(102,629)
Federal Aid	-	-	10,012	10,012
Charges for Services	590,576	590,576	621,781	31,205
Fines and Forfeitures	300,000	300,000	316,708	16,708
Investment Earnings	65,000	65,000	50,534	(14,466)
Other	137,000	137,000	330,941	193,941
<b>Total Revenues</b>	<b>\$ 7,310,593</b>	<b>\$ 7,310,593</b>	<b>\$ 7,782,850</b>	<b>\$ 472,257</b>
<b>Expenditures</b>				
<b>Current Operating</b>				
<b>General Government</b>				
Council	\$ 165,860	\$ 165,860	\$ 154,304	\$ 11,556
Municipal Court	280,153	280,153	284,755	(4,602)
Administration	479,959	479,959	479,912	47
Finance	194,968	194,968	193,035	1,933
Information Tech Services	170,852	170,852	150,841	20,011
Planning and Codes	593,967	593,967	587,480	6,487
Public Buildings	285,514	285,514	382,645	(97,131)
<b>Total</b>	<b>\$ 2,171,273</b>	<b>\$ 2,171,273</b>	<b>\$ 2,232,972</b>	<b>\$ (61,699)</b>
<b>Public Safety</b>				
Police	\$ 2,403,543	\$ 2,403,543	\$ 2,547,206	\$ (143,663)
Fire	525,000	525,000	525,000	-
<b>Total</b>	<b>\$ 2,928,543</b>	<b>\$ 2,928,543</b>	<b>\$ 3,072,206</b>	<b>\$ (143,663)</b>
<b>Public Works</b>				
Streets	\$ 537,397	\$ 537,397	\$ 664,843	\$ (127,446)
Residential Sanitation	865,889	865,889	1,055,932	(190,043)
Administration	202,993	202,993	219,729	(16,736)
<b>Total</b>	<b>\$ 1,606,279</b>	<b>\$ 1,606,279</b>	<b>\$ 1,940,504</b>	<b>\$ (334,225)</b>
<b>Culture and Recreation</b>	<b>\$ 825,933</b>	<b>\$ 825,933</b>	<b>\$ 924,967</b>	<b>\$ (99,034)</b>
<b>Equipment Services</b>	<b>\$ 128,336</b>	<b>\$ 128,336</b>	<b>\$ 136,193</b>	<b>\$ (7,857)</b>
<b>Debt Service</b>				
Principal	\$ 70,000	\$ 70,000	\$ 70,000	\$ -
Interest	12,875	12,875	12,829	46
<b>Total</b>	<b>\$ 82,875</b>	<b>\$ 82,875</b>	<b>\$ 82,829</b>	<b>\$ 46</b>

continued



CITY OF CLEMSON

continued

GENERAL FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2011

	Budgeted		Actual	Variance
	Original	Final		
<i>Expenditures, continued</i>				
<i>Other</i>	\$ 165,700	\$ 165,700	\$ 180,085	\$ (14,385)
<i>Total Expenditures</i>	\$ 7,908,939	\$ 7,908,939	\$ 8,569,756	\$ (660,817)
<i>Excess of Revenues Over (Under)</i>				
<i>Expenditures</i>	\$ (598,346)	\$ (598,346)	\$ (786,906)	\$ (188,560)
<i>Other Financing Sources</i>				
<i>Issuance of Long Term Debt</i>	\$ 108,700	\$ 108,700	\$ 97,150	\$ (11,550)
<i>Transfers In</i>	499,020	499,000	578,703	79,703
<i>Transfers Out</i>	(12,000)	(12,000)	(58,535)	(46,535)
<i>Total</i>	\$ 595,720	\$ 595,700	\$ 617,318	\$ 21,618
<i>Net Change in Fund Balances</i>	\$ (2,626)	\$ (2,646)	\$ (169,588)	\$ (166,942)
<i>Fund Balance, Beginning</i>	2,890,016	2,890,016	2,890,016	-
<i>Fund Balance, Ending</i>	\$ 2,887,390	\$ 2,887,370	\$ 2,720,428	\$ (166,942)

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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property Taxes	\$ 1,595,000	\$ 1,624,914	\$ 29,914
Investment Earnings	40,000	27,484	(12,516)
<b>Total Revenues</b>	<u>\$ 1,635,000</u>	<u>\$ 1,652,398</u>	<u>\$ 17,398</u>
<b>Expenditures</b>			
<b>Current Operating</b>			
General Government	\$ 70,000	\$ 30,813	\$ 39,187
Public Works	220,000	8,940	211,060
Other	255,000	1,207	253,793
Capital Outlay	130,000	-	130,000
<b>Total Expenditures</b>	<u>\$ 675,000</u>	<u>\$ 40,960</u>	<u>\$ 634,040</u>
<b>Excess of Revenues Over ( Under) Expenditures</b>	<u>\$ 960,000</u>	<u>\$ 1,611,438</u>	<u>\$ 651,438</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	\$ (1,242,715)	\$ (2,505,917)	\$ (1,263,202)
<b>Net Change in Fund Balance</b>	\$ (282,715)	\$ (894,479)	\$ (611,764)
<b>Fund Balance, Beginning</b>	<u>1,309,143</u>	<u>1,309,143</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 1,026,428</u>	<u>\$ 414,664</u>	<u>\$ (611,764)</u>

See Notes To Financial Statements

CITY OF CLEMSON

DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL

Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property Taxes	\$ 137,185	\$ 149,019	\$ 11,834
Local Option Sales Tax	45,444	48,698	3,254
Investment Earnings	4,500	4,573	73
	<u>187,129</u>	<u>202,290</u>	<u>15,161</u>
<b>Total Revenues</b>			
<b>Expenditures</b>			
<b>Debt Service</b>			
Principal	\$ 741,000	\$ 1,686,918	\$ (945,918)
Interest	260,900	236,645	24,255
Fees	2,000	20,134	(18,134)
	<u>1,003,900</u>	<u>1,943,697</u>	<u>(939,797)</u>
<b>Total Expenditures</b>			
Excess of Revenues Over ( Under) Expenditures	\$ (816,771)	\$ (1,741,407)	\$ (924,636)
<b>Other Financing Sources</b>			
Issuance of Long Term Debt	\$ -	\$ 806,000	\$ 806,000
Transfers In	840,715	820,715	(20,000)
	<u>840,715</u>	<u>1,626,715</u>	<u>786,000</u>
<b>Total Other Financing Sources</b>			
Net Change in Fund Balance	\$ 23,944	\$ (114,692)	\$ (138,636)
Fund Balance, Beginning	<u>265,347</u>	<u>265,347</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 289,291</u>	<u>\$ 150,655</u>	<u>\$ (138,636)</u>

See Notes To Financial Statements

CITY OF CLEMSON  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 June 30, 2011

Assets	Water	Wastewater	Sanitation	Transit	Parking Deck	Total
<b>Current Assets</b>						
Cash	\$ 300	\$ 150	-	\$ 175	-	\$ 625
Accounts Receivable	111,057	99,405	26,525	1,457	-	238,444
Unbilled Utility Receivables	129,172	114,692	6,704	-	-	250,568
Note Receivable-Current	15,473	-	-	-	-	15,473
Due from Other Governmental Units	-	-	-	180,030	-	180,030
Due from Other Funds	647,577	1,791,511	373,891	1,330,595	272,101	4,415,675
Inventory	38,125	-	-	-	-	38,125
<b>Total Current Assets</b>	<b>\$ 941,704</b>	<b>\$ 2,005,758</b>	<b>\$ 407,120</b>	<b>\$ 1,512,257</b>	<b>\$ 272,101</b>	<b>\$ 5,138,940</b>
<b>Noncurrent Assets</b>						
Restricted Cash - Revenue Bond Covenants	\$ 238,692	\$ 52,603	-	-	-	\$ 291,295
Investment in Joint Venture	-	973,765	-	-	-	973,765
Deferred Charges	69,048	11,358	-	-	-	80,406
Note Receivable	172,905	-	-	-	-	172,905
<b>Capital Assets</b>						
Land and Buildings	167,149	260,171	-	95,573	2,683,179	3,206,072
Other Improvements	7,564,511	15,410,343	-	22,454	-	22,997,308
Equipment	485,500	1,094,394	396,722	5,556,175	22,803	7,555,594
Accumulated Depreciation	(1,769,176)	(8,264,789)	(296,958)	(5,245,404)	(459,314)	(16,035,641)
Construction in Progress	-	47,761	-	-	-	47,761
<b>Total Noncurrent Assets</b>	<b>\$ 6,928,629</b>	<b>\$ 9,585,606</b>	<b>\$ 99,764</b>	<b>\$ 428,798</b>	<b>\$ 2,246,668</b>	<b>\$ 19,289,465</b>
<b>Total Assets</b>	<b>\$ 7,870,333</b>	<b>\$ 11,591,364</b>	<b>\$ 506,884</b>	<b>\$ 1,941,055</b>	<b>\$ 2,518,769</b>	<b>\$ 24,428,405</b>

continued

CITY OF CLEMSON

PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
June 30, 2011

continued

	Water	Wastewater	Sanitation	Transit	Parking Deck	Total
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 27,089	\$ 63,834	\$ 6,894	\$ 224,778	\$ 11,040	\$ 333,635
Contracts Payable	82,563	0	-	-	-	82,563
Accrued Expenses	50,260	36,468	6,011	53,117	-	145,856
Compensated Absences	20,604	32,728	4,207	27,489	-	85,028
Revenue Bonds Payable - Current	99,943	136,958	-	-	-	236,901
Capital Leases Payable - Current	-	48,000	21,380	67,923	-	137,303
<b>Total Current Liabilities</b>	<b>\$ 280,459</b>	<b>\$ 317,988</b>	<b>\$ 38,492</b>	<b>\$ 373,307</b>	<b>\$ 11,040</b>	<b>\$ 1,021,286</b>
<b>Noncurrent Liabilities</b>						
Compensated Absences	\$ 19,899	\$ 31,609	\$ 4,063	\$ 26,547	\$ -	\$ 82,118
Customer Deposits Payable	250,890	-	6,816	-	-	257,706
Revenue Bonds Payable	3,450,216	744,809	-	-	-	4,195,025
Capital Leases Payable	-	50,000	44,781	-	-	94,781
<b>Total Noncurrent Liabilities</b>	<b>\$ 3,721,005</b>	<b>\$ 826,418</b>	<b>\$ 55,660</b>	<b>\$ 26,547</b>	<b>\$ -</b>	<b>\$ 4,629,630</b>
<b>Total Liabilities</b>	<b>\$ 4,001,464</b>	<b>\$ 1,144,406</b>	<b>\$ 94,152</b>	<b>\$ 399,854</b>	<b>\$ 11,040</b>	<b>\$ 5,650,916</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	\$ 2,897,825	\$ 7,568,113	\$ 33,602	\$ 360,876	\$ 2,246,668	\$ 13,107,084
Restricted for Debt Service	318,390	881,767	-	-	-	1,200,157
Unrestricted	652,654	1,997,078	379,130	1,180,325	261,061	4,470,248
<b>Total Net Assets</b>	<b>\$ 3,868,869</b>	<b>\$ 10,446,958</b>	<b>\$ 412,732</b>	<b>\$ 1,541,201</b>	<b>\$ 2,507,729</b>	<b>\$ 18,777,489</b>

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, 2011

	Water	Wastewater	Sanitation	Transit	Parking Deck	Totals
<b>Operating Revenues</b>						
Charges for Services	\$ 2,152,721	\$ 2,003,171	\$ 284,239	\$ -	\$ 80,523	\$ 4,520,654
Impact Fees	31,628	41,486	-	-	-	73,114
Late Charges	26,895	26,640	3,320	-	-	56,855
Other	44,953	778,258	-	4,387	20	827,618
<b>Total Operating Revenues</b>	<b>\$ 2,256,197</b>	<b>\$ 2,849,555</b>	<b>\$ 287,559</b>	<b>\$ 4,387</b>	<b>\$ 80,543</b>	<b>\$ 5,478,241</b>
<b>Operating Expenses</b>						
Water Department	\$ 1,803,383	\$ -	\$ -	\$ -	\$ -	\$ 1,803,383
Wastewater Collection	-	678,996	-	-	-	678,996
Wastewater Treatment	-	1,057,916	-	-	-	1,057,916
Billing Administration	287,124	-	-	-	-	287,124
Engineering	-	111,772	-	-	-	111,772
Commercial Sanitation	-	-	243,047	-	-	243,047
Transit Operations	-	-	-	3,077,098	-	3,077,098
Parking Deck Operations	-	-	-	-	114,978	114,978
Depreciation	232,065	422,404	48,661	410,794	60,969	1,174,893
Other	24,283	9,364	409	-	-	34,056
<b>Total Operating Expenses</b>	<b>\$ 2,346,855</b>	<b>\$ 2,280,452</b>	<b>\$ 292,117</b>	<b>\$ 3,487,892</b>	<b>\$ 175,947</b>	<b>\$ 8,583,263</b>
<b>Operating Income (Loss)</b>	<b>\$ (90,658)</b>	<b>\$ 569,103</b>	<b>\$ (4,558)</b>	<b>\$ (3,483,505)</b>	<b>\$ (95,404)</b>	<b>\$ (3,105,022)</b>

continued

CITY OF CLEMSON

continued

PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 Fiscal Year Ended June 30, 2011

	Water	Wastewater	Sanitation	Transit	Parking Deck	Totals
<b>Non-Operating Revenues (Expenses)</b>						
Investment Earnings	\$ 23,619	\$ 30,759	\$ 7,290	\$ 25,899	\$ 4,076	\$ 91,643
Operating Grants	-	-	-	1,456,198	68,000	1,524,198
Intergovernmental	16,618	-	-	2,056,612	-	2,073,230
Debt Service - Interest	(92,225)	(19,556)	(2,199)	(3,494)	-	(117,474)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ (51,988)</b>	<b>\$ 11,203</b>	<b>\$ 5,091</b>	<b>\$ 3,535,215</b>	<b>\$ 72,076</b>	<b>\$ 3,571,597</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>\$ (142,646)</b>	<b>\$ 580,306</b>	<b>\$ 533</b>	<b>\$ 51,710</b>	<b>\$ (23,328)</b>	<b>\$ 466,575</b>
Capital Contributions	10,580	-	-	-	-	10,580
Transfers In	151,872	230,812	-	-	22,000	404,684
Transfers Out	(105,836)	(165,879)	(7,424)	(138,150)	(10,000)	(427,289)
<b>Change in Net Assets</b>	<b>\$ (86,030)</b>	<b>\$ 645,239</b>	<b>\$ (6,891)</b>	<b>\$ (86,440)</b>	<b>\$ (11,328)</b>	<b>\$ 454,550</b>
<b>Total Net Assets, Beginning</b>	<b>3,954,899</b>	<b>9,801,719</b>	<b>419,623</b>	<b>1,627,641</b>	<b>2,519,057</b>	<b>18,322,939</b>
<b>Total Net Assets, Ending</b>	<b>\$ 3,868,869</b>	<b>\$ 10,446,958</b>	<b>\$ 412,732</b>	<b>\$ 1,541,201</b>	<b>\$ 2,507,729</b>	<b>\$ 18,777,489</b>

See Notes to Financial Statements

CITY OF CLEMSON

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
Fiscal Year Ended June 30, 2011

Business-type Activities - Enterprise Funds

	Water	Wastewater	Sanitation	Transit	Parking Deck	Totals
<b>Cash Flows from Operating Activities</b>						
Receipts from Customers and Users	\$ 2,263,832	\$ 2,864,099	\$ 286,691	\$ 3,707	\$ 80,543	\$ 5,498,872
Payments to Suppliers	(1,459,309)	(1,849,965)	(102,258)	(1,507,621)	(104,845)	(5,023,998)
Payments to Employees	(709,637)	(896,018)	(137,726)	(1,436,824)	-	(3,180,205)
Net Cash Provided (Used) by Operating Activities	\$ 94,886	\$ 118,116	\$ 46,707	\$ (2,940,738)	\$ (24,302)	\$ (2,705,331)
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfer from (to) Other Funds	\$ 305,520	\$ 90,649	\$ (30,553)	\$ (222,604)	\$ (47,774)	\$ 95,238
Grants Available for Operating Purposes	-	-	-	1,340,621	68,000	1,408,621
Subsidies from Other Governmental Agencies	16,618	-	-	2,041,373	-	2,057,991
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ 322,138	\$ 90,649	\$ (30,553)	\$ 3,159,390	\$ 20,226	\$ 3,561,850
<b>Cash Flows from Capital and Related Financing Activities</b>						
Proceeds from Capital Debt	\$ -	\$ 330,325	\$ -	\$ -	\$ -	\$ 330,325
Capital Contributions	10,580	-	-	-	-	10,580
Purchases of Capital Assets	(265,427)	(363,004)	-	(173,972)	-	(802,403)
Acquisition and Construction of Capital Assets	(10,580)	-	-	-	-	(10,580)
Principal Paid on Capital Debt	(97,418)	(177,498)	(20,733)	(65,367)	-	(361,016)
Interest Paid on Capital Debt	(92,851)	(20,697)	(2,711)	(5,212)	-	(121,471)
Proceeds from Sale of Capital Asset	15,092	-	-	-	-	15,092
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (440,604)	\$ (230,874)	\$ (23,444)	\$ (244,551)	\$ -	\$ (939,473)
<b>Cash Flows from Investing Activities</b>						
Investment Income Received	\$ 23,619	\$ 30,759	\$ 7,290	\$ 25,899	\$ 4,076	\$ 91,643
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 39	\$ 8,650	\$ -	\$ -	\$ -	\$ 8,689
Cash and Cash Equivalents, Beginning	238,953	44,103	-	175	-	283,231
Cash and Cash Equivalents, Ending	\$ 238,992	\$ 52,753	\$ -	\$ 175	\$ -	\$ 291,920

continued



CITY OF CLEMSON

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
Fiscal Year Ended June 30, 2011

	Water	Wastewater	Sanitation	Transit	Parking Deck	Totals
Business-type Activities - Enterprise Funds						
	\$ (90,658)	\$ 569,103	\$ (4,558)	\$ (3,483,505)	\$ (95,404)	\$ (3,105,022)
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ 232,065	\$ 422,404	\$ 48,661	\$ 410,794	\$ 60,969	\$ 1,174,893
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities	(3,380)	14,544	(1,268)	(680)	-	9,216
Depreciation Expense	(13,572)	-	-	-	-	(13,572)
(Increase) Decrease in Accounts Receivable	-	(646,159)	-	-	-	(646,159)
(Increase) Decrease in Inventory	2,862	1,038	-	-	-	3,900
Venture	(25,846)	7,994	3,533	124,886	10,133	120,700
(Increase) Decrease in Deferred Charges	(27,435)	(243,607)	-	-	-	(271,042)
Increase (Decrease) in Accounts Payable	4,078	1,725	264	7,159	-	13,226
Increase (Decrease) in Contracts Payable	5,755	(8,926)	(325)	608	-	(2,888)
Increase (Decrease) in Accrued Wages	11,017	-	400	-	-	11,417
Increase (Decrease) in Compensated Absences						
Increase (Decrease) in Customer Deposits						
Total Adjustments	\$ 185,544	\$ (450,987)	\$ 51,265	\$ 542,767	\$ 71,102	\$ 399,691
Net Cash Provided (Used) by Operating Activities	\$ 94,886	\$ 118,116	\$ 46,707	\$ (2,940,738)	\$ (24,302)	\$ (2,705,331)

continued

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities  
Operating Income (Loss)  
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities  
Depreciation Expense  
(Increase) Decrease in Accounts Receivable  
(Increase) Decrease in Inventory  
(Increase) Decrease in Investment in Joint Venture  
(Increase) Decrease in Deferred Charges  
Increase (Decrease) in Accounts Payable  
Increase (Decrease) in Contracts Payable  
Increase (Decrease) in Accrued Wages  
Increase (Decrease) in Compensated Absences  
Increase (Decrease) in Customer Deposits  
Total Adjustments

Net Cash Provided (Used) by Operating Activities

See Notes To Financial Statements

## **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 Transit Multi-Modal Facility Fund was established to account for construction of the transit building. The majority of the funding for this project will come from federal grant funds.*

*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*

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.*

*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.*

## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

*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:*

- 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;*

## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

- 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.*

#### *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.*

#### *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, 2005 Water B and 2009 Wastewater 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.*

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

*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 are 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

*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.*

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

*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 Balance*

*During the year ended June 30, 2011, the City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions ("GASB 54"), which establishes new fund balance classifications for governmental fund types and clarifies the definitions of the governmental fund types. The implementation of this statement had no impact on the total fund balances for the City's governmental funds.*

*In accordance with GASB 54, the City classifies governmental fund balances as follows:*

- Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).*
- Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.*
- Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by City Council, which is the highest level of decision making authority, before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.*



## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

- *Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. Assigned balances are approved by the City Administrator.*
- *Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if the expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.*

#### *Net Assets*

*Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by City Council or through external restrictions imposed by creditors, grantors, or laws or regulations of other governmental entities.*

#### *Accounting Estimates*

*The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the City's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.*

#### 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 loss on its investments of \$9,283 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, 2011: 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>
<i>Federal Farm Credit Bank Bonds</i>			
Due 05/07/20	AAA/Aaa/AAA	\$ 100,000	\$ 112,276
Due 12/21/20	AAA/Aaa/AAA	100,000	103,045
Due 11/26/24	AAA/Aaa/AAA	125,000	124,695
Due 02/14/25	AAA/Aaa	50,000	53,935
Due 02/01/28	AAA/Aaa/AAA	145,000	156,674
Due 11/24/28	AAA/Aaa/AAA	200,000	203,280
Due 06/08/37	AAA/Aaa	100,000	99,853
<i>Federal Home Loan Mortgage Notes</i>			
Due 10/15/24	AAA/Aaa/AAA	100,000	101,588
Due 10/15/24	AAA/Aaa/AAA	150,000	151,158
Due 01/15/25	AAA/Aaa/AAA	130,000	131,733
Due 09/15/25	AAA/Aaa/AAA	150,000	146,441
Due 09/15/25	AAA/Aaa/AAA	100,000	97,351
Due 01/15/28	AAA/Aaa/AAA	150,000	153,096
Due 01/15/28	AAA/Aaa/AAA	100,000	102,083
Due 03/15/28	AAA/Aaa/AAA	50,000	50,936
Due 05/15/30	AAA/Aaa/AAA	100,000	99,654
Due 06/15/30	AAA/Aaa/AAA	100,000	97,274
Due 07/15/30	AAA/Aaa/AAA	100,000	95,030
<i>Tennessee Valley Auth</i>			
Due 01/15/28	Aaa	100,000	100,098
Due 07/15/33	AAA/Aaa/AAA	50,000	50,994
Due 09/15/39	AAA/Aaa/AAA	45,000	49,021
<i>Federal Home Loan Banks</i>			
Due 03/12/21	AAA/Aaa	220,000	225,434
<i>GNMA II Guaranteed Pass Thru</i>			
Due 06/20/28	N/A	19,595	21,162
<i>S.C. State Public Service Auth</i>			
Due 01/01/32	AA-/Aa3/AA	100,000	100,092
<i>Federal Home Loan MTG Corp</i>			
Due 04/15/33	N/A	100,000	101,000
<i>Federal National Mortgage</i>			
Due 04/18/36	AAA/Aaa/AAA	100,000	111,621
<i>State Investment Pool</i>			
Due 09/30/11	AAA/Aaa	<u>1,022,824</u>	<u>1,022,824</u>
Totals		<u>\$ 3,807,419</u>	<u>\$ 3,862,348</u>

**Interest rate risk** – Interest rate risk is the risk that the fair 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, 2011, \$6,654,980 of the City’s bank balance of \$8,511,275 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 \$3,862,348 the City has a custodial credit risk exposure of \$122,162 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 <sup>st</sup>
Tax Due	on or before January 15 <sup>th</sup>
Penalty	3% after January 15 <sup>th</sup> 7% additional after February 1 <sup>st</sup>
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:

Receivables:	<u>General</u>	<u>Tax Increment</u>	<u>Transit Multi Modal Facility</u>	<u>Debt Service Fund</u>	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Transit</u>	<u>Nonmajor</u>	<u>Total</u>
<i>Property Taxes</i>	\$ 267,468	\$ 99,788	\$ -	\$ 12,919	\$ -	\$ -	\$ -	\$ -	\$ 1,692	\$ 381,868
<i>Accounts Interest</i>	45,890	-	-	-	240,229	214,097	33,229	1,457	498,279	1,033,180
<i>Inter-governmental</i>	11,262	-	-	-	-	-	-	-	-	11,262
<i>Other</i>	226,391	10,586	363,348	5,670	-	-	-	180,030	57,860	843,885
	86,376	-	-	-	-	-	-	-	-	86,376
<b>Gross Receivables</b>	<b>\$ 637,387</b>	<b>\$ 110,374</b>	<b>\$ 363,348</b>	<b>\$ 18,589</b>	<b>\$ 240,229</b>	<b>\$ 214,097</b>	<b>\$ 33,229</b>	<b>\$ 181,487</b>	<b>\$ 557,831</b>	<b>\$ 2,356,571</b>
<b>Less:</b>										
<i>Allowance for Uncollectibles</i>	(13,373)	(4,989)	-	(646)	-	-	-	-	(33,983)	(52,991)
<b>Net Total Receivables</b>	<b>\$ 624,014</b>	<b>\$ 105,385</b>	<b>\$ 363,348</b>	<b>\$ 17,943</b>	<b>\$ 240,229</b>	<b>\$ 214,097</b>	<b>\$ 33,229</b>	<b>\$ 181,487</b>	<b>\$ 523,848</b>	<b>\$ 2,303,580</b>

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, 2011 is \$363,308 of which \$343,846 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, 2011 is \$188,378 with \$15,473 due within the next year.

**6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011 was as follows:

Governmental activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Capital assets, not depreciated:</i>				
<i>Land</i>	\$ 1,595,400	\$ -	\$ -	\$ 1,595,400
<i>Construction in Progress</i>	2,672,435	2,979,195	(2,002,849)	3,648,781
<b>Total capital assets, not depreciated</b>	<b>\$ 4,267,835</b>	<b>\$ 2,979,195</b>	<b>\$(2,002,849)</b>	<b>\$ 5,244,181</b>

**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	\$ 7,207,122	\$ 309,936	\$ -	\$ 7,517,058
Buildings	5,546,029	2,253,994	(1,286)	7,798,737
Infrastructure	7,649,699	-	-	7,649,699
Furniture and equipment	<u>5,883,506</u>	<u>873,348</u>	<u>(388,358)</u>	<u>6,368,496</u>
<i>Total capital assets depreciated</i>	<u>\$ 26,286,356</u>	<u>\$ 3,437,278</u>	<u>\$ (389,644)</u>	<u>\$ 29,333,990</u>
<i>Less accumulated depreciation for:</i>				
Other improvements	\$ (3,539,376)	\$ (566,012)	\$ -	\$ (4,105,388)
Buildings	(1,542,957)	(168,822)	-	(1,711,779)
Infrastructure	(4,408,576)	(316,295)	-	(4,724,871)
Furniture and equipment	<u>(4,486,646)</u>	<u>(571,130)</u>	<u>360,328</u>	<u>(4,697,448)</u>
<i>Total accumulated depreciation</i>	<u>\$ (13,977,555)</u>	<u>\$ (1,622,259)</u>	<u>\$ 360,328</u>	<u>\$ (15,239,486)</u>
<i>Total capital assets, depreciated, net</i>	<u>\$ 12,308,801</u>	<u>\$ 1,815,019</u>	<u>\$ (29,316)</u>	<u>\$ 14,094,504</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 16,576,636</u>	<u>\$ 4,794,214</u>	<u>\$(2,032,165)</u>	<u>\$ 19,338,685</u>
<b><i>Business-type activities:</i></b>				
<i>Capital assets, not depreciated:</i>				
Land	\$ 462,083	\$ -	\$ -	\$ 462,083
Construction in Progress	<u>720,041</u>	<u>5,987</u>	<u>(678,267)</u>	<u>47,761</u>
<i>Total capital assets, not depreciated</i>	<u>\$ 1,182,124</u>	<u>\$ 5,987</u>	<u>\$ (678,267)</u>	<u>\$ 509,844</u>
<i>Capital assets, depreciated:</i>				
Other improvements	\$ 7,326,091	\$ 551,314	\$ -	\$ 7,877,405
Buildings	2,743,989	-	-	2,743,989
Infrastructure	14,447,888	677,965	(5,950)	15,119,903
Furniture and equipment	<u>7,386,741</u>	<u>279,108</u>	<u>(110,255)</u>	<u>7,555,594</u>
<i>Total capital assets depreciated</i>	<u>\$ 31,904,709</u>	<u>\$ 1,508,387</u>	<u>\$ (116,205)</u>	<u>\$ 33,296,891</u>
<i>Less accumulated depreciation for:</i>				
Other improvements	\$ (4,135,118)	\$ (167,335)	\$ -	\$ (4,302,453)
Buildings	(443,992)	(68,537)	-	(512,529)
Infrastructure	(4,081,542)	(357,130)	-	(4,438,672)
Furniture and equipment	<u>(6,293,173)</u>	<u>(599,069)</u>	<u>110,255</u>	<u>(6,781,987)</u>
<i>Total accumulated depreciation</i>	<u>\$ (14,953,825)</u>	<u>\$ (1,192,071)</u>	<u>\$ 110,255</u>	<u>\$(16,035,641)</u>
<i>Total capital assets, depreciated, net</i>	<u>\$ 16,950,884</u>	<u>\$ 316,316</u>	<u>\$ (5,950)</u>	<u>\$ 17,261,250</u>
<i>Business-type activities capital assets, net</i>	<u>\$ 18,133,008</u>	<u>\$ 322,303</u>	<u>\$ (684,217)</u>	<u>\$ 17,771,094</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	\$ 185,645
Public Safety	215,258
Public Works	584,019
Culture and Recreation	604,764
Equipment Services	21,272
Total Depreciation Expense-Governmental Activities	<u>\$ 1,610,958</u>
 <i>Business-type Activities:</i>	
Water	\$ 232,065
Wastewater	422,404
Sanitation	48,661
Transit	410,794
Parking Deck	60,969
Total Depreciation Expense-Business-Type Activities	<u>\$ 1,174,893</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	\$ 1,067,198	\$ 639,614
Other Improvements	2,309,124	-
Less: Accumulated Depreciation	(1,219,089)	(332,037)
Carrying Value	<u>\$ 2,157,233</u>	<u>\$ 307,577</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, 2011:

<u>Fiscal Year Ending</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
06/30/2012	\$ 468,919	\$ 144,943
06/30/2013	388,232	74,934
06/30/2014	316,283	23,444
06/30/2015	315,958	-
06/30/2016	315,574	-
Total minimum lease payments	<u>\$ 1,804,966</u>	<u>\$ 243,321</u>
Less interest portion	<u>(160,443)</u>	<u>(11,237)</u>
Present value of future minimum Lease payments	<u>\$ 1,644,523</u>	<u>\$ 232,084</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, 2011, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Current Portion</u>
2009 Wastewater Fund	1.82 %	\$ 523,017	\$ 31,958
2005 Water A	2.5 %	3,044,600	86,522
2005 Water B	3.0 %	505,558	13,421
1994 Wastewater Fund	68 % of Prime*	<u>358,750</u>	<u>105,000</u>
Total		<u>\$ 4,431,925</u>	<u>\$ 236,901</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 \$1,416,780 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 236,901	\$ 121,505	\$ 358,405
2013	241,034	111,257	352,291
2014	244,198	100,215	344,414
2015	186,202	90,236	276,438
2016	145,794	86,073	231,867
2017-2020	618,483	308,989	927,472
2021-2025	860,168	299,167	1,159,335
2026-2030	763,679	198,062	961,740
2031-2035	856,384	94,955	951,339
2036-2040	<u>279,082</u>	<u>6,321</u>	<u>285,403</u>
Totals	<u>\$ 4,431,925</u>	<u>\$ 1,416,780</u>	<u>\$ 5,848,705</u>

Water and Wastewater System Revenue Bond Ordinances requires the following reserve on the Water and Wastewater Funds retained earnings at June 30, 2011:

	<u>Water</u>	<u>Wastewater</u>
Reserve for future principal and interest payments (1)	\$ 71,350	\$ 154,984
Reserve for operations and maintenance	183,732	176,463
Reserve for depreciation	62,308	606,611
Reserve for contingency	1,000	1,000
Less adjustment to bond balance	-	(57,291)
Total	<u>\$ 318,390</u>	<u>\$ 881,767</u>



**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**8. LONG-TERM DEBT, continued**

(1) The reserve for future principal and interest payments in the Water and Wastewater Funds is reflected in restricted cash in those Funds.

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

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, 2011 are as follows:

<u>Purpose</u>	<u>Bond Proceeds</u>	<u>Interest Rate</u>	<u>Balance 6/30/11</u>
Law Enforcement/Central Recreation/ Capital Projects / Land	\$ 806,000	2.220 %	\$ 500,000
Various Capital Projects	5,000,000	4.810 %	2,615,000
Various Capital Projects	3,000,000	3.790 %	1,786,934
	<hr/>		<hr/>
Totals	<u>\$ 9,905,000</u>		<u>\$ 4,901,934</u>

Annual debt service requirements to maturity for general obligation bonds including interest of \$754,701 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 726,849	\$ 204,499	\$ 931,348
2013	754,115	174,899	929,014
2014	791,769	144,032	935,801
2015	824,827	111,514	936,341
2016	858,304	77,571	935,875
2017	946,070	42,186	988,256
	<hr/>	<hr/>	<hr/>
Totals	<u>\$ 4,901,934</u>	<u>\$ 754,701</u>	<u>\$ 5,656,635</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.

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**8. LONG-TERM DEBT, continued**

Long-term liability activity for the year ended June 30, 2011, 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	\$ 5,782,851	\$ 806,000	\$ (1,686,917)	\$ 4,901,934	\$ 726,849
Capital Leases	1,829,158	145,000	(329,635)	1,644,523	413,127
Compensated Absences	420,202	242,839	(253,781)	409,260	209,855
<i>Governmental Activity Long-Term Liabilities</i>	<u>\$ 8,032,211</u>	<u>\$1,193,839</u>	<u>\$ (2,270,333)</u>	<u>\$ 6,955,717</u>	<u>\$ 1,349,831</u>

	<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	\$ 4,329,517	\$ 330,325	\$ (227,917)	\$ 4,431,925	\$ 236,901
Capital Leases	365,184	-	(133,100)	232,084	137,303
Compensated Absences	170,034	98,346	(101,235)	167,145	85,027
<i>Business-Type Activity Long-Term Liabilities</i>	<u>\$ 4,864,735</u>	<u>\$ 428,671</u>	<u>\$ (462,252)</u>	<u>\$ 4,831,154</u>	<u>\$ 459,231</u>

**9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2011 is as follows:

Due to/from funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water	General	\$ 647,578
Wastewater	General	1,791,511
Sanitation	General	373,891
Transit	General	1,330,595
Parking Deck	General	272,101
Tax Increment	General	402,372
Debt Service	General	142,333
General	Transit Multi-Modal Facility	172,102
Nonmajor Governmental Funds	General	3,430,502
Total		<u>\$ 8,562,985</u>

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

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**9.INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, continued**

Interfund transfers are as follows:

<u>Governmental Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
<i>General Fund:</i>			
Nonmajor Governmental	\$ 294,665	\$ 46,535	
Wastewater	-	12,000	
Parking Deck	10,000	-	
Total General Fund	<u>\$ 304,665</u>	<u>\$ 58,535</u>	
<i>Tax Increment Fund:</i>			
Nonmajor Governmental	\$ -	\$ 1,340,000	
Debt Service	-	820,715	
Water	-	136,872	
Wastewater	-	186,330	
Parking Deck	-	22,000	
Total Tax Increment Fund	<u>\$ -</u>	<u>\$ 2,505,917</u>	
<i>Transit Multi-Modal Facility:</i>			
Transit	\$ 129,250	\$ -	
<i>Debt Service:</i>			
Tax Increment Fund	\$ 820,715	\$ -	
<i>Nonmajor Governmental:</i>			
General Fund	\$ 46,535	\$ 294,665	
Tax Increment Fund	1,340,000	-	
Water	-	15,000	
Wastewater	-	18,482	
Nonmajor Governmental	32,000	32,000	
Total Nonmajor Governmental	<u>\$ 1,418,535</u>	<u>\$ 360,147</u>	
<i>Total Governmental Fund Transfers</i>	<u>\$ 2,673,165</u>	<u>\$ 2,924,599</u>	<u>\$ (251,434)</u>
<u>Proprietary Funds</u>			
<i>Water:</i>			
Wastewater Fund	\$ -	\$ 14,000	
Tax Increment Fund	136,872	-	
Nonmajor Governmental	15,000	-	
Total Water	<u>\$ 151,872</u>	<u>\$ 14,000</u>	
<i>Wastewater:</i>			
General Fund	\$ 12,000	\$ -	
Tax Increment Fund	186,330	-	
Nonmajor Governmental	18,482	-	
Water Fund	14,000	-	
Total Wastewater	<u>\$ 230,812</u>	<u>\$ -</u>	
<i>Transit:</i>			
Transit Multi-Modal Facility	\$ -	\$ 129,250	
<i>Parking Deck:</i>			
General Fund	\$ -	\$ 10,000	
Tax Increment Fund	22,000	-	
Total Parking Deck	<u>\$ 22,000</u>	<u>\$ 10,000</u>	
<i>Total Proprietary Fund Transfers</i>	<u>\$ 404,684</u>	<u>\$ 153,250</u>	<u>\$ 251,434</u>

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, continued**

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.

**10. CONSTRUCTION COMMITMENTS**

The City has two major and several smaller ongoing construction projects as of June 30, 2011. The major projects are the Downtown Revitalization and Clemson Area Transit Multi-Modal Facility Engineering and Design. The City's commitments with contractors at year-end are as follows:

<i>Project:</i>	<u>Spent to Date</u>	<u>Commitments at 6-30-11</u>
Downtown Revitalization	\$ 422,901	\$ 844,502
Clemson Area Transit Multi-Modal Facility	2,582,202	411,156
Patrick Square Subdivision Lighting	7,938	16,117
Berkeley Drive Pedestrian Bridge Engineering	<u>48,640</u>	<u>21,360</u>
Total	<u>\$ 3,061,681</u>	<u>\$ 1,293,135</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 years ending June 30, 2009, June 30, 2010, and June 30, 2011. The contract was also extended for an additional year on May 2, 2011 for the year beginning July 1, 2011.

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 \$525,000 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 2011	\$ 575,000
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**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**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 .

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	6.5% of salary

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	11.13% 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
06/30/11	\$ 434,652	100 %	\$ 165,740	100 %
06/30/10	424,035	100 %	156,542	100 %
06/30/09	431,617	100 %	152,925	100 %

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**12. EMPLOYEES RETIREMENT SYSTEMS, continued**

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.

**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.

<u>General Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>
Current Operating		
Municipal Court	\$ 280,153	\$ 284,755
Public Buildings	285,514	382,645
Public Safety		
Police	2,403,543	2,547,206
Public Works		
Streets	537,397	664,843
Residential Sanitation	865,889	1,055,932
Administration	202,993	219,729
Culture and Recreation	825,933	924,967
Equipment Services	128,336	136,193
Other	165,700	180,085
<hr/>		
<u>Debt Service Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>
Debt Service		
Principal	\$ 741,000	\$ 1,686,918
Fees	2,000	20,134
<hr/>		
<u>Nonmajor Governmental Funds</u>	<u>Appropriations</u>	<u>Expenditures</u>
Current Operating		
Public Safety	\$ -	\$ 1,803
Culture and Recreation	185,065	211,101
Capital Outlay	-	13,735

**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:

## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

#### 14. JOINT VENTURE, *continued*

- *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.*

*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, 2011 the Wastewater Fund had total assets of \$11,591,364 and total liabilities of \$1,144,406.*

*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, 2005. The agreement includes automatic one-year renewals unless either the municipality or the County needs additional capacity or the treatment plant's capacity is expanded.*

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**14. JOINT VENTURE, continued**

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

Total Assets		\$ 2,936,297
Total Liabilities		1,038,479
Total Equity		1,897,818
Total Operating Revenues		527,741
Total Operating Expenses		495,883
Operating Income (Loss)		31,858
Nonoperating Income		1,346,571

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 \$973,765 which includes a \$28,257 contribution towards debt on new capacity, \$2,391 of amortization of the difference of the cost of the investment and the value of the underlying assets, and \$620,293 of current year net income as follows:

Carrying Value, 6/30/10	\$ 327,606		
Current year income (loss)	620,293		
	\$ 947,899	\$ 947,899	
Net value of underlying assets	(852,268)		
Difference	\$ 95,631		
Amortization - SL over 40 years		(2,391)	
Contribution towards debt on new capacity		28,257	
Carrying Value, 6/30/11		\$ 973,765	

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%



## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

#### 14. JOINT VENTURE, *continued*

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

#### 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 \$1,063,281 during the current year.

## **CITY OF CLEMSON**

### **NOTES TO FINANCIAL STATEMENTS**

#### **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 \$523,778 of hospitality fees and \$523,777 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.*

*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 \$1,624,914 in TIF designated property taxes. Also during the current year \$2,505,917 was transferred to various capital projects.*

## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

#### 19. CLEMSON REDEVELOPMENT PLAN / CAPITAL PROJECTS, *continued*

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
<b>Total</b>	<b>\$ 8,000,000</b>	<b>\$ 8,000,000</b>

#### 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. COMMITTED FUND BALANCE

City Council adopted a new Municipal Service Agreement with Duke Energy Carolinas, LLC on June 8, 2009. The franchise fee rate in that agreement was set at 4.5 %, with one-half of one percent being designated for future costs of converting overhead power lines to underground power delivery. The amount designated during the year ended June 30, 2011 was \$34,939.

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.

**CITY OF CLEMSON**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2011**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets</b>			
<i>Receivables (Net of Allowance)</i>			
Property Taxes	\$ 1,608	\$ -	\$ 1,608
Accounts	464,380	-	464,380
<i>Due from Other Governmental Units</i>	57,860	-	57,860
<i>Due from Other Funds</i>	2,185,644	1,244,858	3,430,502
	<u>2,709,492</u>	<u>1,244,858</u>	<u>3,954,350</u>
<b>Total Assets</b>	<b>\$ 2,709,492</b>	<b>\$ 1,244,858</b>	<b>\$ 3,954,350</b>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 15,385	\$ -	\$ 15,385
Contracts Payable	-	286,582	286,582
Deferred Revenue - Property Taxes	1,261	-	1,261
	<u>16,646</u>	<u>286,582</u>	<u>303,228</u>
<b>Total Liabilities</b>	<b>\$ 16,646</b>	<b>\$ 286,582</b>	<b>\$ 303,228</b>
 <b>Fund Balances</b>			
Restricted for Long - Term Receivables	\$ 343,846	\$ 671,065	\$ 1,014,911
Assigned to Encumbrances	16,369	-	16,369
Unassigned	2,332,631	287,211	2,619,842
	<u>2,692,846</u>	<u>958,276</u>	<u>3,651,122</u>
<b>Total Fund Balances</b>	<b>\$ 2,692,846</b>	<b>\$ 958,276</b>	<b>\$ 3,651,122</b>
 <b>Total Liabilities and Fund Balances</b>	 <b>\$ 2,709,492</b>	 <b>\$ 1,244,858</b>	 <b>\$ 3,954,350</b>

CITY OF CLEMSON

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 Fiscal Year Ended June 30, 2011

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Revenues</b>			
Property Taxes	\$ 19,522	\$ -	\$ 19,522
Local Option Sales Tax	6,380	-	6,380
Local Accomodations Tax	206,726	-	206,726
Hospitality Fees/Tax	1,047,555	-	1,047,555
Intergovernmental	168,808	-	168,808
State Aid	39,911	-	39,911
Charges for Services	54,062	-	54,062
Investment Earnings	45,449	9,580	55,029
Other	10,246	1,200	11,446
<b>Total Revenues</b>	<b>\$ 1,598,659</b>	<b>\$ 10,780</b>	<b>\$ 1,609,439</b>
<b>Expenditures</b>			
<b>Current Operating</b>			
Public Safety	\$ 76,482	\$ -	\$ 76,482
Urban Redevelopment	2,214	-	2,214
Culture and Recreation	211,101	-	211,101
<b>Debt Service</b>			
Principal	259,635	-	259,635
Interest	51,037	-	51,037
Capital Outlay	83,247	1,027,916	1,111,163
Intergovernmental			
Tourism - Promotion	36,000	-	36,000
Tourism - Tourism Related	195,951	-	195,951
<b>Total Expenditures</b>	<b>\$ 915,667</b>	<b>\$ 1,027,916</b>	<b>\$ 1,943,583</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 682,992</b>	<b>\$ (1,017,136)</b>	<b>\$ (334,144)</b>
<b>Other Financing Sources (Uses)</b>			
Issuance of Long Term Debt	\$ 47,850	\$ -	\$ 47,850
Transfers In	32,000	1,386,535	1,418,535
Transfers Out	(307,000)	(53,147)	(360,147)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (227,150)</b>	<b>\$ 1,333,388</b>	<b>\$ 1,106,238</b>
<b>Net Change in Fund Balances</b>	<b>\$ 455,842</b>	<b>\$ 316,252</b>	<b>\$ 772,094</b>
<b>Fund Balances, Beginning</b>	<b>\$ 2,237,004</b>	<b>\$ 642,024</b>	<b>\$ 2,879,028</b>
<b>Fund Balances, Ending</b>	<b>\$ 2,692,846</b>	<b>\$ 958,276</b>	<b>\$ 3,651,122</b>

CITY OF CLEMSON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

June 30, 2011

	Community Development Funds	Emergency Phone System	Tourism Fund	Park Land Fund	Hospitality Fee Fund	Hospitality Tax Fund	Local Accom Tax Fund	Total 6/30/11
<b>Assets</b>								
Receivables (Net of Allowance)								
Property Taxes	\$ -	\$ -	\$ -	\$ 1,608	\$ -	\$ -	\$ -	\$ 1,608
Accounts	363,308	2,586	-	-	38,770	38,770	20,946	464,380
Due from Other Governmental Units	-	-	57,117	743	-	-	-	57,860
Due from Other Funds	241,964	166,405	83,558	49,543	499,636	802,376	342,162	2,185,644
<b>Total Assets</b>	<b>\$ 605,272</b>	<b>\$ 168,991</b>	<b>\$ 140,675</b>	<b>\$ 51,894</b>	<b>\$ 538,406</b>	<b>\$ 841,146</b>	<b>\$ 363,108</b>	<b>\$ 2,709,492</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts and Vouchers Payable	\$ -	\$ 2,051	\$ -	\$ -	\$ 9,130	\$ 2,956	\$ 1,248	\$ 15,385
Deferred Revenue- Property Taxes	-	-	-	1,261	-	-	-	1,261
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 2,051</b>	<b>\$ -</b>	<b>\$ 1,261</b>	<b>\$ 9,130</b>	<b>\$ 2,956</b>	<b>\$ 1,248</b>	<b>\$ 16,646</b>
<b>Fund Balances</b>								
Restricted For Long - Term Receivables	\$ 343,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,846
Assigned To Encumbrances	-	-	-	-	-	3,975	12,394	16,369
Unreserved	261,426	166,940	140,675	50,633	529,276	834,215	349,466	2,332,631
<b>Total Fund Balances</b>	<b>\$ 605,272</b>	<b>\$ 166,940</b>	<b>\$ 140,675</b>	<b>\$ 50,633</b>	<b>\$ 529,276</b>	<b>\$ 838,190</b>	<b>\$ 361,860</b>	<b>\$ 2,692,846</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 605,272</b>	<b>\$ 168,991</b>	<b>\$ 140,675</b>	<b>\$ 51,894</b>	<b>\$ 538,406</b>	<b>\$ 841,146</b>	<b>\$ 363,108</b>	<b>\$ 2,709,492</b>



CITY OF CLEMSON

NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 Fiscal Year Ended June 30, 2011

	Community Development Funds	Emergency Phone System	Tourism Fund	Park Land Fund	Hospitality Fee Fund	Hospitality Tax Fund	Local Accom Tax Fund	Total 6/30/11
<b>Revenues</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ 19,522	\$ -	\$ -	\$ -	\$ 19,522
Local Option Sales Tax	-	-	-	6,380	-	-	-	6,380
Local Accommodations Tax	-	-	-	-	-	-	206,726	206,726
Hospitality Fees/Tax	-	-	-	-	523,778	523,777	-	1,047,555
Intergovernmental	-	-	168,808	-	-	-	-	168,808
Other Revenues	10,246	-	-	-	-	-	-	10,246
Charges for Services	-	54,062	-	-	-	-	-	54,062
State Aid	-	39,911	-	-	-	-	-	39,911
Investment Earnings	13,130	2,970	538	688	9,045	13,243	5,835	45,449
<b>Total Revenues</b>	<b>\$ 23,376</b>	<b>\$ 96,943</b>	<b>\$ 169,346</b>	<b>\$ 26,590</b>	<b>\$ 532,823</b>	<b>\$ 537,020</b>	<b>\$ 212,561</b>	<b>\$ 1,598,659</b>
<b>Expenditures</b>								
Current Operating								
Public Safety	\$ -	\$ 74,679	\$ -	\$ -	\$ 1,803	\$ -	\$ -	\$ 76,482
Urban Redevelopment	2,214	-	-	-	-	-	-	2,214
Culture and Recreation	-	-	-	30	169,564	41,507	-	211,101
Capital Outlay	-	13,735	-	-	66,737	2,775	-	83,247
Intergovernmental	-	-	-	-	-	-	-	-
Tourism - Promotion	-	-	36,000	-	-	-	-	36,000
Tourism - Tourism Related	-	-	64,000	-	17,638	60,404	53,909	195,951
Debt Service	-	-	-	-	73,668	185,967	-	259,635
Principal	-	-	-	-	5,873	45,164	-	51,037
Interest	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 2,214</b>	<b>\$ 88,414</b>	<b>\$ 100,000</b>	<b>\$ 30</b>	<b>\$ 335,283</b>	<b>\$ 335,817</b>	<b>\$ 53,909</b>	<b>\$ 915,667</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 21,162</b>	<b>\$ 8,529</b>	<b>\$ 69,346</b>	<b>\$ 26,560</b>	<b>\$ 197,540</b>	<b>\$ 201,203</b>	<b>\$ 158,652</b>	<b>\$ 682,992</b>
<b>Other Financing Sources (Uses)</b>								
Issuance of Long Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 47,850	\$ -	\$ -	\$ 47,850
Transfers In	-	-	-	-	-	32,000	-	32,000
Transfers Out	-	-	-	-	(135,000)	(120,000)	(52,000)	(307,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (87,150)</b>	<b>\$ (88,000)</b>	<b>\$ (52,000)</b>	<b>\$ (227,150)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 21,162</b>	<b>\$ 8,529</b>	<b>\$ 69,346</b>	<b>\$ 26,560</b>	<b>\$ 110,390</b>	<b>\$ 113,203</b>	<b>\$ 106,652</b>	<b>\$ 455,842</b>
<b>Fund Balances, Beginning</b>	<b>584,110</b>	<b>158,411</b>	<b>71,329</b>	<b>24,073</b>	<b>418,886</b>	<b>724,987</b>	<b>255,208</b>	<b>2,237,004</b>
<b>Fund Balances, Ending</b>	<b>\$ 605,272</b>	<b>\$ 166,940</b>	<b>\$ 140,675</b>	<b>\$ 50,633</b>	<b>\$ 529,276</b>	<b>\$ 838,190</b>	<b>\$ 361,860</b>	<b>\$ 2,692,846</b>

**CITY OF CLEMSON**

**COMMUNITY DEVELOPMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
<i>Other Revenues</i>	\$ 7,000	\$ 10,246	\$ 3,246
<i>Investment Earnings</i>	12,500	13,130	630
	<u>19,500</u>	<u>23,376</u>	<u>3,876</u>
<b>Total Revenues</b>	\$ 19,500	\$ 23,376	\$ 3,876
<b>Expenditures</b>			
<i>Current Operating</i>			
<i>Urban Redevelopment</i>			
<i>Rehabilitation</i>	\$ 52,900	\$ 2,214	\$ 50,686
	<u>52,900</u>	<u>2,214</u>	<u>50,686</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ (33,400)	\$ 21,162	\$ 54,562
<b>Fund Balance, Beginning</b>	<u>584,110</u>	<u>584,110</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 550,710</u>	<u>\$ 605,272</u>	<u>\$ 54,562</u>

CITY OF CLEMSON

EMERGENCY PHONE SYSTEM  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues</i>			
<i>Charges for Services</i>	\$ 47,500	\$ 54,062	\$ 6,562
<i>State Aid</i>	40,605	39,911	(694)
<i>Investment Earnings</i>	2,200	2,970	770
	<u>90,305</u>	<u>96,943</u>	<u>6,638</u>
<i>Total Revenues</i>	\$ 90,305	\$ 96,943	\$ 6,638
<i>Expenditures</i>			
<i>Current Operating</i>			
<i>Public Safety</i>	\$ 83,820	\$ 74,679	\$ 9,141
<i>Capital Outlay</i>	-	13,735	(13,735)
	<u>83,820</u>	<u>88,414</u>	<u>(4,594)</u>
<i>Total Expenditures</i>	\$ 83,820	\$ 88,414	\$ (4,594)
<i>Excess of Revenues Over ( Under) Expenditures</i>	\$ 6,485	\$ 8,529	\$ 2,044
<i>Fund Balance, Beginning</i>	<u>158,411</u>	<u>158,411</u>	<u>-</u>
<i>Fund Balance, Ending</i>	<u>\$ 164,896</u>	<u>\$ 166,940</u>	<u>\$ 2,044</u>

CITY OF CLEMSON

TOURISM FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET TO ACTUAL

Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues</i>			
<i>Intergovernmental</i>	\$ 90,000	\$ 168,808	\$ 78,808
<i>Investment Earnings</i>	300	538	238
	<u>90,300</u>	<u>169,346</u>	<u>79,046</u>
<i>Total Revenues</i>	<u>\$ 90,300</u>	<u>\$ 169,346</u>	<u>\$ 79,046</u>
<i>Expenditures</i>			
<i>Intergovernmental</i>			
<i>Tourism - Promotion</i>	\$ 36,000	\$ 36,000	\$ -
<i>Tourism - Tourism Related</i>	65,000	64,000	1,000
	<u>101,000</u>	<u>100,000</u>	<u>1,000</u>
<i>Total Expenditures</i>	<u>\$ 101,000</u>	<u>\$ 100,000</u>	<u>\$ 1,000</u>
<i>Excess of Revenues Over ( Under) Expenditures</i>	\$ (10,700)	\$ 69,346	\$ 80,046
<i>Fund Balance, Beginning</i>	<u>71,329</u>	<u>71,329</u>	<u>-</u>
<i>Fund Balance, Ending</i>	<u>\$ 60,629</u>	<u>\$ 140,675</u>	<u>\$ 80,046</u>

CITY OF CLEMSON

PARK LAND FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues</i>			
Property Taxes	\$ 18,118	\$ 19,522	\$ 1,404
Local Option Sales Tax	6,002	6,380	378
Investment Earnings	450	688	238
	<u>24,570</u>	<u>26,590</u>	<u>2,020</u>
<i>Total Revenues</i>			
<i>Expenditures</i>			
<i>Current Operating</i>			
Culture and Recreation	\$ -	\$ 30	\$ (30)
<i>Excess of Revenues Over ( Under) Expenditures</i>			
	\$ 24,570	\$ 26,560	\$ 1,990
<i>Other Financing Uses</i>			
Transfer Out	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>
<i>Net Change in Fund Balance</i>			
	\$ 4,570	\$ 26,560	\$ 21,990
<i>Fund Balance, Beginning</i>			
	<u>24,073</u>	<u>24,073</u>	<u>-</u>
<i>Fund Balance, Ending</i>			
	<u>\$ 28,643</u>	<u>\$ 50,633</u>	<u>\$ 21,990</u>

CITY OF CLEMSON

HOSPITALITY FEE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Hospitality Fees	\$ 445,000	\$ 523,778	\$ 78,778
Investment Earnings	7,000	9,045	2,045
<b>Total Revenues</b>	<u>\$ 452,000</u>	<u>\$ 532,823</u>	<u>\$ 80,823</u>
<b>Expenditures</b>			
<i>Current Operating</i>			
Public Safety	\$ -	\$ 1,803	\$ (1,803)
Culture and Recreation	159,065	169,564	(10,499)
Capital Outlay	81,000	66,737	14,263
Tourism - Tourism Related	33,000	17,638	15,362
<i>Debt Service</i>			
Principal	73,800	73,668	132
Interest	6,000	5,873	127
<b>Total Expenditures</b>	<u>\$ 352,865</u>	<u>\$ 335,283</u>	<u>\$ 17,582</u>
<b>Excess of Revenues Over ( Under) Expenditures</b>	<u>\$ 99,135</u>	<u>\$ 197,540</u>	<u>\$ 98,405</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of Long Term Debt	\$ 54,300	\$ 47,850	\$ (6,450)
Transfer Out	(135,000)	(135,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (80,700)</u>	<u>\$ (87,150)</u>	<u>\$ (6,450)</u>
<b>Net Change in Fund Balance</b>	\$ 18,435	\$ 110,390	\$ 91,955
<b>Fund Balance, Beginning</b>	<u>418,886</u>	<u>418,886</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 437,321</u>	<u>\$ 529,276</u>	<u>\$ 91,955</u>

CITY OF CLEMSON

HOSPITALITY TAX FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues</i>			
Hospitality Tax	\$ 445,000	\$ 523,777	\$ 78,777
Investment Earnings	12,500	13,243	743
<b>Total Revenues</b>	<b>\$ 457,500</b>	<b>\$ 537,020</b>	<b>\$ 79,520</b>
<i>Expenditures</i>			
<i>Current Operating</i>			
Culture and Recreation	\$ 26,000	\$ 41,507	\$ (15,507)
Capital Outlay	140,000	2,775	137,225
Tourism - Tourism Related	128,500	60,404	68,096
<i>Debt Service</i>			
Principal	186,000	185,967	33
Interest	45,200	45,164	36
<b>Total Expenditures</b>	<b>\$ 525,700</b>	<b>\$ 335,817</b>	<b>\$ 189,883</b>
<i>Excess of Revenues Over ( Under) Expenditures</i>	<b>\$ (68,200)</b>	<b>\$ 201,203</b>	<b>\$ 269,403</b>
<i>Other Financing Sources (Uses)</i>			
Transfers In	\$ 32,000	\$ 32,000	\$ -
Transfers Out	(95,000)	(120,000)	(25,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (63,000)</b>	<b>\$ (88,000)</b>	<b>\$ (25,000)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (131,200)</b>	<b>\$ 113,203</b>	<b>\$ 244,403</b>
<i>Fund Balance, Beginning</i>	<u>724,987</u>	<u>724,987</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<b>\$ 593,787</b>	<b>\$ 838,190</b>	<b>\$ 244,403</b>

CITY OF CLEMSON

LOCAL ACCOMMODATIONS TAX FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues</i>			
<i>Local Accommodations Tax</i>	\$ 155,000	\$ 206,726	\$ 51,726
<i>Investment Earnings</i>	4,800	5,835	1,035
	<u>\$ 159,800</u>	<u>\$ 212,561</u>	<u>\$ 52,761</u>
<i>Expenditures</i>			
<i>Intergovernmental</i>			
<i>Tourism - Tourism Related</i>	\$ 134,800	\$ 53,909	\$ 80,891
	<u>\$ 25,000</u>	<u>\$ 158,652</u>	<u>\$ 133,652</u>
<i>Excess of Revenues Over</i>			
<i>( Under) Expenditures</i>			
	\$ 25,000	\$ 158,652	\$ 133,652
<i>Other Financing Uses</i>			
<i>Transfer Out</i>	(32,000)	(52,000)	(20,000)
	<u>\$ (7,000)</u>	<u>\$ 106,652</u>	<u>\$ 113,652</u>
<i>Net Change in Fund Balance</i>			
	\$ (7,000)	\$ 106,652	\$ 113,652
<i>Fund Balance, Beginning</i>	255,208	255,208	-
	<u>255,208</u>	<u>255,208</u>	<u>-</u>
<i>Fund Balance, Ending</i>	\$ 248,208	\$ 361,860	\$ 113,652
	<u>\$ 248,208</u>	<u>\$ 361,860</u>	<u>\$ 113,652</u>



CITY OF CLEMSON  
 CAPITAL PROJECTS FUND  
 TRANSIT MULTI-MODAL FACILITY  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2011

	Budget	Prior Years	Actual Current Year	Total	Variance
Revenues					
Federal Aid	\$ 3,017,000	\$ 455,162	\$ 2,201,458	\$ 2,656,620	\$ (360,380)
Expenditures					
General Government	\$ 11,100	\$ -	\$ -	\$ -	\$ 11,100
Public Buildings					
Capital Outlay	3,047,800	455,162	2,382,468	2,837,630	210,170
Public Buildings					
Total Expenditures	\$ 3,058,900	\$ 455,162	\$ 2,382,468	\$ 2,837,630	\$ 221,270
Excess of Revenues Over (Under) Expenditures	\$ (41,900)	\$ -	\$ (181,010)	\$ (181,010)	\$ (139,110)
Other Financing Sources (Uses) Transfers In	129,250	-	129,250	129,250	-
Net Change in Fund Balance	\$ 87,350	\$ -	\$ (51,760)	\$ (51,760)	\$ (139,110)
Fund Balance, Beginning	-	-	-	-	-
Fund Balance, Ending	\$ 87,350	\$ -	\$ (51,760)	\$ (51,760)	\$ (139,110)

- Note:
1. The project is budgeted on a project duration basis and is treated as a legal nonappropriated budget.
  2. This schedule is presented solely for the budget to actual comparison. This fund is a major fund and the current year activity is reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance on pages 16 & 17.

CITY OF CLEMSON  
 CAPITAL PROJECTS FUND  
 CITY HALL EXPANSION  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 From Inception and for the Fiscal Year Ended June 30, 2011

	Budget	Prior Years	Actual		Total	Variance
			Current Year			
Revenues						
Investment Earnings	\$ 77,500	\$ 72,431	\$ 6,582		\$ 79,023	\$ 1,523
Expenditures						
General Government	\$ 62,500	\$ -	\$ -		\$ -	\$ 62,500
Public Buildings		2,174,794	542,112		2,716,906	44,594
Capital Outlay	2,761,500					
Public Buildings						
Total Expenditures	\$ 2,824,000	\$ 2,174,794	\$ 542,112		\$ 2,716,906	\$ 107,094
Excess of Revenues Over (Under) Expenditures	\$ (2,746,500)	\$ (2,102,363)	\$ (535,520)		\$ (2,637,883)	\$ 108,617
Other Financing Sources (Uses)						
Issuance of Long Term Debt	\$ 650,000	\$ -	\$ -		\$ -	\$ (650,000)
Transfers In	2,100,000	2,744,387	10,000		2,754,387	654,387
Transfers Out	-	-	53,147		53,147	(53,147)
Total Other Financing Sources (Uses)	\$ 2,750,000	\$ 2,744,387	\$ (43,147)		\$ 2,701,240	\$ (48,760)
Net Change in Fund Balance	\$ 3,500	\$ 642,024	\$ (578,667)		\$ 63,357	\$ 59,857
Fund Balance, Beginning	-	-	642,024		-	-
Fund Balance, Ending	\$ 3,500	\$ 642,024	\$ 63,357		\$ 63,357	\$ 59,857

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  
DOWNTOWN REVITALIZATION PHASE V  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2011

	Budget	Current Year	Variance
<b>Revenues</b>			
Investment Earnings	\$ 10,000	\$ 2,988	\$ (7,012)
Other Revenue	-	1,200	1,200
<b>Total Revenues</b>	<u>\$ 10,000</u>	<u>\$ 4,188</u>	<u>\$ (5,812)</u>
<b>Expenditures</b>			
Capital Outlay	\$ 2,265,500	\$ 485,804	\$ 1,779,696
Other Improvements			
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ (2,255,500)</u>	<u>\$ (481,616)</u>	<u>\$ 1,773,884</u>
<b>Other Financing Sources</b>			
Transfers In	2,267,000	1,376,535	(890,465)
<b>Net Change in Fund Balance</b>	<u>\$ 11,500</u>	<u>\$ 894,919</u>	<u>\$ 883,419</u>
<b>Fund Balance, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 11,500</u></u>	<u><u>\$ 894,919</u></u>	<u><u>\$ 883,419</u></u>

Note:

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

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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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>Capital Assets</b>		
Land	\$ 1,595,400	\$ 1,595,400
Buildings	7,798,737	5,546,029
Other Improvements	15,166,757	14,856,820
Equipment	6,368,496	5,883,506
Construction in Progress	<u>3,648,781</u>	<u>2,217,273</u>
<b>Total Capital Assets</b>	<u>\$ 34,578,171</u>	<u>\$ 30,099,028</u>
<b>Investments In Capital Assets</b>		
General Fund	\$ 8,642,818	\$ 8,034,034
Proprietary Funds	183,071	183,071
Special Revenue Funds	3,709,582	3,704,770
Capital Projects Fund	20,213,453	16,347,906
Debt Service Fund	5,670	5,670
Donations	1,193,276	1,193,276
Prior, Unidentified	<u>630,301</u>	<u>630,301</u>
<b>Total Investments In Capital Assets</b>	<u>\$ 34,578,171</u>	<u>\$ 30,099,028</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, 2011

Asset Type	Balance 6/30/10	Additions	Retirements	Reclassifications & Transfers	Balance 6/30/11
<b>Land</b>					
Public Buildings	\$ 764,125	\$ -	\$ -	\$ -	\$ 764,125
Recreation	827,775	-	-	-	827,775
Community Development	3,500	-	-	-	3,500
<b>Total</b>	<b>\$ 1,595,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,595,400</b>
<b>Buildings</b>					
Public Buildings	\$ 4,820,520	\$ 300,298	\$ -	\$ 1,952,411	\$ 7,073,229
Recreation	304,564	-	-	-	304,564
Community Development	420,945	-	-	-	420,945
<b>Total</b>	<b>\$ 5,546,029</b>	<b>\$ 300,298</b>	<b>\$ -</b>	<b>\$ 1,952,411</b>	<b>\$ 7,798,738</b>
<b>Other Improvements</b>					
Municipal Court	\$ 2,126	\$ -	\$ -	\$ -	\$ 2,126
Planning	580,227	-	-	-	580,227
Public Buildings	560,199	-	-	-	560,199
Streets	6,949,348	-	-	-	6,949,348
Recreation	6,609,607	309,937	-	-	6,919,544
Equipment Services	26,493	-	-	-	26,493
Community Development	128,820	-	-	-	128,820
<b>Total</b>	<b>\$ 14,856,820</b>	<b>\$ 309,937</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,166,757</b>
<b>Equipment</b>					
Municipal Court	\$ 28,712	\$ -	\$ 15,105	\$ -	\$ 13,607
Administration	40,568	-	15,454	11,300	36,414
Finance	115,498	-	4,767	-	110,731
Information Technology	42,899	10,530	23,444	-	29,985
Planning	140,528	19,656	19,623	-	140,561
Public Buildings	61,588	161,737	18,926	39,138	243,537
Police	1,359,731	216,356	164,584	-	1,411,503
Fire	555,838	-	-	-	555,838
Streets	725,750	82,720	18,187	-	790,283
Residential Sanitation	1,922,252	287,668	80,312	-	2,129,608
Public Works Administration	25,438	-	-	-	25,438
Recreation	356,083	16,949	-	-	373,032
Horticulture	227,158	-	-	-	227,158
Equipment Services	276,852	-	-	-	276,852
Community Development	4,611	-	662	-	3,949
<b>Total</b>	<b>\$ 5,883,506</b>	<b>\$ 795,616</b>	<b>\$ 361,064</b>	<b>\$ 50,438</b>	<b>\$ 6,368,496</b>
<b>Construction In Progress</b>					
Public Buildings	\$ 2,629,956	\$ 2,478,926	\$ -	\$ (2,002,849)	\$ 3,106,033
Streets	42,479	500,268	-	-	542,747
<b>Total</b>	<b>\$ 2,672,435</b>	<b>\$ 2,979,194</b>	<b>\$ -</b>	<b>\$ (2,002,849)</b>	<b>\$ 3,648,780</b>
<b>Total Capital Assets</b>	<b>\$ 30,554,190</b>	<b>\$ 4,385,045</b>	<b>\$ 361,064</b>	<b>\$ -</b>	<b>\$ 34,578,171</b>

CITY OF CLEMSON

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY FUNCTION AND ACTIVITY  
 June 30, 2011

Function & Activity	Land	Buildings	Other Improvements	Equipment	Construction in Progress	Total
<b>General Government</b>						
Municipal Court Administration	\$ -	-	\$ 2,126	\$ 13,608	\$ -	\$ 15,734
Finance	-	-	-	36,414	-	36,414
Information Technology Planning	-	-	-	110,731	-	110,731
Public Buildings	-	-	580,227	29,985	-	29,985
	764,125	7,073,229	560,199	140,561	-	720,788
<b>Total General Government</b>	<b>\$ 764,125</b>	<b>\$ 7,073,229</b>	<b>\$ 1,142,552</b>	<b>\$ 574,835</b>	<b>\$ 3,106,033</b>	<b>\$ 11,747,122</b>
<b>Public Safety</b>						
Police	\$ -	-	\$ -	\$ 1,411,503	\$ -	\$ 1,411,503
Fire	-	-	-	555,838	-	555,838
<b>Total Public Safety</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,967,341</b>	<b>\$ -</b>	<b>\$ 1,967,341</b>
<b>Public Works</b>						
Streets	\$ -	-	\$ 6,949,348	\$ 790,283	\$ 542,747	\$ 8,282,378
Residential Sanitation	-	-	-	2,129,608	-	2,129,608
Public Works Administration	-	-	-	25,438	-	25,438
<b>Total Public Works</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,949,348</b>	<b>\$ 2,945,329</b>	<b>\$ 542,747</b>	<b>\$ 10,437,424</b>
<b>Culture &amp; Recreation</b>						
Recreation	\$ 827,775	304,564	\$ 6,919,544	\$ 373,032	\$ -	\$ 8,424,915
Horticulture	-	-	-	227,158	-	227,158
<b>Culture &amp; Recreation</b>	<b>\$ 827,775</b>	<b>\$ 304,564</b>	<b>\$ 6,919,544</b>	<b>\$ 600,190</b>	<b>\$ -</b>	<b>\$ 8,652,073</b>
<b>Equipment Services</b>	\$ -	-	\$ 26,493	\$ 276,852	\$ -	\$ 303,345
<b>Community Development</b>	\$ 3,500	420,945	\$ 128,820	\$ 3,949	\$ -	\$ 557,214
<b>Total Capital Assets</b>	<b>\$ 1,595,400</b>	<b>\$ 7,798,738</b>	<b>\$ 15,166,757</b>	<b>\$ 6,368,496</b>	<b>\$ 3,648,780</b>	<b>\$ 34,578,171</b>



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# OTHER REQUIRED INFORMATION



CITY OF CLEMSON  
VICTIM SERVICES  
SUPPLEMENTARY SCHEDULE OF FINES AND ASSESSMENTS  
Fiscal Year Ended June 30, 2011

<u>Collections: (Municipal Court)</u>		
Fines	\$ 764,218	
Assessments	299,405	
Surcharges	<u>190,516</u>	
Total Collections		<u>\$ 1,254,139</u>
 <u>Retainage: (Municipal Treasurer)</u>		
Fines	\$ 764,218	
Assessments	32,802	
Surcharges	<u>8,062</u>	
Total Retainage		<u>\$ 805,082</u>
 <u>Amounts Remitted:</u>		
State Treasurer - Assessments		<u>\$ 449,057</u>
 <u>Amount of Funds Allocated to Victim Services by Fund Source:</u>		
From Assessments and Surcharges (Paid prior to 06/30/2011)		<u>\$ 40,864</u>
Funds Carried Forward to FY 2012 Designated as Victim Right's Funds		<u>\$ 367</u>

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# 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>
<b>Financial Trends</b> <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>	<b>78-84</b>
<b>Revenue Capacity</b> <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>	<b>85-88</b>
<b>Debt Capacity</b> <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>	<b>89-93</b>
<b>Demographic and Economic Information</b> <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>	<b>94-95</b>
<b>Operating Information</b> <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>	<b>96-98</b>

**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 Eight Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>								
Invested in capital assets, net of related debt	\$ 6,091,113	\$ 7,169,768	\$ 6,693,640	\$ 6,219,941	\$ 8,291,242	\$ 8,978,544	\$ 10,785,335	\$ 14,364,423
Restricted	783,820	743,483	197,031	176,906	214,128	237,353	265,347	150,655
Unrestricted	1,179,592	810,128	3,547,765	6,496,742	5,563,862	5,782,454	5,169,202	5,090,063
<b>Total Governmental Activities Net Assets</b>	<b>\$ 8,054,525</b>	<b>\$ 8,723,379</b>	<b>\$ 10,438,436</b>	<b>\$ 12,893,589</b>	<b>\$ 14,069,232</b>	<b>\$ 14,998,351</b>	<b>\$ 16,218,884</b>	<b>\$ 19,605,141</b>
<b>Business-type Activities</b>								
Invested in capital assets, net of related debt	\$ 13,231,079	\$ 14,417,580	\$ 14,334,572	\$ 13,222,737	\$ 13,973,938	\$ 13,761,737	\$ 13,583,307	\$ 13,107,084
Restricted	758,665	765,375	797,255	925,932	838,462	803,817	720,860	1,200,157
Unrestricted	1,517,716	2,105,454	2,736,692	3,909,291	3,986,342	4,084,506	4,018,772	4,470,248
<b>Total Business-type Activities Net Assets</b>	<b>\$ 15,507,460</b>	<b>\$ 17,288,409</b>	<b>\$ 17,868,519</b>	<b>\$ 18,057,960</b>	<b>\$ 18,798,742</b>	<b>\$ 18,650,060</b>	<b>\$ 18,322,939</b>	<b>\$ 18,777,489</b>
<b>Primary Government</b>								
Invested in capital assets, net of related debt	\$ 19,322,192	\$ 21,587,348	\$ 21,028,212	\$ 19,442,678	\$ 22,265,180	\$ 22,740,281	\$ 24,368,642	\$ 27,471,507
Restricted	1,542,485	1,508,858	994,286	1,102,838	1,052,590	1,041,170	986,207	1,350,812
Unrestricted	2,697,308	2,915,682	6,284,457	10,406,033	9,550,204	9,866,960	9,186,974	9,560,911
<b>Total Primary Government Net Assets</b>	<b>\$ 23,561,985</b>	<b>\$ 26,011,788</b>	<b>\$ 28,306,955</b>	<b>\$ 30,951,549</b>	<b>\$ 32,867,974</b>	<b>\$ 33,648,411</b>	<b>\$ 34,541,823</b>	<b>\$ 38,382,630</b>

**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 Eight Fiscal Years  
(accrual basis of accounting)

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>								
<b>Governmental Activities:</b>								
General Government	\$ 1,849,222	\$ 1,904,745	\$ 2,339,510	\$ 2,558,597	\$ 2,669,850	\$ 2,836,335	\$ 2,692,818	\$ 2,761,322
Public Safety	2,064,135	2,191,053	2,377,965	2,540,899	2,857,097	2,960,726	3,061,726	3,235,124
Public Works	1,671,737	1,776,676	1,996,915	1,883,390	2,022,930	2,086,131	2,260,906	2,132,326
Culture and Recreation	747,196	936,997	1,238,200	1,008,891	1,249,955	1,778,272	1,748,027	1,647,387
Equipment Services	110,340	115,716	-	-	-	-	-	-
Urban Redevelopment	60,128	73,816	12,748	34,016	31,082	13,611	8,773	2,214
Other	33,478	43,381	-	-	-	-	-	-
Interest on Long-term Debt	330,718	313,638	386,742	452,246	438,945	387,754	352,448	291,601
Intergovernmental	725,180	1,545,283	-	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>7,592,134</b>	<b>8,901,305</b>	<b>8,352,080</b>	<b>8,478,039</b>	<b>9,269,859</b>	<b>10,062,829</b>	<b>10,124,698</b>	<b>10,069,974</b>
<b>Business-type Activities:</b>								
Water	1,493,115	1,516,779	1,706,688	1,749,773	2,252,466	2,215,120	2,261,429	2,439,081
Wastewater	1,761,566	1,843,171	1,968,864	1,991,209	2,310,876	2,257,442	2,208,398	2,300,009
Sanitation	158,774	171,340	199,796	192,632	229,168	252,576	285,825	294,317
Transit	1,695,608	2,228,119	2,366,298	3,038,536	3,779,376	3,690,818	3,686,934	3,491,385
Parking Deck	14,006	79,614	104,854	92,298	97,552	102,568	97,435	175,947
<b>Total Business-type Activities Expenses</b>	<b>5,123,069</b>	<b>5,839,023</b>	<b>6,346,500</b>	<b>7,064,448</b>	<b>8,669,438</b>	<b>8,518,524</b>	<b>8,540,021</b>	<b>8,700,739</b>
<b>Total Primary Government Expenses</b>	<b>\$ 12,715,203</b>	<b>\$ 14,740,328</b>	<b>\$ 14,698,580</b>	<b>\$ 15,542,487</b>	<b>\$ 17,939,297</b>	<b>\$ 18,581,353</b>	<b>\$ 18,664,719</b>	<b>\$ 18,770,713</b>
<b>Program Revenues</b>								
<b>Governmental Activities:</b>								
Charges for Services:								
Refuse Collection	\$ 196,283	\$ 225,275	\$ 357,585	\$ 425,071	\$ 414,130	\$ 419,044	\$ 443,712	\$ 446,842
Other Public Works	95,984	414,027	388,035	443,250	429,580	434,494	459,162	464,398
Parks and Recreation	70,067	524,264	662,028	618,925	81,352	92,301	111,767	114,364
Other Activities	79,774	1,654,840	1,618,798	1,759,671	2,400,789	2,580,247	2,644,133	2,724,689
Operating Grants and Contributions	622,305	1,518,446	866,865	607,931	476,736	270,519	251,184	218,731
Capital Grants and Contributions	350,000	122,660	64,669	17,759	440,350	734,000	455,162	2,201,458
<b>Total Governmental Activities Program Revenues</b>	<b>1,414,413</b>	<b>4,459,512</b>	<b>3,957,980</b>	<b>3,866,607</b>	<b>4,242,937</b>	<b>4,530,605</b>	<b>4,365,120</b>	<b>6,170,482</b>

Continued



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

Continued

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Business-type Activities:</b>								
Charges for Services:								
Water	\$ 1,465,748	\$ 1,616,573	\$ 1,919,062	\$ 2,046,144	\$ 2,181,428	\$ 2,124,358	\$ 2,176,734	\$ 2,272,815
Wastewater	2,151,679	2,205,649	2,059,271	2,202,635	2,180,063	2,190,405	2,503,183	2,849,556
Sanitation	143,059	135,642	134,931	157,695	224,671	316,247	297,780	287,559
Transit	114,410	169,873	156,395	150,467	116,079	37,868	57,833	4,387
Parking Deck	3,512	23,721	77,987	80,148	88,472	93,546	74,788	80,543
Operating Grants and Contributions	687,456	1,840,856	1,852,063	2,891,904	3,311,738	3,096,441	3,283,713	3,580,810
Capital Grants and Contributions	740,000	1,737,605	842,528	155,620	721,636	145,000	21,614	10,580
Total Business-type Activities Program Revenues	\$ 5,305,864	\$ 7,729,919	\$ 7,042,237	\$ 7,684,613	\$ 8,823,487	\$ 8,003,865	\$ 8,415,645	\$ 9,086,250
Total Primary Government Program Revenues	\$ 6,720,277	\$ 12,189,431	\$ 11,000,217	\$ 11,551,220	\$ 13,066,424	\$ 12,534,470	\$ 12,780,765	\$ 15,256,732

<b>Net (Expense)/Revenue</b>								
Governmental Activities	\$ (6,177,721)	\$ (4,441,793)	\$ (4,394,100)	\$ (4,611,432)	\$ (5,026,922)	\$ (5,532,224)	\$ (6,759,578)	\$ (3,899,492)
Business-type Activities	182,795	1,890,896	695,737	620,165	154,049	(514,659)	(124,376)	385,511
Total Primary Government Net Expense	\$ (5,994,926)	\$ (2,550,897)	\$ (3,698,363)	\$ (3,991,267)	\$ (4,872,873)	\$ (6,046,883)	\$ (5,883,954)	\$ (3,513,981)

**82** General Revenues and Other Changes in Net Assets

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities:</b>								
General Revenues								
Property Taxes	\$ 2,664,653	\$ 2,558,706	\$ 3,316,692	\$ 3,592,878	\$ 4,044,877	\$ 4,422,204	\$ 4,683,648	\$ 4,878,599
Local Option Sales Tax	811,222	878,318	980,250	1,005,458	1,057,525	1,014,343	991,493	1,063,281
Local Accommodations Tax	-	-	126,535	139,593	148,489	138,533	173,057	206,726
Hospitality Fees	616,806	-	-	-	-	-	-	-
Licenses and Permits	1,277,546	-	-	-	-	-	-	-
Intergovernmental	881,582	713,355	650,137	642,409	679,677	654,347	544,975	649,341
Fines and Forfeitures	181,838	-	-	-	-	-	-	-
Unrestricted Investment Earnings	88,405	129,730	293,493	523,332	333,429	195,704	168,538	110,136
Other	327,525	612,900	455,721	268,377	337,791	291,376	249,294	367,097
Loss on Disposal of Assets	-	-	-	-	-	-	(133,081)	(12,035)
Transfers	(2,128,176)	217,638	286,329	894,538	(399,223)	(255,164)	302,187	22,604
Total Governmental Activities	\$ 4,721,401	\$ 5,110,647	\$ 6,109,157	\$ 7,066,585	\$ 6,202,565	\$ 6,461,343	\$ 6,980,111	\$ 7,285,749

Continued

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

	Fiscal Year								Continued
	2004	2005	2006	2007	2008	2009	2010	2011	
<b>Business-type Activities:</b>									
Intergovernmental Investment Earnings	\$ 662,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on Sale of Capital Assets	50,952	107,691	170,702	213,814	187,510	110,813	99,442	91,643	
Transfers	-	(217,638)	(286,329)	(894,538)	399,223	255,164	(302,187)	(22,604)	
<b>Total Business-type Activities</b>	<u>2,128,176</u>	<u>(109,947)</u>	<u>(115,627)</u>	<u>(430,724)</u>	<u>586,733</u>	<u>365,977</u>	<u>(202,745)</u>	<u>69,039</u>	
<b>Total Primary Government</b>	<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>	<u>\$ 6,777,366</u>	<u>\$ 7,354,788</u>	
<b>Changes in Net Assets</b>									
Governmental Activities	\$ (1,456,320)	\$ 668,854	\$ 1,715,057	\$ 2,455,153	\$ 1,175,643	\$ 929,119	\$ 1,220,533	\$ 3,386,257	
Business-type Activities	3,023,923	1,780,949	580,110	189,441	740,782	(148,682)	(327,121)	454,550	
<b>Total Primary Government</b>	<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>	<u>\$ 893,412</u>	<u>\$ 3,840,807</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)*

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>										
Nonspendable	\$ 31,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-	-	-	-	38,128	34,939
Assigned	29,308	-	144,989	18,259	188,910	90,500	203,045	3,000	105,645	41,209
Unassigned	2,026,762	2,002,582	2,208,561	2,244,457	2,462,084	2,687,519	2,606,828	2,814,699	2,746,243	2,644,280
<b>Total General Fund</b>	<b>\$ 2,088,038</b>	<b>\$ 2,002,582</b>	<b>\$ 2,353,550</b>	<b>\$ 2,262,716</b>	<b>\$ 2,650,994</b>	<b>\$ 2,778,019</b>	<b>\$ 2,809,873</b>	<b>\$ 2,817,699</b>	<b>\$ 2,890,016</b>	<b>\$ 2,720,428</b>
<b>All Other Governmental Funds</b>										
Restricted, Reported In:										
Special Revenue Funds	\$ 1,575,451	\$ 1,170,379	\$ 1,287,166	\$ 969,375	\$ 2,493,241	\$ 2,852,293	\$ 1,887,062	\$ 1,961,596	\$ 2,237,004	\$ 2,625,844
Community Development Fund	-	-	-	563,026	-	-	-	-	-	-
Tax Increment Fund	-	-	-	-	-	-	1,871,324	719,440	1,309,143	414,664
City Hall Expansion Fund	-	-	-	-	-	-	-	2,449,148	296,537	-
Netlles Park Fund	-	-	-	-	1,638,776	123,880	-	-	-	-
Parking Deck Fund	-	-	135,980	-	-	-	-	-	-	-
Capital Project Funds	4,668,342	2,892,253	903,754	437,526	1,239,821	2,763,767	991,027	-	-	287,211
Debt Service Fund	276,031	284,150	229,724	207,391	197,031	176,906	214,128	237,353	265,347	150,655
Assigned, Reported In:										
Special Revenue Funds	32,026	20,516	66,387	11,166	67,080	20,553	97,000	11,100	-	121,002
Tax Increment Fund	-	-	-	-	-	-	13,821	-	-	-
City Hall Expansion Fund	-	-	-	-	-	-	-	42,309	345,487	-
Netlles Park Fund	-	-	-	-	290,819	405,275	-	-	-	-
Parking Deck Fund	-	-	4,000	-	-	-	-	-	-	-
Capital Project Funds	361,947	1,930,236	278,578	141,329	1,994,010	180,333	1,128,081	-	-	617,065
Unassigned, Reported In:										
Transit Multi-Modal Facility Fund	-	-	-	-	-	-	-	-	-	(51,760)
<b>Total All Other Governmental Funds</b>	<b>\$ 6,913,797</b>	<b>\$ 6,267,534</b>	<b>\$ 2,905,689</b>	<b>\$ 2,329,813</b>	<b>\$ 7,920,778</b>	<b>\$ 6,523,007</b>	<b>\$ 6,202,443</b>	<b>\$ 5,420,946</b>	<b>\$ 4,453,518</b>	<b>\$ 4,164,681</b>

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Property Taxes	\$ 2,441,052	\$ 2,502,082	\$ 2,664,653	\$ 2,558,706	\$ 3,316,692	\$ 3,592,878	\$ 4,044,877	\$ 4,422,204	\$ 4,683,648	\$ 4,878,599
Local Option Sales Tax	808,295	811,221	811,222	878,318	980,250	1,005,458	1,057,525	1,014,343	991,493	1,063,281
Local Accommodations Tax	-	-	-	-	126,535	139,593	148,489	138,533	173,057	206,726
Hospitality Fees	326,019	338,162	616,806	715,752	776,428	823,234	878,930	911,540	988,309	1,047,555
Licenses and Permits	1,162,548	1,284,977	1,277,546	1,421,173	1,413,112	1,566,309	1,565,539	1,709,230	1,676,777	1,710,186
Intergovernmental	802,761	724,648	881,582	831,123	1,172,118	1,004,678	1,081,210	885,289	774,304	818,149
Federal Aid	269,570	87,696	374,534	9,668	385,485	117,181	73,023	323,577	467,017	2,211,470
State Aid	998,470	793,519	597,771	1,513,670	14,669	17,759	264,000	-	10,000	39,911
Charges for Services	422,958	437,362	442,108	463,530	537,153	599,252	591,127	613,206	680,413	675,843
Fines and Forfeitures	200,388	146,577	181,838	217,951	309,152	258,122	290,255	292,110	333,274	316,708
Investment Earnings	151,195	159,416	88,405	129,730	293,493	523,332	333,429	195,704	168,538	110,136
Quasi-External Transactions	253,041	253,041	-	-	-	-	-	-	-	-
Contributions & Donations	-	-	-	-	-	122,481	178,530	450,000	-	-
Other Revenues	439,211	479,780	335,329	559,392	214,103	261,352	328,241	289,010	215,396	369,871
<b>Total Revenues</b>	<b>\$ 8,275,508</b>	<b>\$ 8,018,481</b>	<b>\$ 8,271,794</b>	<b>\$ 9,299,013</b>	<b>\$ 9,539,190</b>	<b>\$ 10,031,629</b>	<b>\$ 10,835,175</b>	<b>\$ 11,244,746</b>	<b>\$ 11,142,226</b>	<b>\$ 13,448,435</b>
<b>Expenditures</b>										
General Government	\$ 1,933,305	\$ 1,677,771	\$ 1,748,070	\$ 1,807,368	\$ 2,037,702	\$ 2,127,550	\$ 2,204,790	\$ 2,376,389	\$ 2,454,355	\$ 2,263,785
Public Safety	1,775,128	1,800,309	2,017,402	2,124,176	2,267,304	2,461,131	2,764,753	2,732,920	2,893,005	3,149,688
Public Works	1,307,892	1,234,085	1,442,850	1,734,580	1,828,740	1,791,507	2,007,694	2,098,513	1,950,062	1,949,444
Culture and Recreation	478,203	587,698	611,158	702,074	858,965	651,509	745,854	856,646	872,293	1,136,068
Urban Redevelopment	196,262	78,181	60,128	73,816	12,748	34,016	31,082	13,611	8,773	2,214
Equipment Services	92,642	96,137	102,747	110,636	116,558	163,516	140,489	128,521	247,971	136,193
Capital Outlay	1,433,686	1,628,500	4,587,445	1,249,093	466,962	4,297,994	1,958,847	2,015,519	2,530,964	3,493,631
Debt Service	-	-	-	-	-	-	-	-	-	-
Interest	100,383	319,240	333,083	317,409	325,568	464,602	436,311	399,863	355,374	300,511
Principal	214,622	387,384	377,737	475,444	489,805	924,149	973,920	1,049,817	1,025,322	2,016,553
Fees	-	-	1,567	1,565	1,563	1,561	1,013	1,013	1,013	20,134
Intergovernmental	1,105,555	908,503	725,180	1,545,283	120,399	140,897	175,473	329,162	297,380	231,951
Other	26,318	25,935	31,911	41,816	93,882	153,481	142,097	161,759	158,013	181,292
<b>Total Expenditures</b>	<b>\$ 8,663,996</b>	<b>\$ 8,743,743</b>	<b>\$ 12,019,878</b>	<b>\$ 10,183,260</b>	<b>\$ 8,620,196</b>	<b>\$ 13,201,913</b>	<b>\$ 11,582,323</b>	<b>\$ 12,163,733</b>	<b>\$ 12,794,525</b>	<b>\$ 14,880,464</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (388,488)</b>	<b>\$ (725,262)</b>	<b>\$ (3,748,084)</b>	<b>\$ (884,247)</b>	<b>\$ 918,994</b>	<b>\$ (3,170,284)</b>	<b>\$ (747,148)</b>	<b>\$ (918,987)</b>	<b>\$ (1,652,299)</b>	<b>\$ (1,432,029)</b>

Continued

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

Continued

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Other Financing Sources (Uses)</b>										
General Obligation Bonds	\$ 455,000	\$ -	\$ -	\$ -	\$ 2,039,833	\$ -	\$ -	\$ -	\$ -	\$ -
Lease Purchase Agreements	247,000	-	187,000	-	2,350,000	355,000	135,000	-	455,000	951,000
Tax Increment Bonds	5,000,000	-	-	-	1,500,103	2,046,491	1,559,591	3,972,567	1,490,295	2,947,203
Transfers In	10,000	10,000	1,554,071	1,204,192	(829,687)	(1,151,953)	(1,236,153)	(3,827,251)	(1,188,107)	(2,924,599)
Transfers Out	(10,000)	(10,000)	(1,003,963)	(986,555)						
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 5,702,000</b>	<b>\$ -</b>	<b>\$ 737,108</b>	<b>\$ 217,637</b>	<b>\$ 5,060,249</b>	<b>\$ 1,249,538</b>	<b>\$ 458,438</b>	<b>\$ 145,316</b>	<b>\$ 757,188</b>	<b>\$ 973,604</b>
<b>Net Change In Fund Balances</b>	<b>\$ 5,313,512</b>	<b>\$ (725,262)</b>	<b>\$ (3,010,976)</b>	<b>\$ (686,610)</b>	<b>\$ 5,979,243</b>	<b>\$ (1,920,746)</b>	<b>\$ (288,710)</b>	<b>\$ (773,671)</b>	<b>\$ (895,111)</b>	<b>\$ (458,425)</b>
<b>Debt Service As a Percentage of Noncapital Expenditures</b>	<b>4.4%</b>	<b>9.9%</b>	<b>9.9%</b>	<b>9.5%</b>	<b>10.5%</b>	<b>16.7%</b>	<b>15.8%</b>	<b>15.2%</b>	<b>14.6%</b>	<b>22.3%</b>

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

Fiscal Year	Total Taxable Assessed Value <sup>(b)</sup>		Total Direct Tax Rate <sup>(a)</sup>	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
	Real Property	Personal Property			
2002	28,561,785	5,583,467	81.60	529,205,626	6.45%
2003	31,100,299	5,033,907	81.60	566,280,288	6.38%
2004	30,463,882	4,796,716	81.60	553,414,376	6.37%
2005	32,654,430	4,550,980	81.60	587,583,167	6.33%
2006	37,945,629	4,063,665	76.90	700,154,900	6.00%
2007	37,736,666	4,076,916	77.90	822,681,920	5.08%
2008	37,527,471	4,041,902	79.50	817,914,453	5.08%
2009	42,741,623	3,808,547	81.00	918,308,243	5.07%
2010	43,858,444	3,319,726	81.00	932,497,647	5.06%
2011	48,677,448	3,161,465	78.60	1,026,240,043	5.05%

Source: Pickens County Auditor's Office

Note: <sup>(a)</sup> Per \$1,000 assessed value

<sup>(b)</sup> Total taxable assessed values include Tax Increment Finance District base assessment only.

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	Pickens County
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	
2010	76.80	3.71	0.49	81.00	168.10	61.50	
2011	74.53	3.60	0.47	78.60	168.50	59.00	

Source of Overlapping Rates: Pickens County

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

Taxpayer	2011		Taxpayer	2002	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Duke Energy Corporation	\$ 931,550	1.80%	Duke Energy Corporation	\$ 1,066,850	3.12%
Bellsouth Telecommunications	609,030	1.17%	Bellsouth Telecommunications	899,250	2.63%
BCH Clemson, LLC	601,740	1.16%	Berkeley Place, LLC	498,790	1.46%
Tiger Towne Village, LLC	535,040	1.03%	Clemson Area Retirement Center, Inc.	364,152	1.07%
Berkeley Place, LLC	533,290	1.02%	Clemson Place, LLC	345,351	1.01%
EDR Clemson Place, Limited Partnership	453,280	0.87%	Bi-Lo, Inc.	311,147	0.91%
Ingles Markets, Inc.	373,430	0.72%	Langston Place Partnership	300,294	0.88%
Clemson Area Retirement Center, Inc.	365,890	0.71%	Clemson Inn Associates (Comfort Inn)	249,960	0.73%
Tristate SC One, Limited Partnership	345,430	0.67%	Upstate Hotel Associates (Ramada Inn)	245,680	0.72%
JSI Clemson, LLC	344,590	0.66%	Heritage Pointe, LLC	225,000	0.66%
<b>Total</b>	<b>\$ 5,093,270</b>	<b>9.81%</b>		<b>\$ 4,506,474</b>	<b>13.19%</b>

Source: Pickens County Auditor's Office



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

Fiscal Year Ended June 30,	Taxes Levied For the Fiscal Year	Collected Within the Fiscal Year of the Levy (a)		Estimated Tax Collections to Date (b)	
		Amount	Percentage of Levy	Estimated Amount	Percentage of Levy
2002	1,955,972	1,942,979	99.34%	1,950,984	99.74%
2003	2,183,981	1,957,340	89.62%	2,177,391	99.70%
2004	2,068,971	2,031,750	98.20%	2,059,252	99.53%
2005	2,224,741	1,930,474	86.77%	2,213,753	99.51%
2006	2,355,234	2,264,062	96.13%	2,341,783	99.43%
2007	2,268,425	2,338,708	103.10%	2,247,015	99.06%
2008	2,296,135	2,487,570	108.34%	2,241,404	97.62%
2009	2,732,167	2,762,699	101.12%	2,645,456	96.83%
2010	2,772,651	2,901,164	104.64%	2,565,607	92.53%
2011	2,833,871	3,134,190	110.60%	2,651,577	93.57%

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, 2011 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 <sup>(a)</sup>	Per Capita <sup>(a)</sup>
	General Obligation Bonds	Increment Financing Bonds	Tax	Capital Leases	Water Revenue Bonds	Capital Leases			
2002	1,830,000	5,000,000		279,636	1,659,568	199,482	8,968,686	3.90%	751
2003	1,715,000	4,845,000		196,252	1,395,191	766,416	8,917,859	3.88%	747
2004	1,590,000	4,645,000		330,513	1,156,432	616,118	8,338,063	3.62%	698
2005	1,460,000	4,400,000		230,119	1,020,637	877,196	7,987,952	3.47%	669
2006	1,320,000	7,140,000		2,180,097	3,628,317	636,877	14,905,291	6.48%	1,248
2007	1,160,000	6,640,120		2,270,829	4,537,319	702,606	15,310,874	6.65%	1,282
2008	1,040,000	6,116,718		2,075,430	4,485,925	431,899	14,149,972	6.15%	1,185
2009	915,000	5,574,391		1,692,940	4,287,772	392,217	12,862,320	4.21%	989
2010	780,000	5,002,851		1,829,158	4,329,517	365,184	12,306,710	4.02%	947
2011	500,000	4,401,934		1,644,523	4,431,925	232,084	11,210,466	3.39%	806

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

<sup>(a)</sup> See Schedule 14 for personal income and population data.

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

<u>General Bonded Debt Outstanding</u>			
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property <sup>(a)</sup></u>	<u>Per Capita <sup>(b)</sup></u>
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%	70.37
2010	780,000	0.08%	59.99
2011	500,000	0.05%	35.96

**Notes:** <sup>(a)</sup> See Schedule 5 for actual taxable value of property

<sup>(b)</sup> See Schedule 14 for personal income and population

**Schedule 11**  
**City of Clemson**  
**Direct and Overlapping Governmental Activities Debt As of June 30, 2011**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt Repaid With Property Taxes</b>			
Pickens County School District	\$ 350,079,084	12.14%	\$ 42,499,601
Pickens County General Obligation Debt	13,599,219	13.94%	1,895,731
<b>Other Debt</b>			
Pickens County Capital Leases	1,002,448	13.94%	139,741
Pickens County Notes Payable	5,343,823	13.94%	744,929
Pickens County - Other Debt	4,948,405	13.94%	689,808
Subtotal, Overlapping Debt			45,969,810
City Direct Debt			6,546,457
<b>Total Direct and Overlapping Debt</b>			<u>\$ 52,516,267</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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 2,731,620	\$ 2,890,736	\$ 2,820,848	\$ 2,976,433	\$ 3,360,744	\$ 3,345,087	\$ 3,325,550	\$ 3,724,014	\$ 3,774,254	\$ 4,147,113
Total Net Debt Applicable to Limit	1,553,969	1,460,850	1,360,276	1,252,609	1,122,968	983,094	825,872	677,647	349,345	349,345
Legal Debt Margin	\$ 1,177,651	\$ 1,429,886	\$ 1,460,572	\$ 1,723,824	\$ 2,237,776	\$ 2,361,993	\$ 2,499,678	\$ 3,046,367	\$ 3,424,909	\$ 3,797,768
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	56.89%	50.54%	48.22%	42.08%	33.41%	29.39%	24.83%	18.20%	9.26%	8.42%

**Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed Value	\$ 51,838,973
Debt Limit (8% of assessed value)	4,147,113
Debt Applicable to Limit:	
General Obligation Bonds	500,000
Less: Amount Set Aside for Repayment of General Obligation Debt	(150,655)
Total Net Debt Applicable to Limit	349,345
Legal Debt Margin	\$ 3,797,768

**Note:** Under state finance law, the City's outstanding general obligation debt must 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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Water Revenue Bonds</b>										
Utility Service Charges	\$ 1,462,485	\$ 1,470,810	\$ 1,455,712	\$ 1,572,123	\$ 1,938,992	\$ 2,059,097	\$ 2,210,784	\$ 2,134,850	\$ 2,165,443	\$ 2,248,188
Less: Operating Expenses	1,209,606	1,319,010	1,417,959	1,448,236	1,631,567	1,555,486	1,953,270	1,910,885	1,939,959	2,114,790
Net Available Revenue	252,879	151,800	37,753	123,887	307,425	503,611	257,514	223,965	225,484	133,398
Debt Service										
Principal	18,237	17,686	18,408	19,162	19,823	66,791	90,602	93,153	71,445	97,418
Interest	3,242	2,675	1,953	1,198	413	76,332	99,244	97,115	94,701	92,225
Coverage	11.77	7.46	1.85	6.08	15.19	3.52	1.36	1.18	1.36	0.70
<b>Wastewater Revenue Bonds and Capital Leases</b>										
Utility Service Charges	\$ 2,102,885	\$ 2,125,287	\$ 2,128,078	\$ 2,018,221	\$ 2,124,192	\$ 2,132,578	\$ 2,195,198	\$ 2,176,696	\$ 2,452,746	\$ 2,838,828
Less: Operating Expenses	1,214,618	1,235,757	1,364,400	1,457,827	1,570,485	1,594,632	1,919,478	1,887,071	1,789,368	1,858,048
Net Available Revenue	888,267	889,530	743,678	560,394	553,707	537,946	275,720	289,625	663,378	980,780
Debt Service										
Principal	265,721	246,690	220,150	116,634	117,035	105,000	105,000	105,000	105,000	177,498
Interest	74,189	50,403	34,852	37,152	45,704	46,504	33,546	16,572	16,182	19,566
Coverage	2.61	2.99	2.92	3.64	3.40	3.55	1.99	2.38	5.47	4.98
<b>Commercial Sanitation Capital Leases</b>										
Utility Service Charges	\$ 175,947	\$ 166,114	\$ 150,332	\$ 146,180	\$ 144,392	\$ 168,482	\$ 233,563	\$ 323,910	\$ 304,782	\$ 294,849
Less: Operating Expenses	121,819	131,882	137,387	149,955	157,750	150,586	192,441	224,545	234,322	243,456
Net Available Revenue	54,128	34,232	12,945	(3,775)	(13,358)	17,896	41,122	99,365	70,460	51,393
Debt Service										
Principal	-	-	-	-	-	-	-	-	20,106	20,793
Interest	-	-	-	-	-	-	-	2,643	2,842	2,199
Coverage	-	-	-	-	-	-	-	37.60	3.07	2.24
<b>Transit Capital Leases</b>										
Contract Services	\$ 1,058,760	\$ 1,515,108	\$ 1,468,800	\$ 2,025,502	\$ 1,943,035	\$ 3,082,395	\$ 3,478,832	\$ 3,161,802	\$ 3,367,597	\$ 3,543,096
Less: Operating Expenses	922,436	1,224,478	1,284,997	1,541,107	1,634,800	2,279,350	3,010,710	2,993,888	3,113,133	3,077,098
Net Available Revenue	136,324	290,630	183,803	484,395	308,235	803,045	468,122	167,914	254,464	465,998
Debt Service										
Principal	41,337	157,523	150,297	238,923	240,319	249,271	270,707	146,682	151,927	65,367
Interest	7,288	26,568	27,992	34,823	29,184	30,992	22,127	13,570	8,240	3,494
Coverage	2.80	1.58	1.03	1.77	1.14	2.87	1.60	1.05	1.59	6.77

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**

<b><u>Calendar Year</u></b>	<b><u>Population</u></b>	<b><u>Personal Income</u></b>	<b><u>Per Capita Personal Income</u></b>	<b><u>Unemployment Rate</u></b>
2002	11,939	230,088,408	19,272	6.0%
2003	11,939	230,088,408	19,272	6.8%
2004	11,939	230,088,408	19,272	6.8%
2005	11,939	230,088,408	19,272	6.9%
2006	11,939	230,088,408	19,272	6.2%
2007	11,939	230,088,408	19,272	5.5%
2008	11,939	230,088,408	19,272	7.1%
2009	13,002	305,859,048	23,524	9.8%
2010	13,002	305,859,048	23,524	11.0%
2011	13,905	330,772,140	23,788	8.1%

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

Employer	2011		Employer	2002	
	Employees	Percentage of Total City Employment		Employees	Percentage of Total City Employment
Clemson University <sup>(a)</sup>	4,395	43.95%	Clemson University <sup>(a)</sup>	4,475	44.75%
City of Clemson	308	3.08%	City of Clemson	297	2.97%
Ingles Markets	188	1.88%	Ruby Tuesday <sup>(b)</sup>	-	-
Bi-Lo	118	1.18%	Bi-Lo	158	1.58%
Clemson Elementary School	101	1.01%	Trehel Corporation	130	1.30%
Ruby Tuesday <sup>(b)</sup>	75	0.75%	Pixie & Bills Restaurant	105	1.05%
Trehel Corporation	61	0.61%	Ingles Markets	128	1.28%
University Inn	59	0.59%	Clemson Elementary School	77	0.77%
Pixie & Bills Restaurant	57	0.57%	Courtyard by Marriott <sup>(b)</sup>	-	-
Courtyard by Marriott <sup>(b)</sup>	44	0.44%	University Inn	45	0.45%
<b>Total</b>	<b>5,406</b>	<b>54.06%</b>	<b>Total</b>	<b>5,415</b>	<b>54.15%</b>

Notes: <sup>(a)</sup> 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.

<sup>(b)</sup> These employers were not in Clemson in 2002.



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

<u>Function/Program</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>	<u>2010</u>	<u>2011</u>
General Government										
Council	-	-	2	2	2	1	1	1	1	1
Municipal Court	4	4	4	4	4	4	5	5	4	4
Administration	7	7	7	7	7	7	8	9	7	8
Finance	3	3	3	3	3	3	3	3	3	3
Information Technology	1	1	1	1	1	1	1	1	1	1
Planning & Codes Administration	6	6	6	6	8	8	8	7	8	7
Public Buildings	2	2	2	2	2	2	2	2	2	2
Police										
Officers	25	25	25	25	26	26	28	27	26	26
Telecommunicators	4	4	5	5	5	5	6	6	6	6
Other	3	3	3	3	3	3	3	3	3	3
Refuse Collection										
Residential Sanitation	14	14	14	14	14	14	13	13	12	13
Commercial Sanitation	2	2	2	2	2	2	2	2	2	2
Other Public Works										
Streets	6	6	6	6	6	6	6	6	5	5
Public Works Administration	2	2	2	2	2	3	3	3	3	3
Equipment Services	2	2	2	2	2	2	2	2	2	2
Engineering	2	2	3	3	3	3	2	2	2	2
Other										
Recreation	6	6	6	6	6	6	7	7	8	7
Water	6	6	7	7	7	7	8	8	7	7
Utility Billing Administration	4	4	5	5	5	5	5	7	7	7
Wastewater Collection	7	7	7	7	7	7	7	7	7	7
Wastewater Treatment	4	4	4	4	4	4	4	6	4	4
Transit Administration	4	4	4	4	4	6	6	6	6	6
Transit Operations	5	5	7	9	9	12	13	11	11	13
Horticulture	1	1	1	2	2	3	3	3	3	3
<b>Total</b>	<b>120</b>	<b>120</b>	<b>128</b>	<b>131</b>	<b>134</b>	<b>140</b>	<b>146</b>	<b>147</b>	<b>140</b>	<b>142</b>

Source: The City's Office of Human Resources

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

<u>Function/Program</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>	<u>2010</u>	<u>2011</u>
General Government										
Building Permits Issued	481	690	523	552	557	616	512	410	195	465
Building Inspections Conducted	2,976	3,523	3,074	3,166	3,232	2,084	1,246	786	967	1,053
Police										
Parking Violations	2,913	2,742	2,856	2,800	2,932	2,201	4,207	3,113	3,970	3,612
Traffic Violations	3,115	3,400	3,579	3,620	3,800	4,833	5,430	4,687	8,173	7,267
Fire										
Inspections	5,308	5,416	5,482	5,527	5,535	2,769	2,126	2,106	2,932	3,207
Refuse Collection										
Refuse Collected (lbs)	15,534,440	12,916,900	11,821,440	11,860,800	11,331,260	10,983,442	11,599,320	11,348,554	58,494,982	9,987,000
Recyclables Collected (lbs)	1,050,620	1,103,760	1,235,440	1,111,240	1,002,000	1,369,296	1,427,760	1,521,644	1,662,024	1,424,360
Other Public Works										
Street Resurfacing (miles)	2.38	2.89	4.11	3.22	4.43	4.62	4.45	0.00	2.10	2.90
Water										
New Taps	82	65	31	39	78	79	97	49	79	208
Water Main Breaks	219	201	178	153	188	170	179	161	229	200
Average Daily Consumption	1,707,000	1,568,000	1,604,000	1,681,000	1,705,000	1,736,000	1,892,000	1,829,000	1,869,000	1,910,000
Peak Daily Consumption	1,980,000	2,193,000	2,133,000	2,024,000	2,197,000	2,880,000	2,581,000	2,480,000	2,480,000	2,481,111
Wastewater										
Average Daily Sewage Treatment	1,080,000	1,080,000	1,060,000	1,090,000	1,110,000	1,140,000	1,440,000	1,450,000	1,450,000	1,450,000
Transit										
Total Route Miles	398,946	442,769	480,253	506,591	623,562	831,996	852,930	727,946	725,487	676,374
Passengers	900,383	1,152,510	1,343,234	1,404,892	1,513,134	1,771,346	1,877,448	1,613,403	1,609,349	1,622,498

Source : Various City Departments

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

<u>Function/Program</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>	<u>2010</u>	<u>2011</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Uniform Patrol Units	18	18	18	18	18	18	18	18	18	18
Refuse Collection										
Collection Trucks	4	4	4	4	4	4	5	5	5	5
Other Public Works										
Streets (miles)	64	64	64	64	64	64	64	64	64	64
Streetlights	685	695	695	696	696	696	696	696	696	696
Traffic Signals	1	1	1	1	1	1	1	1	1	1
Parks and Recreation										
Acreage	85	85	85	85	85	100	100	100	100	100
Playgrounds	6	6	6	6	6	7	7	7	7	7
Soccer Fields	1	1	1	1	1	1	6	6	6	6
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	89	90	90	90	98.5	100	101.5	101.5	108	109.2
Fire Hydrants	369	370	371	372	392	412	439	439	479	480
Wastewater										
Sewer Mains Gravity (miles)	60	60	60	60	60	64	64	65	65.3	65.3
Sewer Mains Force (miles)	9	9	9	9	9	9	9	9	9	9
Treatment Capacity (millions of gallons)	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15
Stormwater										
Stormwater Lines (miles)	5	5	6	7	7	7	7	7	7	7
Transit										
Buses	14	17	19	20	20	26	26	26	26	26

Source: Various City Departments

FEDERAL FINANCIAL  
ASSISTANCE



CITY OF CLEMSON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor /Program Title	Federal CFDA Number	Pass Through Grantor's Number	Total Expenditures
<b>US Department of Transportation</b>			
Passed Through SC Dept. of Transportation			
Formula Grants for Other Than Urbanized Areas:			
Public Transportation Assistance...Transit Fund	20.509	MT-0A111-18	\$ 958,302
ARRA-Transit Multi-Modal Facility	20.509	MT-0A1RR-A6	2,044,838
ARRA-IT Equipment and Software	20.509	MT-1A1RR-79	97,762
<b>Total 20.509</b>			<b>\$ 3,100,902</b>
<b>Federal Transit Capital Investment Grants:</b>			
Transit Multi-Modal Facility	20.500	MT-1A109-C8	\$ 156,619
Vehicle Acquisition Program	20.500	PT-1A109-98	48,908
<b>Total 20.500</b>			<b>\$ 205,527</b>
<b>Total US Department of Transportation</b>			
			<b>\$ 3,306,429</b>
<b>US Department of Energy</b>			
Passed Through SC Energy Office			
ARRA-Energy Efficiency and Conservation Block Grant	81.128	EAP-04	\$ 78,012
<b>US Environmental Protection Agency</b>			
Passed Through SC Water Quality Revolving Fund Authority			
ARRA-Capitalization Grants for Clean Water State Revolving Fund:			
2009 SRF Loan Wastewater Treatment Plant Digester	66.458	S1-127-09-267-01	\$ 90,710
<b>Total Federal Assistance Expended</b>			<b>\$ 3,475,151</b>

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".

\*\*\* Major Programs

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## **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 basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clemson, as of and for the year ended June 30, 2011, which collectively comprise the City of Clemson's basic financial statements and have issued our report thereon dated January 31, 2012. 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.*

*Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 31, 2012*





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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON 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 **OMB Circular A-133 Compliance Supplement** that are could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.



### 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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.*

*Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 31, 2012



**CITY OF CLEMSON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Fiscal Year Ended June 30, 2011**

**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 or significant deficiencies 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 on all major federal programs.*

*There are no audit findings that are required to be reported in accordance with section 510(a) of OMB Circular A-133 reported in this Schedule.*

*The following programs were tested as major programs:*

*All of the following grants were from the Federal Program "Formula Grants for Other Than Urbanized Areas":*

- Transit Operating Grant, Grant # MT-0A111-18, CFDA # 20.509*
- ARRA-Transit Multi-Modal Facility, Grant # MT-0A1RR-A6, CFDA # 20.509*
- ARRA-IT Equipment and Software, Grant #MT-1A1RR-79. CFDA # 20.509*

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

*The City of Clemson did not qualify to be a low-risk auditee.*

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

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

**CITY OF CLEMSON**

**SCHEDULE OF SUMMARY OF PRIOR YEAR AUDIT FINDINGS**  
***Fiscal Year Ended June 30, 2011***

***No Prior Year Audit Findings***