



CITY OF CLEMSON  
SOUTH CAROLINA



Comprehensive Annual  
Financial Report



For the Fiscal Year Ended June 30, 2012

CITY OF CLEMSON  
SOUTH CAROLINA



Comprehensive Annual  
Financial Report



For the Fiscal Year Ended June 30, 2012



Prepared by the Office of Finance

**CITY OF CLEMSON**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2012**

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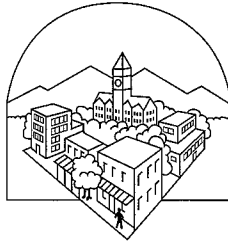
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# INTRODUCTORY SECTION





**LETTER OF TRANSMITTAL**

December 14, 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, 2012. 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

- ***Transit Multi-Modal Facility*** – Construction of the \$3.0 million Transit Multi-Modal Facility was completed during the year. The facility will house transportation services operations, and includes a shelter and bus washing area for a fleet of 35 buses. The energy efficient “green” facility is ecologically friendly with features such as solar panels, heat resistant windows, and indigenous plants for landscaping.
- ***City Hall Expansion*** – The \$2.8 million City Hall Expansion project was complete at fiscal year end. Expansion consisted of a two-story 8,375 square foot addition to the west side of the existing building and includes Municipal Court offices and court room on the upper level, with Records Retention and a Community Meeting Room located on the lower level. A second two-story 8,375 square foot addition was added to the east side of the existing building and includes new Council chambers on the upper level, and Planning and Codes offices located on the lower level.
- ***Downtown Revitalization Phase Va*** – After unexpected delays for hidden infrastructure repairs, and numerous work order changes, the initial downtown revitalization phase was complete by the end of the fiscal year. Key elements of this project included sidewalk improvements, landscaping, overhead to underground utility relocation, roadway land reconfigurations, on-street parking, decorative lighting, and a new way finding system. The way finding system features street corner signs with business locations, and a kiosk located in the downtown City Plaza. Most of the funding for the \$1.3 million improvements came from transfers from the Tax Increment Fund.
- ***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.
- ***Berkeley Drive Pedestrian Bridge*** – The City continues to formulate plans for roadway and pedestrian improvements along Berkeley Drive. The proposed improvements include construction of a multiple-use concrete path along the east side of Berkeley Drive and a new 140’ single-span pedestrian bridge located approximately 40’ east of the existing vehicular structure. The proposed \$1.16 million improvements are intended to increase pedestrian safety and mobility along Berkeley Drive and improve connectivity throughout the community. The design phase of the project has been completed and the City will be seeking state and federal grant funding for the construction phase. Actual construction dates will depend on availability of funding.
- ***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 judgments 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, 2012 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 \$188,440 on all investments for the year ended June 30, 2012.

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, 2012, \$5,345,960 of the City's bank balance of \$7,289,960 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, 2012 amounted to \$2,390,851 of Mortgage Notes and Certificates, \$1,677,844 of Bank Bonds, \$100,000 of South Carolina Public Service Authority Revenue Refunding Bonds, and \$1,025,805 in the South Carolina Pooled Investment Fund. The City recognized a valuation gain on its investments of \$197,150 at June 30, 2012.

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, 2011. 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, 2011

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.



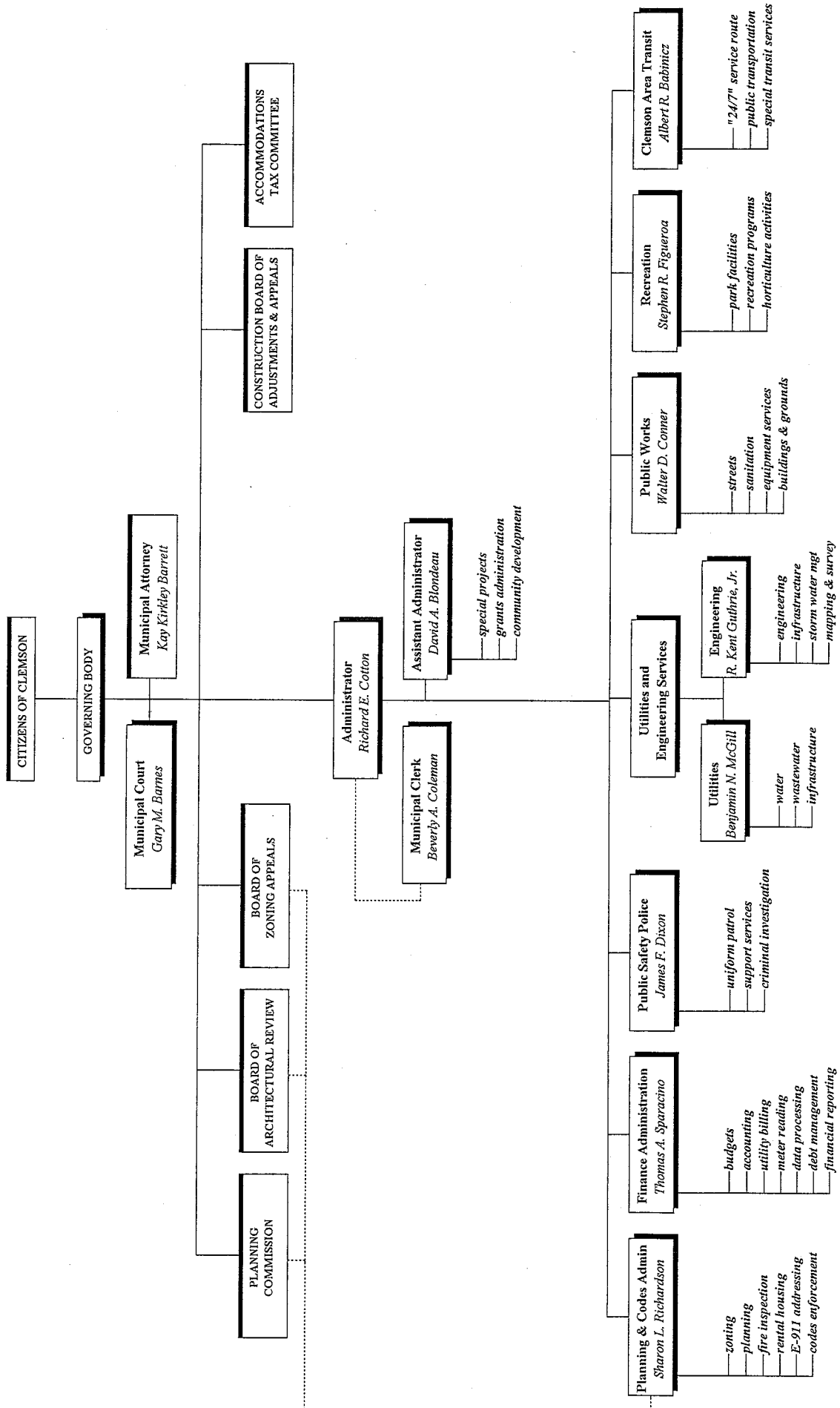
*Christopher P. Movell*

President

*Jeffrey R. Emer*

Executive Director

CITY OF CLEMSON  
ORGANIZATION CHART



**CITY OF CLEMSON  
PRINCIPAL OFFICIALS  
JUNE 30, 2012**

**GOVERNING BODY**

*James C. Cook III, Mayor*

*Buford E. Trent, Mayor Pro-Tempore*

*Vacant Council Seat*

*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

STANCIL  
COOLEY ESTEP  
& STAMEY, LLP

*Certified Public  
Accountants*

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P. O. Drawer 1279  
Seneca, SC 29679

(864) 882-3048  
Fax 882-7489

602-5 College Avenue  
Clemson, SC 29631

(864) 654-4945  
Fax 654-9476

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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, 2012, 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, and the aggregate remaining fund information of the City of Clemson, as of June 30, 2012, 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 December 14, 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

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 60 through 73 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  
December 14, 2012*

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**CITY OF CLEMSON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

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, 2012. 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 \$43,679,561 (*net assets*). Of this amount, \$12,259,833 (*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 \$5,296,931 during fiscal year 2011-12. Revenues increased \$1,911,920, while expenses increased approximately \$443,569.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$2,883,627 or 35% of total expenditures of the General Fund.
- The Tax Increment Fund was reported as a major governmental function 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.

**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 2012, the City of Clemson’s assets exceeded liabilities by \$43,679,561. The largest portion of the City’s net assets (69 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, they 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, 2012 and June 30, 2011. 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	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Current & Other Assets	\$ 9,358,190	\$ 9,220,027	\$ 9,757,262	\$ 6,657,311	\$ 19,115,452	\$ 15,877,338
Capital Assets	16,500,421	19,338,687	22,068,247	17,771,094	38,568,668	37,109,781
<b>Total Assets</b>	<b>\$ 25,858,611</b>	<b>\$ 28,558,714</b>	<b>\$ 31,825,509</b>	<b>\$ 24,428,405</b>	<b>\$ 57,684,120</b>	<b>\$ 52,987,119</b>
Long-term Liabilities	\$ 4,508,073	\$ 5,605,886	\$ 4,033,583	\$ 4,371,924	\$ 8,541,656	\$ 9,977,810
Other Liabilities	2,711,864	3,347,687	2,751,039	1,278,992	5,462,903	4,626,679
<b>Total Liabilities</b>	<b>\$ 7,219,937</b>	<b>\$ 8,953,573</b>	<b>\$ 6,784,622</b>	<b>\$ 5,650,916</b>	<b>\$ 14,004,559</b>	<b>\$ 14,604,489</b>
<b>Net Assets</b>						
Investment Capital Assets (Net of Related Debt)	\$ 12,388,670	\$ 14,364,423	\$ 17,783,553	\$ 13,107,084	\$ 30,172,223	\$ 27,471,507
Restricted	153,006	150,655	1,094,499	1,200,157	1,247,505	1,350,812
Unrestricted	6,096,998	5,090,063	6,162,835	4,470,248	12,259,833	9,560,311
<b>Total Net Assets</b>	<b>\$ 18,638,674</b>	<b>\$ 19,605,141</b>	<b>\$ 25,040,887</b>	<b>\$ 18,777,489</b>	<b>\$ 43,679,561</b>	<b>\$ 38,382,630</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 decreased by \$966,467. Business-type activities received transfers of \$2,892,212 from governmental activities, which resulted in a decrease in governmental net assets. Without the transfers, governmental activities would have realized an increase in net assets of \$1,925,745. Other areas of change are as follows:

- Total revenues decreased by approximately 9%, which resulted in a decrease in revenue of \$1,156,792. The decrease resulted from a significant reduction in capital grant revenue which is explained below.
- *Net* program revenues decreased \$1,654,301. Approximately \$2.2 million in capital grants were received in the previous year to construct the Transit Multi-Modal Facility. There were no similar projects in the current year, so capital grants decreased by \$1,841,078 or 84%. Operating grants increased 65% to \$360,004, while charges for services increased 3% to \$1,768,903.
- Due to increased construction within the City's corporate limits, the City realized an increase in ad valorem taxes of \$348,481, and \$200,514 in licenses and permits. Favorable economic conditions contributed to an increase of \$75,819 in sales and use taxes.
- Due to a significant decrease in aid from Pickens County and smaller decreases from the Local Government Fund and Fort Hill Natural Gas Authority, Intergovernmental revenues decreased \$178,463 or 27%. Fines and forfeitures decreased a minimal 1% to \$314,979.

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, 2012 and June 30, 2011. 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	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>REVENUES</b>						
Program Revenues						
Charges for Services	\$ 1,768,903	\$ 1,723,399	\$ 7,468,082	\$ 5,494,860	\$ 9,236,985	\$ 7,218,259
Operating Grants	360,004	218,731	4,599,791	3,580,810	4,959,795	3,799,541
Capital Grants	360,380	2,201,458	102,558	10,580	462,938	2,212,038
General Revenues						
Ad Valorem Taxes	5,227,080	4,878,599	-	-	5,227,080	4,878,599
Sales & Use Taxes	1,345,826	1,270,007	-	-	1,345,826	1,270,007
Licenses & Permits	1,910,700	1,710,186	-	-	1,910,700	1,710,186
Intergovernmental	470,878	649,341	-	-	470,878	649,341
Fines & Forfeitures	314,979	316,708	-	-	314,979	316,708
Investment Earnings	112,266	137,620	76,174	91,643	188,440	229,263
Other	417,854	339,613	-	-	417,854	339,613
<b>Total Revenues</b>	<b>\$ 12,288,870</b>	<b>\$ 13,445,662</b>	<b>\$ 12,246,605</b>	<b>\$ 9,177,893</b>	<b>\$ 24,535,475</b>	<b>\$ 22,623,555</b>

(continued)

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

	Governmental Activities		Business-Type Activities		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>EXPENSES</b>						
General Government	\$ 2,409,295	\$ 2,223,921	\$ -	\$ -	\$ 2,409,295	\$ 2,223,921
Public Safety	3,314,838	3,235,124	-	-	3,314,838	3,235,124
Public Works	2,200,326	2,132,326	-	-	2,200,326	2,132,326
Culture & Recreation	1,656,778	1,647,387	-	-	1,656,778	1,647,387
Urban Redevelopment	9,762	2,214	-	-	9,762	2,214
Equipment Services	136,743	136,193	-	-	136,743	136,193
Intergovernmental	191,252	231,951	-	-	191,252	231,951
Interest	246,178	291,601	-	-	246,178	291,601
Other	197,953	181,292	-	-	197,953	181,292
Water	-	-	2,446,654	2,439,081	2,446,654	2,439,081
Wastewater	-	-	2,460,634	2,300,009	2,460,634	2,300,009
Commercial Sanitation	-	-	299,734	294,317	299,734	294,317
Clemson Area Transit	-	-	3,574,179	3,491,385	3,574,179	3,491,385
Parking Deck	-	-	81,991	175,947	81,991	175,947
<b>Total Expenses</b>	<b>\$ 10,363,125</b>	<b>\$ 10,082,009</b>	<b>\$ 8,863,192</b>	<b>\$ 8,700,739</b>	<b>\$ 19,226,317</b>	<b>\$ 18,782,748</b>
Change in Net Assets Before Transfers	\$ 1,925,745	\$ 3,363,653	\$ 3,383,413	\$ 477,154	\$ 5,309,158	\$ 3,840,807
Transfers	(2,892,212)	22,604	2,892,212	(22,604)	-	-
Change in Net Assets After Transfers	\$ (966,467)	\$ 3,386,257	\$ 6,275,625	\$ 454,550	\$ 5,309,158	\$ 3,840,807
Net Assets, Beginning	19,605,141	16,218,884	18,777,489	18,322,939	38,382,630	34,541,823
Prior Period Adjustment	-	-	(12,227)	-	(12,227)	-
Net Assets, Ending	<u>\$ 18,638,674</u>	<u>\$ 19,605,141</u>	<u>\$ 25,040,887</u>	<u>\$ 18,777,489</u>	<u>\$43,679,561</u>	<u>\$ 38,382,630</u>

### ***Business-type Activities***

The City's business-type net assets increased by \$6,275,625 (33%). Most of the increase was attributable to transfers of approximately \$2.89 million, a \$2.05 million equity addition to a wastewater treatment facility joint venture the City has with another municipal agency, and a 28% increase in operating grants. Prior to transfers of \$2,892,212, business-type activities realized an increase in net assets of \$3,383,413. Additional details concerning net asset changes are as follows:

- Charges for utility and transportation services increased approximately 36%, to \$7,468,082. Without the \$1,438,338 increase in wastewater treatment facility joint venture income, the charges for services increased 10%.
- The City's transportation services fund received operating grants amounting to \$2,591,202, and realized \$2,008,589 of intergovernmental revenues from local, state and federal agencies. This is a 28% increase over the previous year.

### **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 \$7,466,871. Approximately 39% of this total amount (\$2,883,627) 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 (\$3,074,404), Capital Projects Funds (\$97,396), and Debt Service Fund (\$153,006), (2) committed in the General Fund (\$89,126), and (3) assigned for encumbrances in the General and Special Revenue Funds (\$1,169,312). The unassigned fund balance increased \$291,107 from June 30, 2011.

The General Fund is the chief operating fund of the City of Clemson. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,883,627, while total fund balance reached \$3,001,603. 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 35% of total General Fund expenditures, while total fund balance represents approximately 36% of total General Fund expenditures.

The Tax Increment Fund, a major special revenue fund, had a total fund balance of \$283,848 at the end of the current fiscal year. This is a \$130,816 or 32% decrease from the previous year. The entire fund balance is restricted for debt service payments pertaining to the Tax Increment Bonds and to finance ongoing projects within the tax increment district.

### ***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 \$619,747 and \$4,179,492 respectively. Commercial sanitation operations ended the year with \$403,000 of unrestricted net assets, while transit operations reported \$635,762 of net assets that were unrestricted. Also, the City's investment in the downtown parking deck provided this proprietary fund with \$324,834 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 \$8.2 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 \$405,038 and actual expenditures were \$142,227 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, 2012, amounts to \$38,568,668. This investment in capital assets includes land, buildings, other improvements, equipment, and construction in progress.

Of the \$38,568,668 investment, \$16,500,421 pertained to governmental activities and \$22,068,247 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:

- Construction of the Transit Multi-Modal Facility, which began in fiscal year 2009-10, was complete at the end of the current fiscal year. 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.
- Transportation services acquired four new 40' buses to replace four aging buses in the fleet. The total acquisition amount of \$1,620,000 was funded with a federal transportation grant and retained earnings from the Transit Fund.
- Downtown Revitalization Phase Va was complete at the end of the fiscal year. Most of the funding for the \$1.3 million project came from transfers from the Tax Increment Fund.
- The \$2.8 million City Hall Expansion project was completed at fiscal year end and was available for occupancy by the City's Municipal Court and Planning and Codes department.

### Capital Assets

*(net of accumulated depreciation)*

	Governmental Activities		Business-Type Activities		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Land and Buildings	\$ 7,497,792	\$ 7,682,358	\$ 5,540,839	\$ 2,693,543	\$ 13,038,631	\$ 10,375,901
Other Improvements	5,848,808	6,336,500	14,078,975	14,256,183	19,927,783	20,592,683
Equipment	1,551,795	1,671,048	2,448,433	773,607	4,000,228	2,444,655
Construction in Progress	1,602,026	3,648,781	-	47,761	1,602,026	3,696,542
<b>Total Capital Assets</b>	<b>\$ 16,500,421</b>	<b>\$ 19,338,687</b>	<b>\$ 22,068,247</b>	<b>\$ 17,771,094</b>	<b>\$ 38,568,668</b>	<b>\$ 37,109,781</b>

### *Debt Administration*

At June 30, 2012, the City had total bonded debt outstanding of \$404,000 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, 2012 is as follows:**

- *General Obligation Bonds \$404,000*
- *Tax Increment Bonds \$3,771,084*
- *Capital Lease Purchase Agreements \$1,231,395*

**Outstanding business-type debt at June 30, 2012 is as follows:**

- *Water Revenue Bonds (South Carolina Revolving Fund Loans) \$3,445,102*
- *Wastewater Revenue Bonds (South Carolina Revolving Fund Loan) \$491,059*
- *Wastewater Revenue Bonds \$253,750*
- *Wastewater Capital Lease Purchase Agreement \$50,000*
- *Commercial Sanitation Capital Lease Purchase Agreement \$44,782*

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 \$4,188,031, which is in excess of the City's outstanding general obligation debt of \$404,000. 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 83.34 mills actually translates to a "net ad valorem tax rate" of 63.36 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>.

# BASIC FINANCIAL STATEMENTS



CITY OF CLEMSON

STATEMENT OF NET ASSETS  
June 30, 2012

Assets	Governmental Activities	Business-type Activities	Total
Cash	\$ 6,865,486	\$ 625	\$ 6,866,111
Investments	5,447,037	-	5,447,037
Receivables (Net of Allowance):			
Property Taxes	325,173	-	325,173
Accounts	505,638	567,510	1,073,148
Interest	16,360	-	16,360
Other	89,197	172,905	262,102
Due from Other Governmental Units	312,731	1,356,270	1,669,001
Internal Balances	(4,203,432)	4,203,432	-
Inventory	-	28,106	28,106
Investment in Joint Venture	-	3,060,963	3,060,963
Deferred Charges	-	76,506	76,506
Restricted Cash - Revenue Bond Covenants	-	290,945	290,945
Capital Assets not Being Depreciated			
Land	1,595,400	462,083	2,057,483
Construction in Progress	1,602,026	-	1,602,026
Capital Assets net of Accumulated Depreciation			
Buildings	5,902,392	5,078,756	10,981,148
Other Improvements	5,848,808	14,078,975	19,927,783
Equipment	1,551,795	2,448,433	4,000,228
<b>Total Assets</b>	<b>\$ 25,858,611</b>	<b>\$ 31,825,509</b>	<b>\$ 57,684,120</b>
<b>Liabilities</b>			
Accounts Payable and Other Current Liabilities	\$ 418,609	\$ 229,014	\$ 647,623
Contracts Payable	148,474	1,701,062	1,849,536
Accrued Interest Payable	56,975	-	56,975
Due to Other Governmental Units	-	14,000	14,000
Deferred Support	245,202	-	245,202
Revenue Received in Advance	551,011	-	551,011
Liabilities Payable From Restricted Assets	-	407,831	407,831
Noncurrent Liabilities:			
Due Within One Year	1,291,593	399,132	1,690,725
Due in More Than One Year	4,508,073	4,033,583	8,541,656
<b>Total Liabilities</b>	<b>\$ 7,219,937</b>	<b>\$ 6,784,622</b>	<b>\$ 14,004,559</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	\$ 12,388,670	\$ 17,783,553	\$ 30,172,223
Restricted For:			
Debt Service	153,006	1,094,499	1,247,505
Unrestricted	6,096,998	6,162,835	12,259,833
<b>Total Net Assets</b>	<b>\$ 18,638,674</b>	<b>\$ 25,040,887</b>	<b>\$ 43,679,561</b>

See Notes to Financial Statements



CITY OF CLEMSON

STATEMENT OF ACTIVITIES  
Fiscal Year Ended June 30, 2012

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	\$ 2,935,243	\$ 4,493	\$ 360,380	\$ 435,287	\$ -	\$ 435,287
Public Safety	3,314,838	-	-	(2,907,220)	-	(2,907,220)
Public Works	2,200,326	167,580	-	(1,561,124)	-	(1,561,124)
Culture and Recreation	1,656,778	187,931	-	(1,359,162)	-	(1,359,162)
Urban Redevelopment	9,762	-	-	(9,762)	-	(9,762)
Interest on Long-term Debt	246,178	-	-	(246,178)	-	(246,178)
<b>Total Governmental Activities</b>	<b>\$ 10,363,125</b>	<b>\$ 360,004</b>	<b>\$ 360,380</b>	<b>\$ (5,648,159)</b>	<b>\$ -</b>	<b>\$ (5,648,159)</b>
<b>Business-type Activities</b>						
Water	\$ 2,446,654	\$ -	\$ 39,090	\$ -	\$ 24,933	\$ 24,933
Wastewater	2,460,634	-	63,468	-	2,211,899	2,211,899
Sanitation	299,734	-	-	-	(2,788)	(2,788)
Transit	3,574,179	4,599,791	-	-	1,068,360	1,068,360
Parking Deck	81,991	-	-	-	4,835	4,835
<b>Total Business-type Activities</b>	<b>\$ 8,863,192</b>	<b>\$ 4,599,791</b>	<b>\$ 102,558</b>	<b>\$ -</b>	<b>\$ 3,307,239</b>	<b>\$ 3,307,239</b>
<b>Total Primary Government</b>	<b>\$ 19,226,317</b>	<b>\$ 4,959,795</b>	<b>\$ 462,938</b>	<b>\$ (5,648,159)</b>	<b>\$ 3,307,239</b>	<b>\$ (2,340,920)</b>

continued

CITY OF CLEMSON

STATEMENT OF ACTIVITIES  
Fiscal Year Ended June 30, 2012

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	Total
General Revenues:					
Property Taxes				\$ -	\$ 5,227,080
Local Option Sales Tax				-	1,119,299
Local Accommodations Tax				-	226,527
Intergovernmental - Unrestricted				-	470,878
Unrestricted Investment Earnings				76,174	188,440
Other				-	417,854
Transfers				2,892,212	417,854
				(2,892,212)	-
Total General Revenues and Transfers				\$ 2,968,386	\$ 7,650,078
Change in Net Assets				\$ 6,275,625	\$ 5,309,158
Net Assets, Beginning as Previously Stated				\$ 18,777,489	\$ 38,382,630
Prior Period Adjustment				(12,227)	(12,227)
Net Assets, Beginning as Restated				\$ 18,765,262	\$ 38,370,403
Net Assets, Ending				\$ 25,040,887	\$ 43,679,561

CITY OF CLEMSON  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2012

Assets	General	Tax Increment Fund	Other Governmental Funds	Total
Cash	\$ 6,865,485	\$ -	\$ -	\$ 6,865,485
Investments	5,447,037	-	-	5,447,037
Receivables (Net of Allowance)				
Property Taxes	252,921	64,805	7,447	325,173
Accounts	53,572	-	452,066	505,638
Interest	16,360	-	-	16,360
Other	89,197	-	-	89,197
Due from Other Governmental Units	196,434	9,888	106,409	312,731
Due from Other Funds	40,909	267,733	3,823,754	4,132,396
<b>Total Assets</b>	<b>\$ 12,961,915</b>	<b>\$ 342,426</b>	<b>\$ 4,389,676</b>	<b>\$ 17,694,017</b>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Vouchers Payable	\$ 193,967	\$ -	\$ -	\$ 193,967
Accounts Payable	211,080	-	13,561	224,641
Contracts Payable	-	-	124,374	124,374
Retainage Payable	-	-	24,100	24,100
Due to Other Funds	8,294,919	-	40,909	8,335,828
Deferred Support	709,335	58,578	5,312	773,225
Revenue Received in Advance	551,011	-	-	551,011
<b>Total Liabilities</b>	<b>\$ 9,960,312</b>	<b>\$ 58,578</b>	<b>\$ 208,256</b>	<b>\$ 10,227,146</b>
 <b>Fund Balances:</b>				
<b>Restricted For:</b>				
Special Revenue Funds	\$ -	\$ 283,848	\$ 2,462,057	\$ 2,745,905
Special Revenue Funds - L-T Receivables	-	-	328,499	328,499
Capital Projects Funds	-	-	97,396	97,396
Debt Service Fund	-	-	153,006	153,006
<b>Committed:</b>				
General Fund	89,126	-	-	89,126
<b>Assigned:</b>				
Encumbrances	28,850	-	1,061,346	1,090,196
Special Revenue Funds	-	-	79,116	79,116
<b>Unassigned:</b>				
General Fund	2,883,627	-	-	2,883,627
<b>Total Fund Balances</b>	<b>\$ 3,001,603</b>	<b>\$ 283,848</b>	<b>\$ 4,181,420</b>	<b>\$ 7,466,871</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,961,915</b>	<b>\$ 342,426</b>	<b>\$ 4,389,676</b>	<b>\$ 17,694,017</b>

See Notes to Financial Statements

CITY OF CLEMSON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET ASSETS  
June 30, 2012

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

Total fund balances - governmental funds		\$	7,466,871
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$33,264,057 and the accumulated depreciation is \$16,763,636.			16,500,421
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.			(56,975)
Certain deferred revenues in the governmental funds are reportable for governmental activities and, therefore are not included on the statement of net assets.			528,023
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	\$ 1,231,395		
Bonds Payable	4,175,084		
Compensated Absences	393,187		(5,799,666)
Net assets of governmental activities		\$	<u>18,638,674</u>

See Notes to Financial Statements

CITY OF CLEMSON  
 GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 Fiscal Year Ended June 30, 2012

	General	Tax Increment Fund	Other Governmental Funds	Total
<b>Revenues</b>				
Property Taxes	\$ 3,383,359	\$ 1,745,480	\$ 98,241	\$ 5,227,080
Local Option Sales Tax	1,087,287	-	32,012	1,119,299
Local Accomodations Tax	-	-	226,527	226,527
Hospitality Fees/Tax	-	-	1,094,957	1,094,957
License and Permits	1,910,700	-	-	1,910,700
Intergovernmental	638,458	-	187,931	826,389
Federal Aid	-	-	360,380	360,380
State Aid	-	-	4,493	4,493
Charges for Services	625,407	-	48,539	673,946
Fines and Forfeitures	314,979	-	-	314,979
Investment Earnings	42,215	10,908	59,143	112,266
Contributions and Donations	-	-	4,000	4,000
Other	208,416	11,829	73,735	293,980
<b>Total Revenues</b>	<b>\$ 8,210,821</b>	<b>\$ 1,768,217</b>	<b>\$ 2,189,958</b>	<b>\$ 12,168,996</b>
<b>Expenditures</b>				
Current Operating				
General Government	\$ 2,293,913	\$ 102,401	\$ 7,200	\$ 2,403,514
Public Safety	3,077,202	-	41,350	3,118,552
Public Works	1,851,655	32,271	-	1,883,926
Culture and Recreation	647,647	-	201,107	848,754
Equipment Services	136,743	-	-	136,743
Urban Redevelopment	-	-	9,762	9,762
Other	197,953	-	-	197,953
Debt Service				
Principal	120,072	-	1,019,902	1,139,974
Interest	13,499	-	246,791	260,290
Capital Outlay	-	-	1,650,552	1,650,552
Intergovernmental	-	-	191,252	191,252
<b>Total Expenditures</b>	<b>\$ 8,338,684</b>	<b>\$ 134,672</b>	<b>\$ 3,367,916</b>	<b>\$ 11,841,272</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (127,863)</b>	<b>\$ 1,633,545</b>	<b>\$ (1,177,958)</b>	<b>\$ 327,724</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ 421,038	\$ -	\$ 1,825,361	\$ 2,246,399
Transfers Out	(12,000)	(1,764,361)	(216,000)	(1,992,361)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 409,038</b>	<b>\$ (1,764,361)</b>	<b>\$ 1,609,361</b>	<b>\$ 254,038</b>
<b>Net Change in Fund Balances</b>	<b>\$ 281,175</b>	<b>\$ (130,816)</b>	<b>\$ 431,403</b>	<b>\$ 581,762</b>
<b>Fund Balances, Beginning</b>	<b>2,720,428</b>	<b>414,664</b>	<b>3,750,017</b>	<b>6,885,109</b>
<b>Fund Balances, Ending</b>	<b>\$ 3,001,603</b>	<b>\$ 283,848</b>	<b>\$ 4,181,420</b>	<b>\$ 7,466,871</b>

See Notes to Financial Statements

CITY OF CLEMSON

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Fiscal Year Ended June 30, 2012**

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

<i>Net change in fund balances - total governmental funds</i>	\$	581,762
<i>Governmental funds report capital outlays as expenditures (\$1,872,153). However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$1,564,169). This is the amount by which capital outlays exceeded depreciation in the current period.</i>		307,984
<i>Transfers of capital assets to proprietary funds not recorded in governmental funds</i>		(3,146,250)
<i>Revenues in the statement of activities that do not represent current financial resources are not reported as revenues in the funds.</i>		119,874
<i>The repayment of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net assets.</i>		1,139,974
<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>		14,112
<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>		16,077
		<hr style="border-top: 1px solid black;"/>
<i>Change in net assets of governmental activities</i>	\$	<u><u>(966,467)</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, 2012

	Budgeted		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 3,321,279	\$ 3,321,279	\$ 3,383,359	\$ 62,080
Local Option Sales Tax	1,015,264	1,015,264	1,087,287	72,023
Licenses and Permits	1,854,000	1,854,000	1,910,700	56,700
Intergovernmental	519,784	519,784	638,458	118,674
Charges for Services	597,156	597,156	625,407	28,251
Fines and Forfeitures	320,000	320,000	314,979	(5,021)
Investment Earnings	60,000	60,000	42,215	(17,785)
Other	118,300	118,300	208,416	90,116
<b>Total Revenues</b>	<b>\$ 7,805,783</b>	<b>\$ 7,805,783</b>	<b>\$ 8,210,821</b>	<b>\$ 405,038</b>
<b>Expenditures</b>				
<b>Current Operating</b>				
<b>General Government</b>				
Council	\$ 156,223	\$ 156,223	\$ 187,379	\$ (31,156)
Municipal Court	309,115	309,115	336,832	(27,717)
Administration	507,363	507,363	488,622	18,741
Finance	198,916	198,916	194,520	4,396
Information Tech Services	171,904	171,904	138,936	32,968
Planning and Codes	642,084	642,084	643,076	(992)
Public Buildings	321,944	321,944	304,548	17,396
<b>Total</b>	<b>\$ 2,307,549</b>	<b>\$ 2,307,549</b>	<b>\$ 2,293,913</b>	<b>\$ 13,636</b>
<b>Public Safety</b>				
Police	\$ 2,500,038	\$ 2,500,038	\$ 2,502,202	\$ (2,164)
Fire	575,000	575,000	575,000	-
<b>Total</b>	<b>\$ 3,075,038</b>	<b>\$ 3,075,038</b>	<b>\$ 3,077,202</b>	<b>\$ (2,164)</b>
<b>Public Works</b>				
Streets	\$ 594,061	\$ 594,061	\$ 581,815	\$ 12,246
Residential Sanitation	1,006,407	1,006,407	1,038,245	(31,838)
Administration	212,318	212,318	231,595	(19,277)
<b>Total</b>	<b>\$ 1,812,786</b>	<b>\$ 1,812,786</b>	<b>\$ 1,851,655</b>	<b>\$ (38,869)</b>
<b>Culture and Recreation</b>	<b>\$ 616,690</b>	<b>\$ 616,690</b>	<b>\$ 647,647</b>	<b>\$ (30,957)</b>
<b>Equipment Services</b>	<b>\$ 134,227</b>	<b>\$ 134,227</b>	<b>\$ 136,743</b>	<b>\$ (2,516)</b>
<b>Debt Service</b>				
Principal	\$ 120,100	\$ 120,100	\$ 120,072	\$ 28
Interest	13,600	13,600	13,499	101
<b>Total</b>	<b>\$ 133,700</b>	<b>\$ 133,700</b>	<b>\$ 133,571</b>	<b>\$ 129</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, 2012*

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<i>Expenditures, continued</i>				
<i>Other</i>	\$ 116,467	\$ 116,467	\$ 197,953	\$ (81,486)
<i>Total Expenditures</i>	<u>\$ 8,196,457</u>	<u>\$ 8,196,457</u>	<u>\$ 8,338,684</u>	<u>\$ (142,227)</u>
<i>Excess of Revenues Over (Under)</i>				
<i>Expenditures</i>	\$ (390,674)	\$ (390,674)	\$ (127,863)	\$ 262,811
<i>Other Financing Sources</i>				
<i>Transfers In</i>	\$ 421,020	\$ 421,020	\$ 421,038	\$ 18
<i>Transfers Out</i>	(52,000)	(52,000)	(12,000)	40,000
<i>Total</i>	<u>\$ 369,020</u>	<u>\$ 369,020</u>	<u>\$ 409,038</u>	<u>\$ 40,018</u>
<i>Net Change in Fund Balances</i>	\$ (21,654)	\$ (21,654)	\$ 281,175	\$ 302,829
<i>Fund Balance, Beginning</i>	<u>2,720,428</u>	<u>2,720,428</u>	<u>2,720,428</u>	<u>-</u>
<i>Fund Balance, Ending</i>	<u><u>\$ 2,698,774</u></u>	<u><u>\$ 2,698,774</u></u>	<u><u>\$ 3,001,603</u></u>	<u><u>\$ 302,829</u></u>

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, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property Taxes	\$ 1,605,000	\$ 1,745,480	\$ 140,480
Investment Earnings	25,000	10,908	(14,092)
Other Revenues	-	11,829	11,829
	<u>1,630,000</u>	<u>1,768,217</u>	<u>138,217</u>
<b>Total Revenues</b>			
<b>Expenditures</b>			
<b>Current Operating</b>			
General Government	\$ 2,000	\$ 102,401	\$ (100,401)
Public Works	330,000	32,271	297,729
	<u>332,000</u>	<u>134,672</u>	<u>197,328</u>
<b>Total Expenditures</b>			
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 1,298,000</b>	<b>\$ 1,633,545</b>	<b>\$ 335,545</b>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	(1,574,361)	(1,764,361)	(190,000)
	<u>(1,574,361)</u>	<u>(1,764,361)</u>	<u>(190,000)</u>
<b>Net Change in Fund Balance</b>	<b>\$ (276,361)</b>	<b>\$ (130,816)</b>	<b>\$ 145,545</b>
<b>Fund Balance, Beginning</b>	<b>414,664</b>	<b>414,664</b>	<b>-</b>
	<u>414,664</u>	<u>414,664</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<b>\$ 138,303</b>	<b>\$ 283,848</b>	<b>\$ 145,545</b>
	<u>\$ 138,303</u>	<u>\$ 283,848</u>	<u>\$ 145,545</u>

See Notes To Financial Statements

CITY OF CLEMSON  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 June 30, 2012

Assets	Water	Wastewater	Sanitation	Transit	Parking Deck	Total
<b>Current Assets</b>						
Cash	\$ 300	150	-	175	-	\$ 625
Accounts Receivable	114,707	109,147	24,583	18,568	1,549	268,554
Unbilled Utility Receivables	154,408	138,622	5,926	-	-	298,956
Note Receivable-Current	15,863	-	-	-	-	15,863
Due from Other Governmental Units	-	-	-	1,356,270	-	1,356,270
Due from Other Funds	761,333	1,658,635	395,934	1,063,636	323,894	4,203,432
Inventory	28,106	-	-	-	-	28,106
<b>Total Current Assets</b>	<b>\$ 1,074,717</b>	<b>\$ 1,906,554</b>	<b>\$ 426,443</b>	<b>\$ 2,438,649</b>	<b>\$ 325,443</b>	<b>\$ 6,171,806</b>
<b>Noncurrent Assets</b>						
Restricted Cash - Revenue Bond Covenants	\$ 236,580	54,365	-	-	-	\$ 290,945
Investment in Joint Venture	-	3,060,963	-	-	-	3,060,963
Deferred Charges	66,186	10,320	-	-	-	76,506
Note Receivable	157,042	-	-	-	-	157,042
<b>Capital Assets</b>						
Land and Buildings	167,149	260,171	-	3,011,754	2,683,179	6,122,253
Other Improvements	7,603,601	15,745,398	-	23,673	-	23,372,672
Equipment	564,440	1,123,135	396,722	7,464,486	22,803	9,571,586
Accumulated Depreciation	(2,039,994)	(8,711,264)	(345,582)	(5,380,974)	(520,450)	(16,998,264)
<b>Total Noncurrent Assets</b>	<b>\$ 6,755,004</b>	<b>\$ 11,543,088</b>	<b>\$ 51,140</b>	<b>\$ 5,118,939</b>	<b>\$ 2,165,532</b>	<b>\$ 25,653,703</b>
<b>Total Assets</b>	<b>\$ 7,829,721</b>	<b>\$ 13,449,642</b>	<b>\$ 477,583</b>	<b>\$ 7,557,588</b>	<b>\$ 2,510,975</b>	<b>\$ 31,825,509</b>

continued

continued

CITY OF CLEMSON  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 June 30, 2012

	Water	Wastewater	Sanitation	Transit	Parking Deck	Total
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 13,956	\$ 39,745	\$ 6,345	\$ 101,631	\$ 609	\$ 162,286
Contracts Payable	75,371	5,691	-	1,620,000	-	1,701,062
Accrued Expenses	30,715	17,067	2,745	16,201	-	66,728
Compensated Absences	22,340	23,277	4,100	26,177	-	75,894
Due to State Government	-	-	-	14,000	-	14,000
Revenue Bonds Payable - Current	112,691	138,500	-	-	-	251,191
Capital Leases Payable - Current	-	50,000	22,047	-	-	72,047
<b>Total Current Liabilities</b>	<b>\$ 255,073</b>	<b>\$ 274,280</b>	<b>\$ 35,237</b>	<b>\$ 1,778,009</b>	<b>\$ 609</b>	<b>\$ 2,343,208</b>
<b>Noncurrent Liabilities</b>						
Compensated Absences	\$ 21,231	\$ 22,121	\$ 3,897	\$ 24,878	\$ -	\$ 72,127
Customer Deposits Payable	401,475	-	6,356	-	-	407,831
Revenue Bonds Payable	3,332,412	606,309	-	-	-	3,938,721
Capital Leases Payable	-	-	22,735	-	-	22,735
<b>Total Noncurrent Liabilities</b>	<b>\$ 3,755,118</b>	<b>\$ 628,430</b>	<b>\$ 32,988</b>	<b>\$ 24,878</b>	<b>\$ -</b>	<b>\$ 4,441,414</b>
<b>Total Liabilities</b>	<b>\$ 4,010,191</b>	<b>\$ 902,710</b>	<b>\$ 68,225</b>	<b>\$ 1,802,887</b>	<b>\$ 609</b>	<b>\$ 6,784,622</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	\$ 2,850,093	\$ 7,622,631	\$ 6,358	\$ 5,118,939	\$ 2,185,532	\$ 17,783,553
Restricted for Debt Service	349,690	744,809	-	-	-	1,094,499
Unrestricted	619,747	4,179,492	403,000	635,762	324,834	6,162,835
<b>Total Net Assets</b>	<b>\$ 3,819,530</b>	<b>\$ 12,546,932</b>	<b>\$ 409,358</b>	<b>\$ 5,754,701</b>	<b>\$ 2,510,366</b>	<b>\$ 25,040,887</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, 2012

	Water	Wastewater	Sanitation	Transit	Parking Deck	Totals
<b>Operating Revenues</b>						
Charges for Services	\$ 2,301,013	\$ 2,090,151	\$ 286,479	\$ -	\$ 80,912	\$ 4,758,555
Impact Fees	16,537	250,757	-	-	-	267,294
Late Charges	27,416	27,486	2,580	-	-	57,482
Joint Venture Income	-	2,056,240	-	-	-	2,056,240
Other	66,347	184,431	7,887	42,749	5,914	307,328
<b>Total Operating Revenues</b>	<b>\$ 2,411,313</b>	<b>\$ 4,609,065</b>	<b>\$ 296,946</b>	<b>\$ 42,749</b>	<b>\$ 86,826</b>	<b>\$ 7,446,899</b>
<b>Operating Expenses</b>						
Water Department	\$ 1,826,452	\$ -	\$ -	\$ -	\$ -	\$ 1,826,452
Wastewater Collection	-	696,076	-	-	-	696,076
Wastewater Treatment	-	1,131,136	-	-	-	1,131,136
Billing Administration	277,104	-	-	-	-	277,104
Engineering	-	156,105	-	-	-	156,105
Commercial Sanitation	-	-	249,061	-	-	249,061
Transit Operations	-	-	-	3,436,572	-	3,436,572
Parking Deck Operations	-	-	-	-	20,854	20,854
Depreciation	247,064	446,475	48,624	135,570	61,137	938,870
Other	14,767	13,817	513	1,167	-	30,264
<b>Total Operating Expenses</b>	<b>\$ 2,365,387</b>	<b>\$ 2,443,609</b>	<b>\$ 298,198</b>	<b>\$ 3,573,309</b>	<b>\$ 81,991</b>	<b>\$ 8,762,494</b>
<b>Operating Income (Loss)</b>	<b>\$ 45,926</b>	<b>\$ 2,165,456</b>	<b>\$ (1,252)</b>	<b>\$ (3,530,560)</b>	<b>\$ 4,835</b>	<b>\$ (1,315,595)</b>

continued

CITY OF CLEMSON

continued

PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Fiscal Year Ended June 30, 2012

	Water	Wastewater	Sanitation	Transit	Parking Deck	Totals
<b>Non-Operating Revenues (Expenses)</b>						
Investment Earnings	\$ 16,564	\$ 27,954	\$ 6,838	\$ 20,016	\$ 4,802	\$ 76,174
Operating Grants	-	-	-	2,591,202	-	2,591,202
Intergovernmental	21,183	-	-	2,008,589	-	2,029,772
Debt Service - Interest	(81,266)	(17,025)	(1,536)	(871)	-	(100,698)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ (43,519)</b>	<b>\$ 10,929</b>	<b>\$ 5,302</b>	<b>\$ 4,618,936</b>	<b>\$ 4,802</b>	<b>\$ 4,596,450</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>\$ 2,407</b>	<b>\$ 2,176,385</b>	<b>\$ 4,050</b>	<b>\$ 1,088,376</b>	<b>\$ 9,637</b>	<b>\$ 3,280,855</b>
<b>Capital Contributions</b>	<b>39,090</b>	<b>63,468</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,558</b>
Transfers In	15,000	26,000	-	3,146,251	-	3,187,251
Transfers Out	(105,836)	(165,879)	(7,424)	(8,900)	(7,000)	(295,039)
<b>Change in Net Assets</b>	<b>\$ (49,339)</b>	<b>\$ 2,099,974</b>	<b>\$ (3,374)</b>	<b>\$ 4,225,727</b>	<b>\$ 2,637</b>	<b>\$ 6,275,625</b>
<b>Total Net Assets, Beginning of Year as Previously Stated</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>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,227)</b>	<b>-</b>	<b>(12,227)</b>
<b>Total Net Assets, Beginning of Year as Restated</b>	<b>\$ 3,868,869</b>	<b>\$ 10,446,958</b>	<b>\$ 412,732</b>	<b>\$ 1,528,974</b>	<b>\$ 2,507,729</b>	<b>\$ 18,765,262</b>
<b>Total Net Assets, Ending</b>	<b>\$ 3,819,530</b>	<b>\$ 12,546,932</b>	<b>\$ 409,358</b>	<b>\$ 5,754,701</b>	<b>\$ 2,510,366</b>	<b>\$ 25,040,887</b>

See Notes to Financial Statements

CITY OF CLEMSON

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
Fiscal Year Ended June 30, 2012

Business-type Activities - Enterprise Funds

	Water	Wastewater	Sanitation	Transit	Parking Deck	Totals
<b>Cash Flows from Operating Activities</b>						
Receipts from Customers and Users	\$ 2,533,011	\$ 4,575,390	\$ 299,206	\$ 25,637	\$ 85,278	\$ 7,518,522
Payments to Suppliers	(1,405,905)	(3,142,133)	(107,941)	(392,640)	(31,289)	(5,079,908)
Payments to Employees	(732,898)	(997,262)	(145,193)	(1,586,356)	-	(3,461,709)
Net Cash Provided (Used) by Operating Activities	\$ 394,208	\$ 435,995	\$ 46,072	\$ (1,953,359)	\$ 53,989	\$ (1,023,095)
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfer from (to) Other Funds	\$ (204,591)	\$ (7,003)	\$ (29,467)	\$ 258,059	\$ (58,792)	\$ (41,794)
Grants Available for Operating Purposes	-	-	-	1,453,267	-	1,453,267
Subsidies from Other Governmental Agencies	21,183	-	-	1,970,285	-	1,991,468
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (183,408)	\$ (7,003)	\$ (29,467)	\$ 3,681,611	\$ (58,792)	\$ 3,402,941
<b>Cash Flows from Capital and Related Financing Activities</b>						
Proceeds from Capital Debt	\$ -	\$ -	\$ -	\$ 1,773	\$ -	\$ 1,773
Capital Contributions	39,090	63,468	-	3,146,250	-	3,248,808
Purchases of Capital Assets	(55,186)	(252,566)	-	(4,825,712)	-	(5,133,464)
Acquisition and Construction of Capital Assets	(39,090)	(63,468)	-	-	-	(102,558)
Principal Paid on Capital Debt	(105,056)	(184,958)	(21,379)	(67,923)	-	(379,316)
Interest Paid on Capital Debt	(84,707)	(17,659)	(2,064)	(2,656)	-	(107,086)
Proceeds from Sale of Capital Asset	15,473	-	-	-	-	15,473
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (229,476)	\$ (455,183)	\$ (23,443)	\$ (1,748,268)	\$ -	\$ (2,456,370)
<b>Cash Flows from Investing Activities</b>						
Investment Income Received	\$ 16,564	\$ 27,953	\$ 6,838	\$ 20,016	\$ 4,803	\$ 76,174
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (2,112)	\$ 1,762	\$ -	\$ -	\$ -	\$ (350)
<b>Cash and Cash Equivalents, Beginning</b>	238,992	52,753	-	175	-	291,920
<b>Cash and Cash Equivalents, Ending</b>	\$ 236,880	\$ 54,515	\$ -	\$ 175	\$ -	\$ 291,570

continued

CITY OF CLEMSON

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
Fiscal Year Ended June 30, 2012

continued

Business-type Activities - Enterprise Funds

	Water	Wastewater	Sanitation	Transit	Parking Deck	Totals
	\$ 45,926	\$ 2,165,456	\$ (1,252)	\$ (3,530,560)	\$ 4,835	\$ (1,315,595)
	\$ 247,064	\$ 446,475	\$ 48,624	\$ 135,570	\$ 61,137	\$ 938,870
	(28,887)	(33,674)	2,720	(17,111)	(1,550)	(78,502)
	10,019	-	-	-	-	10,019
	-	(2,087,198)	-	-	-	(2,087,198)
	2,862	1,038	-	-	-	3,900
	(13,135)	(24,088)	(549)	(123,146)	(10,433)	(171,351)
	(7,192)	5,691	-	1,620,000	-	1,618,499
	(16,102)	(18,766)	(2,738)	(35,131)	-	(72,737)
	3,068	(18,939)	(273)	(2,981)	-	(19,125)
	150,585	-	(460)	-	-	150,125
	\$ 348,282	\$ (1,729,461)	\$ 47,324	\$ 1,577,201	\$ 49,154	\$ 292,500
	\$ 394,208	\$ 435,995	\$ 46,072	\$ (1,953,359)	\$ 53,989	\$ (1,023,095)

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 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.*

## 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.*

*Debt Service Funds account for the resources accumulated, and payments made, for principal and interest on long-term general obligation debt of governmental funds.*

*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.*

*Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.*

#### *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.*

## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

#### 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.

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

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

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

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

#### 3. CASH AND INVESTMENTS

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

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

In accordance with GASB # 31, investments are recorded at cost or fair value depending on the nature and term of the investment. Immaterial differences at the balance sheet date are not adjusted. The City presently holds both short-term and long-term investments. All investments are expected to be held until maturity. Any significant discount or premium on the purchase of long-term investments is amortized over the term of the investment by the straight-line method. The City recognized a valuation gain on its investments of \$197,150 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, 2012: 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 05/13/15	AAA	\$ 101,816	\$ 100,518
Due 04/25/17	AAA	118,900	119,255
Due 05/05/17	AAA	117,128	118,698
Due 05/07/20	AAA/Aaa/AAA	100,000	121,477
Due 12/21/20	AAA/Aaa/AAA	100,000	113,336
Due 11/26/24	AAA/Aaa/AAA	125,000	140,953
Due 02/14/25	AAA/Aaa	50,000	59,957
Due 10/06/26	AAA/Aaa/AAA	100,000	102,391
Due 02/01/28	AAA/Aaa/AAA	145,000	177,210
Due 11/24/28	AAA/Aaa/AAA	200,000	227,882
Due 01/18/30	AAA/Aaa	100,000	100,682
Due 06/08/37	AAA/Aaa	100,000	116,364
<i>Federal Home Loan Mortgage Notes</i>			
Due 10/15/24	AAA/Aaa/AAA	100,000	100,955
Due 10/15/24	AAA/Aaa/AAA	150,000	151,336
Due 01/15/25	AAA/Aaa/AAA	130,000	132,150
Due 09/15/25	AAA/Aaa/AAA	150,000	150,471
Due 09/15/25	AAA/Aaa/AAA	100,000	100,840
Due 05/15/30	AAA/Aaa/AAA	100,000	104,233
Due 06/15/30	AAA/Aaa/AAA	100,000	103,283
Due 07/15/30	AAA/Aaa/AAA	100,000	101,576
<i>Tennessee Valley Auth</i>			
Due 07/15/33	AAA/Aaa/AAA	50,000	60,494
Due 09/15/39	AAA/Aaa/AAA	45,000	58,674
<i>Federal Home Loan Banks</i>			
Due 03/12/21	AAA/Aaa	220,000	247,958
Due 12/01/26	AAA/Aaa	100,000	104,757
<i>GNMA II Guaranteed Pass Thru</i>			
Due 06/20/28	N/A	16,048	17,814
<i>S.C. State Public Service Auth</i>			
Due 01/01/32	AA-/Aa3/AA	100,000	103,288
<i>Federal Home Loan MTG Corp</i>			
Due 04/15/33	N/A	97,000	102,820
<i>Federal National Mortgage</i>			
Due 04/25/14	AAA	126,886	125,989
Due 10/22/15	AAA	100,600	100,130
Due 07/15/16	AAA	102,002	101,710
Due 08/24/16	AAA	99,900	100,215
Due 11/24/17	AAA	102,200	106,348
Due 04/18/36	AAA/Aaa/AAA	100,000	116,804
<i>U.S. Treasury Notes</i>			
Due 01/31/15	AAA	105,916	104,781
Due 11/30/15	AAA	101,683	102,945
Due 03/31/16	AAA	106,930	106,758
Due 08/31/17	AAA	103,829	105,500

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**3. CASH AND INVESTMENTS, continued**

Due 11/30/17	AAA	103,125	107,500
Due 08/31/18	AAA	99,732	103,180
State Investment Pool			
Due 09/30/11	AAA/Aaa	1,025,805	1,025,805
Totals		\$ 5,194,500	\$ 5,447,037

**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.

**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, 2012, \$5,345,960 of the City’s bank balance of \$7,289,960 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 \$5,447,037 the City has a custodial credit risk exposure of \$120,634 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.

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**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

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

	<u>General</u>	<u>Tax Increment</u>	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Transit</u>	<u>Parking Deck</u>	<u>Nonmajor</u>	<u>Total</u>
Receivables:									
Property Taxes	\$ 266,232	\$ 68,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,839	\$ 342,286
Accounts Interest	53,572	-	269,115	247,769	30,509	18,568	1,549	452,066	1,073,148
Inter-governmental	16,360	-	-	-	-	-	-	-	16,360
Other	196,434	9,888	-	-	-	1,356,270	-	106,409	1,669,001
	89,197	-	-	-	-	-	-	-	89,197
Gross Receivables	\$ 621,795	\$ 78,103	\$ 269,115	\$ 247,769	\$ 30,509	\$1,374,838	\$ 1,549	\$ 566,314	\$3,189,992
Less: Allowance for Uncollectibles	(13,311)	(3,410)	-	-	-	-	-	(392)	(17,113)
Net Total Receivables	\$ 608,484	\$ 74,693	\$ 269,115	\$ 247,769	\$ 30,509	\$1,374,838	\$ 1,549	\$ 565,922	\$3,172,879

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, 2012 is \$344,237 of which \$328,499 is long-term.

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**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, 2012 is \$172,905 with \$15,863 due within the next year.

**6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012 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>				
Land	\$ 1,595,400	\$ -	\$ -	\$ 1,595,400
Construction in Progress	3,648,780	1,120,330	(3,167,084)	1,602,026
<b>Total capital assets, not depreciated</b>	<b>\$ 5,244,180</b>	<b>\$ 1,120,330</b>	<b>\$(3,167,084)</b>	<b>\$ 3,197,426</b>
<i>Capital assets, depreciated:</i>				
Other improvements	\$ 7,517,058	\$ 268,403	\$ -	\$ 7,785,461
Buildings	7,798,737	-	-	7,798,737
Infrastructure	7,649,699	61,051	-	7,710,750
Furniture and equipment	6,368,496	443,204	(40,018)	6,771,682
<b>Total capital assets depreciated</b>	<b>\$ 29,333,990</b>	<b>\$ 772,658</b>	<b>\$ (40,018)</b>	<b>\$ 30,066,630</b>
<i>Less accumulated depreciation for:</i>				
Other improvements	\$ (4,105,388)	\$ (572,817)	\$ -	\$ (4,678,205)
Buildings	(1,711,779)	(184,566)	-	(1,896,345)
Infrastructure	(4,724,871)	(244,327)	-	(4,969,198)
Furniture and equipment	(4,697,447)	(562,458)	40,018	(5,219,887)
<b>Total accumulated depreciation</b>	<b>\$ (15,239,485)</b>	<b>\$ (1,564,168)</b>	<b>\$ 40,018</b>	<b>\$ (16,763,635)</b>
<b>Total capital assets, depreciated, net</b>	<b>\$ 14,094,505</b>	<b>\$ (791,510)</b>	<b>\$ -</b>	<b>\$ 13,302,995</b>
<b>Governmental activities capital</b>	<b>\$ 19,338,685</b>	<b>\$ 328,820</b>	<b>\$(3,167,084)</b>	<b>\$ 16,500,421</b>
<b>Business-type activities:</b>				
<i>Capital assets, not depreciated:</i>				
Land	\$ 462,083	\$ -	\$ -	\$ 462,083
Construction in Progress	47,761	-	(47,761)	-
<b>Total capital assets, not depreciated</b>	<b>\$ 509,844</b>	<b>\$ -</b>	<b>\$ (47,761)</b>	<b>\$ 462,083</b>
<i>Capital assets, depreciated:</i>				
Other improvements	\$ 7,877,405	\$ 61,005	\$ -	\$ 7,938,410
Buildings	2,743,989	2,916,181	-	5,660,170
Infrastructure	15,119,903	314,359	-	15,434,262
Furniture and equipment	7,555,594	2,015,992	-	9,571,586

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**6. CAPITAL ASSETS, continued**

Total capital assets depreciated	\$ 33,296,891	\$ 5,307,537	\$ -	\$ 38,604,428
Less accumulated depreciation for:				
Other improvements	\$ (4,302,453)	\$ (178,984)	\$ -	\$ (4,481,437)
Buildings	(512,529)	(68,885)	-	(581,414)
Infrastructure	(4,438,672)	(373,588)	-	(4,812,260)
Furniture and equipment	(6,781,987)	(341,166)	-	(7,123,153)
Total accumulated depreciation	\$ (16,035,641)	\$ (962,623)	\$ -	\$ (16,998,264)
Total capital assets, depreciated, net	\$ 17,261,250	\$ 4,344,914	\$ -	\$ 21,606,164
Business-type activities capital assets, net	\$ 17,771,094	\$ 4,344,914	\$ (47,761)	\$ 22,068,247

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

<i>Government Activities:</i>	
General Government	\$ 202,400
Public Safety	221,181
Public Works	501,670
Culture and Recreation	621,429
Equipment Services	17,489
Total Depreciation Expense-Governmental Activities	<u>\$ 1,564,169</u>
<i>Business-type Activities:</i>	
Water	\$ 247,064
Wastewater	446,475
Sanitation	48,624
Transit	135,570
Parking Deck	61,137
Total Depreciation Expense-Business-Type Activities	<u>\$ 938,870</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	\$ 513,390	\$ 322,706
Other Improvements	2,309,124	-
Less: Accumulated Depreciation	(1,085,145)	(189,246)
Carrying Value	<u>\$ 1,737,369</u>	<u>\$ 133,460</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, 2012:

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**7. CAPITAL LEASES, continued**

<u>Fiscal Year Ending</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
O6/30/2013	\$ 388,232	\$ 74,934
O6/30/2014	316,283	23,444
O6/30/2015	315,958	-
O6/30/2016	315,574	-
<i>Total minimum lease payments</i>	<i>\$ 1,336,047</i>	<i>\$ 98,378</i>
<i>Less interest portion</i>	<i>(104,651)</i>	<i>(3,596)</i>
<i>Present value of future minimum Lease payments</i>	<i>\$ 1,231,396</i>	<i>\$ 94,782</i>

**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, 2012, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Current Portion</u>
2009 Wastewater Fund	1.82 %	\$ 491,059	\$ 33,500
2005 Water A	2.25 %	2,954,775	95,258
2005 Water B	2.25 %	490,327	17,432
1994 Wastewater Fund	68 % of Prime*	253,750	105,000
<i>Total</i>		<i>\$ 4,189,911</i>	<i>\$ 251,190</i>

\* 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 \$1,084,173 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 251,190	\$ 100,090	\$ 351,280
2014	254,255	89,150	343,405
2015	196,145	79,283	275,428
2016	155,614	75,245	230,859
2017	158,912	71,946	230,858
2018-2022	846,982	307,312	1,154,294
2023-2027	868,846	212,652	1,081,498
2028-2032	825,524	120,774	946,298
2033-2037	632,443	27,721	660,164
<i>Totals</i>	<i>\$ 4,189,911</i>	<i>\$ 1,084,173</i>	<i>\$ 5,274,084</i>

Water and Wastewater System Revenue Bond Ordinances require the following reserves on the Water and Wastewater Funds retained earnings at June 30, 2012:

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

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

	<u>Water</u>	<u>Wastewater</u>
Reserve for future principal and interest payments (1)	\$ 86,975	\$ 164,273
Reserve for operations and maintenance	180,408	170,019
Reserve for depreciation	81,307	639,111
Reserve for contingency	1,000	1,000
Less adjustment to bond balance	-	(229,594)
<b>Total</b>	<b>\$ 349,690</b>	<b>\$ 744,809</b>

(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, 2012 are as follows:

<u>Purpose</u>	<u>Bond Proceeds</u>	<u>Interest Rate</u>	<u>Balance 6/30/12</u>
Law Enforcement/Central Recreation/ Capital Projects / Land	\$ 806,000	2.220 %	\$ 404,000
Various Capital Projects	5,000,000	4.810 %	2,255,000
Various Capital Projects	3,000,000	3.790 %	1,516,084
<b>Totals</b>	<b>\$ 8,806,000</b>		<b>\$ 4,175,084</b>

Annual debt service requirements to maturity for general obligation bonds including interest of \$550,202 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	946,069	42,186	988,255
<b>Totals</b>	<b>\$ 4,175,084</b>	<b>\$ 550,202</b>	<b>\$ 4,725,286</b>

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, 2012, 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	\$ 4,901,934	\$ -	\$ (726,850)	\$ 4,175,084	\$ 754,115
Capital Leases	1,644,523	-	(413,128)	1,231,395	346,195
Compensated Absences	409,260	219,265	(235,338)	393,187	191,283
<b>Governmental Activity Long-Term Liabilities</b>	<b>\$ 6,955,717</b>	<b>\$ 219,265</b>	<b>\$ (1,375,316)</b>	<b>\$ 5,799,666</b>	<b>\$ 1,291,593</b>

	<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	\$ 4,431,925	\$ -	\$ (242,014)	\$ 4,189,911	\$ 251,191
Capital Leases	232,084	-	(137,302)	94,782	72,047
Compensated Absences	167,145	81,305	(100,428)	148,022	75,894
<b>Business-Type Activity Long-Term Liabilities</b>	<b>\$ 4,831,154</b>	<b>\$ 81,305</b>	<b>\$ (479,744)</b>	<b>\$ 4,432,715</b>	<b>\$ 399,132</b>

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

The composition of interfund balances as of June 30, 2012 is as follows:

Due to/from funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water	General	\$ 761,334
Wastewater	General	1,658,635
Sanitation	General	395,934
Transit	General	1,063,636
Parking Deck	General	323,894
Tax Increment	General	267,733
Nonmajor Governmental Funds	General	3,823,753
General	Transit Multi-Modal Facility	40,909
<b>Total</b>		<b>\$ 8,335,828</b>

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>			
<i>Nonmajor Governmental</i>	\$ 140,000	\$ -	
<i>Wastewater</i>	-	12,000	
<i>Parking Deck</i>	7,000	-	
<i>Total General Fund</i>	<u>\$ 147,000</u>	<u>\$ 12,000</u>	
<i>Tax Increment Fund:</i>			
<i>Nonmajor Governmental</i>	<u>\$ -</u>	<u>\$ 1,764,361</u>	
<i>Nonmajor Governmental:</i>			
<i>General Fund</i>	\$ -	\$ 140,000	
<i>Tax Increment Fund</i>	1,764,361	-	
<i>Water</i>	-	15,000	
<i>Nonmajor Governmental</i>	61,000	61,000	
<i>Total Nonmajor Governmental</i>	<u>\$ 1,825,361</u>	<u>\$ 216,000</u>	
<i>Total Governmental Fund Transfers</i>	<u>\$ 1,972,361</u>	<u>\$ 1,992,361</u>	<u>\$ (20,000)</u>
 <u>Proprietary Funds</u>			
<i>Water:</i>			
<i>Wastewater Fund</i>	\$ -	\$ 14,000	
<i>Nonmajor Governmental</i>	15,000	-	
<i>Total Water</i>	<u>\$ 15,000</u>	<u>\$ 14,000</u>	
<i>Wastewater:</i>			
<i>General Fund</i>	\$ 12,000	\$ -	
<i>Water Fund</i>	14,000	-	
<i>Total Wastewater</i>	<u>\$ 26,000</u>	<u>\$ -</u>	
<i>Parking Deck:</i>			
<i>General Fund</i>	<u>\$ -</u>	<u>\$ 7,000</u>	
<i>Total Proprietary Fund Transfers</i>	<u>\$ 41,000</u>	<u>\$ 21,000</u>	<u>\$ 20,000</u>

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

**10. CONSTRUCTION COMMITMENTS**

The City has one major and two smaller ongoing construction projects as of June 30, 2012. The major project is the Downtown Revitalization Phase Vb. The City's commitments with contractors at year-end are as follows:

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**10. CONSTRUCTION COMMITMENTS, continued**

	Spent to Date	Commitments at 6-30-12
<i>Project:</i>		
Downtown Revitalization Phase Vb	\$ 337,516	\$ 559,288
Cochran Road Wastewater Treatment Plant Expansion	67,137	1,363
Berkeley Drive Pedestrian Bridge Engineering	70,000	3,350
 Total	 \$ 474,653	 \$ 564,001

**11. FIRE SERVICES AGREEMENT**

On March 5, 2012 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 where it was extended annually through June 30, 2012. The new contract is for four years beginning July 1, 2012.

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 \$575,000 for fire suppression services.

For the performance of the new four year agreement, the City is to pay to Clemson University compensation as follows:

For the year beginning:	July 2012	\$ 625,000
For the year beginning:	July 2013	\$ 675,000
For the year beginning:	July 2014	\$ 725,000
For the year beginning:	July 2015	\$ 775,000

**12. EMPLOYEES RETIREMENT SYSTEMS**

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

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.

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**12. EMPLOYEES RETIREMENT SYSTEMS, continued**

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	9.39 % of salary
Police Officers Retirement System	11.36% 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
06/30/12	\$ 476,619	100 %	\$ 178,820	100 %
06/30/11	434,652	100 %	165,740	100 %
06/30/10	424,035	100 %	156,542	100 %

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers Retirement System is issued and publicly available on the internet at [www.retirement.sc.gov/financial/cafr.htm](http://www.retirement.sc.gov/financial/cafr.htm).

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**13. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

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

<i>General Fund</i>	<i>Appropriations</i>	<i>Expenditures</i>
<i>Current Operating</i>		
<i>Council</i>	\$ 156,223	\$ 187,379
<i>Municipal Court</i>	309,115	336,832
<i>Planning and Codes</i>	642,084	643,076
<i>Public Safety</i>		
<i>Police</i>	2,500,038	2,502,202
<i>Public Works</i>		
<i>Residential Sanitation</i>	1,006,407	1,038,245
<i>Administration</i>	212,318	231,595
<i>Culture and Recreation</i>	616,690	647,647
<i>Equipment Services</i>	134,227	136,743
<i>Other</i>	116,467	197,953
<i>Tax Increment Fund</i>	<i>Appropriations</i>	<i>Expenditures</i>
<i>Current Operating</i>		
<i>General Government</i>	\$ 2,000	\$ 102,401
<i>Nonmajor Governmental Funds</i>	<i>Appropriations</i>	<i>Expenditures</i>
<i>Current Operating</i>		
<i>Public Safety</i>	\$ -	\$ 2,720
<i>Culture and Recreation</i>	164,321	201,107
<i>Capital Outlay</i>	6,000	55,900

**14. JOINT VENTURE**

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

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

- *Contractual entity - a joint venture must be an organization that results from a contractual agreement.*
- *Separate status - The Pendleton/Clemson Waste Treatment Facility operates as a separate and specific activity.*
- *Joint control - The facility is owned and operated by the Town of Pendleton, the City of Clemson and Anderson County through a board appointed by the entities.*

## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

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

- *Ongoing financial relationship - Each of the entities has both an ongoing financial interest and an ongoing financial responsibility.*

*A substantial portion of the original 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.*

*Currently, the plant is going through a waste treatment facility upgrade estimated at \$5,774,000. The funding is through federal and state capital contribution grants and long term borrowings of \$1,620,850 from the South Carolina Water Revolving Fund Loan Authority. All entities have agreed that debt service on the loan will be allocated based on capacity usage. Thus, the City of Clemson, Town of Pendleton and Anderson County will pay 50%, 45% and 5% respectively, of the outstanding debt obligation.*

*At June 30, 2012 the City's Wastewater Fund had total assets of \$13,449,642 and total liabilities of \$902,710.*

*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	\$	7,650,692
Total Liabilities		1,719,555
Total Equity		5,931,137
Total Operating Revenues		516,583
Total Operating Expenses		494,864
Operating Income (Loss)		21,719
Nonoperating Income		3,386,864

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 \$3,060,963 which includes a \$30,958 contribution towards debt on new capacity, \$1,716 of amortization of the difference of the cost of the investment and the value of the underlying assets, and \$2,057,956 of current year net income as follows:

Carrying Value, 6/30/11	\$	973,765	
Current year income (loss)		2,057,956	
		<u>\$ 3,031,721</u>	\$ 3,031,721
Net value of underlying assets		<u>(2,963,069)</u>	
Difference		<u>\$ 68,652</u>	
Amortization - SL over 40 years			(1,716)
Contribution towards debt on new capacity			30,958
Carrying Value, 6/30/12			<u>\$ 3,060,963</u>

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

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

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

## **CITY OF CLEMSON**

### **NOTES TO FINANCIAL STATEMENTS**

#### **15. RISK MANAGEMENT**

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

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

#### **16. LOCAL OPTION SALES TAX**

*Citizens and residents of the City of Clemson and Pickens County approved by referendum a 1% local option sales tax beginning May 1995. Property owners are given tax credits on property tax notices issued in September payable by January 15th. The total amount of the revenues collected is applied to a rollback of county and municipal taxes. The City received \$1,119,299 during the current year.*

#### **17. HOSPITALITY ORDINANCE**

*Beginning on January 1, 1997, the City adopted a 1% hospitality fee to be charged on gross proceeds derived from the sale of all food and beverages served by a restaurant, hotel, motel, or other food service facility within the City (including prepared foods of grocery and convenience stores). Beginning on September 1, 2003, the City adopted an additional 1% hospitality tax under the same guidelines as the hospitality fee. The funds are to be used for the preservation, maintenance, and development of the City of Clemson; acquisition of lands and construction of passive and active parks; enhancement of existing infrastructures; acquisition of capital equipment for law enforcement and public safety, and costs to preserve the general health, safety and welfare of the citizens of, and visitors to, the City of Clemson. During the year the City received \$547,479 of hospitality fees and \$547,478 of hospitality taxes.*

#### **18. CENTRAL / CLEMSON RECREATION FACILITY**

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

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**18. CENTRAL / CLEMSON RECREATION FACILITY, continued**

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

**19. CLEMSON REDEVELOPMENT PLAN / CAPITAL PROJECTS**

On December 21, 1998, the City passed an ordinance establishing and approving a plan for the redevelopment of portions of the City of Clemson pursuant to the "City of Clemson Redevelopment Plan", dated October 16, 1998. The plan provides for a comprehensive program for redevelopment of identified areas of the City. The planned expenditures for public improvements totaling approximately \$9,402,000 will be funded with proceeds from Tax Increment Bonds of the City to be issued from time to time as permitted by the Act (Tax Increment Financing Plan. Sections 31-6-10 to 31-6-120 of the South Carolina Code of Laws 1976, as amended). The amount of indebtedness to be supported by tax increment financing will include up to \$8,000,000 of Tax Increment Bonds of the City. The Tax Increment Fund (TIF) was established to record property taxes received under the redevelopment plan. During the year, the City received \$1,745,480 in TIF designated property taxes. The City expended \$134,672 in improvements during the current year and \$1,764,361 was transferred to various capital projects.

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

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



## **CITY OF CLEMSON**

### **NOTES TO FINANCIAL STATEMENTS**

#### **20. JOINT MUNICIPAL WATER SYSTEM**

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

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

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

#### **21. COMMITTED FUND BALANCE**

*City Council adopted a new Municipal Service Agreement with Duke Energy Carolinas, LLC on June 7, 2010. The franchise fee rate in that agreement was set at 5.0 %, with one-half of one percent being designated for future costs of converting overhead power lines to underground power delivery. The amount committed at June 30, 2012 was \$89,126.*

#### **22. DATE OF MANAGEMENT'S REVIEW**

*In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 14, 2012, the date that the financial statements were available to be issued.*

#### **23. PRIOR PERIOD ADJUSTMENT**

*The City incurred a loan from the state on a vehicle acquisition grant in the prior year of \$12,227 that was previously treated as grant revenue. The result of this was that net assets in the transit fund were overstated by \$12,227.*

COMBINING AND  
INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES



## NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

CITY OF CLEMSON

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2012

	Special Revenue	Capital Projects	Debt Service	Total
<b>Assets</b>				
<i>Receivables (Net of Allowance)</i>				
Property Taxes	\$ 1,510	\$ -	\$ 5,937	\$ 7,447
Accounts	452,066	-	-	452,066
Due from Other Governmental Units	62,814	40,909	2,686	106,409
Due from Other Funds	2,872,436	802,700	148,618	3,823,754
<b>Total Assets</b>	<b>\$ 3,388,826</b>	<b>\$ 843,609</b>	<b>\$ 157,241</b>	<b>\$ 4,389,676</b>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 13,561	\$ -	\$ -	\$ 13,561
Contracts Payable	2,458	121,916	-	124,374
Retainage Payable	-	24,100	-	24,100
Due to Other Funds	-	40,909	-	40,909
Deferred Revenue - Property Taxes	1,077	-	4,235	5,312
<b>Total Liabilities</b>	<b>\$ 17,096</b>	<b>\$ 186,925</b>	<b>\$ 4,235</b>	<b>\$ 208,256</b>
<b>Fund Balances</b>				
Restricted for Debt Service Fund	\$ -	\$ -	\$ 153,006	\$ 153,006
Restricted for Long - Term Receivables	328,499	-	-	328,499
Assigned to Encumbrances	502,058	559,288	-	1,061,346
Unassigned	2,541,173	97,396	-	2,638,569
<b>Total Fund Balances</b>	<b>\$ 3,371,730</b>	<b>\$ 656,684</b>	<b>\$ 153,006</b>	<b>\$ 4,181,420</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,388,826</b>	<b>\$ 843,609</b>	<b>\$ 157,241</b>	<b>\$ 4,389,676</b>

CITY OF CLEMSON

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 Fiscal Year Ended June 30, 2012

	Special Revenue	Capital Projects	Debt Service	Total
<b>Revenues</b>				
Property Taxes	\$ 19,005	\$ -	\$ 79,236	\$ 98,241
Local Option Sales Tax	6,492	-	25,520	32,012
Local Accomodations Tax	226,527	-	-	226,527
Hospitality Fees/Tax	1,094,957	-	-	1,094,957
Intergovernmental	187,931	-	-	187,931
Federal Aid	-	360,380	-	360,380
State Aid	4,493	-	-	4,493
Charges for Services	48,539	-	-	48,539
Investment Earnings	50,776	5,758	2,609	59,143
Contributions and Donations	4,000	-	-	4,000
Other Revenues	69,944	1,820	1,971	73,735
<b>Total Revenues</b>	<b>\$ 1,712,664</b>	<b>\$ 367,958</b>	<b>\$ 109,336</b>	<b>\$ 2,189,958</b>
<b>Expenditures</b>				
<b>Current Operating</b>				
General Government	\$ 7,200	\$ -	\$ -	\$ 7,200
Public Safety	41,350	-	-	41,350
Urban Redevelopment	9,762	-	-	9,762
Culture and Recreation	201,107	-	-	201,107
<b>Debt Service</b>				
Principal	293,054	-	726,848	1,019,902
Interest	42,293	-	204,498	246,791
Capital Outlay	92,762	1,557,790	-	1,650,552
<b>Intergovernmental</b>				
Tourism - Promotion	42,000	-	-	42,000
Tourism - Tourism Related	149,252	-	-	149,252
<b>Total Expenditures</b>	<b>\$ 878,780</b>	<b>\$ 1,557,790</b>	<b>\$ 931,346</b>	<b>\$ 3,367,916</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 833,884</b>	<b>\$ (1,189,832)</b>	<b>\$ (822,010)</b>	<b>\$ (1,177,958)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ 47,000	\$ 954,000	\$ 824,361	\$ 1,825,361
Transfers Out	(202,000)	(14,000)	-	(216,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (155,000)</b>	<b>\$ 940,000</b>	<b>\$ 824,361</b>	<b>\$ 1,609,361</b>
<b>Net Change in Fund Balances</b>	<b>\$ 678,884</b>	<b>\$ (249,832)</b>	<b>\$ 2,351</b>	<b>\$ 431,403</b>
<b>Fund Balances, Beginning</b>	<b>2,692,846</b>	<b>906,516</b>	<b>150,655</b>	<b>3,750,017</b>
<b>Fund Balances, Ending</b>	<b>\$ 3,371,730</b>	<b>\$ 656,684</b>	<b>\$ 153,006</b>	<b>\$ 4,181,420</b>

CITY OF CLEMSON

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 2012

	Community Development Funds	Emergency Phone System	Tourism Fund	Park Land Fund	Hospitality Fee Fund	Hospitality Tax Fund	Local Accom Tax Fund	Total 6/30/12
<b>Assets</b>								
Receivables (Net of Allowance)								
Property Taxes	\$ -	\$ -	\$ -	\$ 1,510	\$ -	\$ -	\$ -	\$ 1,510
Accounts	346,641	3,100	-	-	40,925	40,925	20,475	452,066
Due from Other Governmental Units	-	-	62,131	683	-	-	-	62,814
Due from Other Funds	288,051	136,121	159,183	78,000	631,886	1,062,390	516,805	2,872,436
<b>Total Assets</b>	<b>\$ 634,692</b>	<b>\$ 139,221</b>	<b>\$ 221,314</b>	<b>\$ 80,193</b>	<b>\$ 672,811</b>	<b>\$ 1,103,315</b>	<b>\$ 537,280</b>	<b>\$ 3,388,826</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts and Vouchers Payable	\$ -	\$ 7,019	\$ -	\$ -	\$ 2,915	\$ 3,627	\$ -	\$ 13,561
Contracts Payable	-	-	-	-	-	2,458	-	2,458
Deferred Revenue- Property Taxes	-	-	-	1,077	-	-	-	1,077
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 7,019</b>	<b>\$ -</b>	<b>\$ 1,077</b>	<b>\$ 2,915</b>	<b>\$ 6,085</b>	<b>\$ -</b>	<b>\$ 17,096</b>
<b>Fund Balances</b>								
Restricted For Long - Term Receivables	\$ 328,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 328,499
Assigned To Encumbrances	-	-	-	-	501,000	1,058	-	502,058
Unreserved	306,193	132,202	221,314	79,116	168,896	1,096,172	537,280	2,541,173
<b>Total Fund Balances</b>	<b>\$ 634,692</b>	<b>\$ 132,202</b>	<b>\$ 221,314</b>	<b>\$ 79,116</b>	<b>\$ 669,896</b>	<b>\$ 1,097,230</b>	<b>\$ 537,280</b>	<b>\$ 3,371,730</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 634,692</b>	<b>\$ 139,221</b>	<b>\$ 221,314</b>	<b>\$ 80,193</b>	<b>\$ 672,811</b>	<b>\$ 1,103,315</b>	<b>\$ 537,280</b>	<b>\$ 3,388,826</b>

CITY OF CLEMSON

NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 Fiscal Year Ended June 30, 2012

	Community Development Funds	Emergency Phone System	Tourism Fund	Park Land Fund	Hospitality Fee Fund	Hospitality Tax Fund	Local Accom Tax Fund	Total 6/30/12
<b>Revenues</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ 19,005	\$ -	\$ -	\$ -	\$ 19,005
Local Option Sales Tax	-	-	-	6,492	-	-	-	6,492
Local Accommodations Tax	-	-	-	-	-	-	226,527	226,527
Hospitality Fees/Tax	-	-	-	-	547,479	547,478	-	1,094,957
Intergovernmental	-	-	187,931	-	-	-	-	187,931
Other Revenues	26,571	3,943	1,972	1,972	11,829	15,771	7,886	69,944
Charges for Services	-	48,539	-	-	-	-	-	48,539
State Aid	-	4,493	-	-	-	-	-	4,493
Investment Earnings	12,611	2,817	1,736	1,014	10,236	14,820	7,542	50,776
Contributions and Donations	-	-	-	-	-	4,000	-	4,000
<b>Total Revenues</b>	<b>\$ 39,182</b>	<b>\$ 59,792</b>	<b>\$ 191,639</b>	<b>\$ 28,483</b>	<b>\$ 569,544</b>	<b>\$ 582,069</b>	<b>\$ 241,955</b>	<b>\$ 1,712,664</b>
<b>Expenditures</b>								
Current Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,200	\$ -	\$ 7,200
General Government	-	38,630	-	-	2,720	-	-	41,350
Public Safety	9,762	-	-	-	-	-	-	9,762
Urban Redevelopment	-	-	-	-	166,099	35,008	-	201,107
Culture and Recreation	-	-	-	-	4,729	32,133	-	92,762
Capital Outlay	-	55,900	-	-	-	-	-	-
Intergovernmental	-	-	42,000	-	-	-	-	42,000
Tourism - Promotion	-	-	69,000	-	11,161	49,556	19,535	149,252
Tourism - Tourism Related	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	100,224	192,830	-	293,054
Principal	-	-	-	-	3,991	38,302	-	42,293
Interest	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 9,762</b>	<b>\$ 94,530</b>	<b>\$ 111,000</b>	<b>\$ -</b>	<b>\$ 288,924</b>	<b>\$ 355,029</b>	<b>\$ 19,535</b>	<b>\$ 878,780</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 29,420</b>	<b>\$ (34,738)</b>	<b>\$ 80,639</b>	<b>\$ 28,483</b>	<b>\$ 280,620</b>	<b>\$ 227,040</b>	<b>\$ 222,420</b>	<b>\$ 833,884</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,000	\$ -	\$ 47,000
Transfers Out	-	-	-	-	(140,000)	(15,000)	(47,000)	(202,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (140,000)</b>	<b>\$ 32,000</b>	<b>\$ (47,000)</b>	<b>\$ (155,000)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 29,420</b>	<b>\$ (34,738)</b>	<b>\$ 80,639</b>	<b>\$ 28,483</b>	<b>\$ 140,620</b>	<b>\$ 259,040</b>	<b>\$ 175,420</b>	<b>\$ 678,884</b>
<b>Fund Balances, Beginning</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>Fund Balances, Ending</b>	<b>\$ 634,692</b>	<b>\$ 132,202</b>	<b>\$ 221,314</b>	<b>\$ 79,116</b>	<b>\$ 669,896</b>	<b>\$ 1,097,230</b>	<b>\$ 537,280</b>	<b>\$ 3,371,730</b>

CITY OF CLEMSON

COMMUNITY DEVELOPMENT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues</i>			
<i>Federal Aid</i>	\$ 305,550	\$ -	\$ (305,550)
<i>Investment Earnings</i>	12,000	12,611	611
<i>Other Revenues</i>	<u>7,000</u>	<u>26,571</u>	<u>19,571</u>
<i>Total Revenues</i>	<u>\$ 324,550</u>	<u>\$ 39,182</u>	<u>\$ (285,368)</u>
<i>Expenditures</i>			
<i>Current Operating</i>			
<i>Urban Redevelopment</i>			
<i>Rehabilitation</i>	<u>\$ 389,718</u>	<u>\$ 9,762</u>	<u>\$ 379,956</u>
<i>Excess of Revenues Over</i>			
<i>(Under) Expenditures</i>	<u>\$ (65,168)</u>	<u>\$ 29,420</u>	<u>\$ 94,588</u>
<i>Fund Balance, Beginning</i>	<u>605,272</u>	<u>605,272</u>	<u>-</u>
<i>Fund Balance, Ending</i>	<u><u>\$ 540,104</u></u>	<u><u>\$ 634,692</u></u>	<u><u>\$ 94,588</u></u>



**CITY OF CLEMSON**

**EMERGENCY PHONE SYSTEM  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL**

*Fiscal Year Ended June 30, 2012*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Charges for Services	\$ 54,000	\$ 48,539	\$ (5,461)
State Aid	-	4,493	4,493
Investment Earnings	2,200	2,817	617
Other Revenues	-	3,943	3,943
	<u>56,200</u>	<u>59,792</u>	<u>3,592</u>
<b>Total Revenues</b>	<b>\$ 56,200</b>	<b>\$ 59,792</b>	<b>\$ 3,592</b>
<b>Expenditures</b>			
Current Operating			
Public Safety	\$ 39,400	\$ 38,630	\$ 770
Capital Outlay	6,000	55,900	(49,900)
	<u>45,400</u>	<u>94,530</u>	<u>(49,130)</u>
<b>Total Expenditures</b>	<b>\$ 45,400</b>	<b>\$ 94,530</b>	<b>\$ (49,130)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 10,800</b>	<b>\$ (34,738)</b>	<b>\$ (45,538)</b>
<b>Fund Balance, Beginning</b>	<u>166,940</u>	<u>166,940</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 177,740</u></u>	<u><u>\$ 132,202</u></u>	<u><u>\$ (45,538)</u></u>

CITY OF CLEMSON

TOURISM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
<i>Intergovernmental</i>	\$ 101,000	\$ 187,931	\$ 86,931
<i>Investment Earnings</i>	250	1,736	1,486
<i>Other Revenues</i>	-	1,972	1,972
<b>Total Revenues</b>	<u>\$ 101,250</u>	<u>\$ 191,639</u>	<u>\$ 90,389</u>
<b>Expenditures</b>			
<i>Intergovernmental</i>			
<i>Tourism - Promotion</i>	\$ 42,000	\$ 42,000	\$ -
<i>Tourism - Tourism Related</i>	70,000	69,000	1,000
<b>Total Expenditures</b>	<u>\$ 112,000</u>	<u>\$ 111,000</u>	<u>\$ 1,000</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ (10,750)	\$ 80,639	\$ 91,389
<b>Fund Balance, Beginning</b>	<u>140,675</u>	<u>140,675</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 129,925</u>	<u>\$ 221,314</u>	<u>\$ 91,389</u>

CITY OF CLEMSON

PARK LAND FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL

Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues</i>			
Property Taxes	\$ 19,691	\$ 19,005	\$ (686)
Local Option Sales Tax	6,019	6,492	473
Investment Earnings	450	1,014	564
Other Revenues	-	1,972	1,972
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Revenues</i>	<u>\$ 26,160</u>	<u>\$ 28,483</u>	<u>\$ 2,323</u>
<i>Expenditures</i>			
<i>Current Operating</i>			
<i>Culture and Recreation</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>\$ 26,160</u>	<u>\$ 28,483</u>	<u>\$ 2,323</u>
<i>Fund Balance, Beginning</i>	<u>50,633</u>	<u>50,633</u>	<u>-</u>
<i>Fund Balance, Ending</i>	<u>\$ 76,793</u>	<u>\$ 79,116</u>	<u>\$ 2,323</u>

CITY OF CLEMSON

HOSPITALITY FEE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Hospitality Fees	\$ 480,000	\$ 547,479	\$ 67,479
Investment Earnings	7,400	10,236	2,836
Other Revenues	-	11,829	11,829
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Revenues</b>	<b>\$ 487,400</b>	<b>\$ 569,544</b>	<b>\$ 82,144</b>
<b>Expenditures</b>			
<b>Current Operating</b>			
Public Safety	\$ -	\$ 2,720	\$ (2,720)
Culture and Recreation	164,321	166,099	(1,778)
<b>Capital Outlay</b>	10,000	4,729	5,271
<b>Tourism - Tourism Related</b>	34,000	11,161	22,839
<b>Debt Service</b>			
Principal	100,300	100,224	76
Interest	4,000	3,991	9
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Expenditures</b>	<b>\$ 312,621</b>	<b>\$ 288,924</b>	<b>\$ 23,697</b>
<b>Excess of Revenues Over ( Under) Expenditures</b>	<b>\$ 174,779</b>	<b>\$ 280,620</b>	<b>\$ 105,841</b>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	(150,300)	(140,000)	10,300
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net Change in Fund Balance</b>	<b>\$ 24,479</b>	<b>\$ 140,620</b>	<b>\$ 116,141</b>
<b>Fund Balance, Beginning</b>	<b>529,276</b>	<b>529,276</b>	<b>-</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Fund Balance, Ending</b>	<b>\$ 553,755</b>	<b>\$ 669,896</b>	<b>\$ 116,141</b>
	<u>          </u>	<u>          </u>	<u>          </u>

CITY OF CLEMSON

HOSPITALITY TAX FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues</i>			
Hospitality Tax	\$ 480,000	\$ 547,478	\$ 67,478
Investment Earnings	11,500	14,820	3,320
Contributions and Donations	12,000	4,000	(8,000)
Other Revenues	-	15,771	15,771
	<u>503,500</u>	<u>582,069</u>	<u>78,569</u>
<i>Total Revenues</i>			
<i>Expenditures</i>			
<i>Current Operating</i>			
General Government	\$ 12,000	\$ 7,200	\$ 4,800
Culture and Recreation	-	35,008	(35,008)
Capital Outlay	110,000	32,133	77,867
Tourism - Tourism Related	108,500	49,556	58,944
<i>Debt Service</i>			
Principal	193,000	192,830	170
Interest	38,500	38,302	198
	<u>462,000</u>	<u>355,029</u>	<u>106,971</u>
<i>Total Expenditures</i>			
Excess of Revenues Over (Under) Expenditures	<u>\$ 41,500</u>	<u>\$ 227,040</u>	<u>\$ 185,540</u>
<i>Other Financing Sources (Uses)</i>			
Transfers In	\$ 47,000	\$ 47,000	\$ -
Transfers Out	(25,300)	(15,000)	10,300
	<u>21,700</u>	<u>32,000</u>	<u>10,300</u>
<i>Total Other Financing Sources (Uses)</i>			
Net Change in Fund Balance	\$ 63,200	\$ 259,040	\$ 195,840
Fund Balance, Beginning	<u>838,190</u>	<u>838,190</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 901,390</u>	<u>\$ 1,097,230</u>	<u>\$ 195,840</u>

CITY OF CLEMSON

LOCAL ACCOMMODATIONS TAX FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues</i>			
Local Accommodations Tax	\$ 180,000	\$ 226,527	\$ 46,527
Investment Earnings	4,200	7,542	3,342
Other Revenues	-	7,886	7,886
	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	\$ 184,200	\$ 241,955	\$ 57,755
<i>Expenditures</i>			
Intergovernmental			
Tourism - Tourism Related	\$ 92,300	\$ 19,535	\$ 72,765
	<u>          </u>	<u>          </u>	<u>          </u>
Excess of Revenues Over (Under) Expenditures	\$ 91,900	\$ 222,420	\$ 130,520
<i>Other Financing Uses</i>			
Transfer Out	(47,000)	(47,000)	-
	<u>          </u>	<u>          </u>	<u>          </u>
Net Change in Fund Balance	\$ 44,900	\$ 175,420	\$ 130,520
Fund Balance, Beginning	361,860	361,860	-
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance, Ending	\$ 406,760	\$ 537,280	\$ 130,520
	<u>          </u>	<u>          </u>	<u>          </u>

**CITY OF CLEMSON**

**NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET**

June 30, 2012

<b>Assets</b>	<b>Transit Multi-Modal Facility</b>	<b>Downtown Revitalization Phase Vb</b>	<b>Total</b>
<i>Due from Other Governmental Units</i>	\$ 40,909	\$ -	\$ 40,909
<i>Due from Other Funds</i>	-	802,700	802,700
<b>Total Assets</b>	<b>\$ 40,909</b>	<b>\$ 802,700</b>	<b>\$ 843,609</b>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
<i>Contracts Payable</i>	\$ -	\$ 121,916	\$ 121,916
<i>Retainage Payable</i>	-	24,100	24,100
<i>Due to Other Funds</i>	40,909	-	40,909
<b>Total Liabilities</b>	<b>\$ 40,909</b>	<b>\$ 146,016</b>	<b>\$ 186,925</b>
 <b>Fund Balances</b>			
<i>Assigned to Encumbrances</i>	\$ -	\$ 559,288	\$ 559,288
<i>Unassigned</i>	-	97,396	97,396
<b>Total Fund Balances</b>	<b>\$ -</b>	<b>\$ 656,684</b>	<b>\$ 656,684</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 40,909</b>	<b>\$ 802,700</b>	<b>\$ 843,609</b>

CITY OF CLEMSON

NONMAJOR CAPITAL PROJECTS FUNDS  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 Fiscal Year Ended June 30, 2012

	Transit Multi-Modal Facility	City Hall Expansion	Downtown Revitalization Phase Va	Downtown Revitalization Phase Vb	Total
Revenues					
Federal Aid	\$ 360,380	\$ -	\$ -	\$ -	\$ 360,380
Investment Earnings	-	-	3,039	2,719	5,758
Other Revenue	-	-	1,580	240	1,820
Total Revenues	\$ 360,380	\$ -	\$ 4,619	\$ 2,959	\$ 367,958
Expenditures					
Capital Outlay					
Public Buildings	\$ 308,620	\$ 59,520	\$ -	\$ -	\$ 368,140
Other Improvements	-	-	889,375	300,275	1,189,650
Total Expenditures	\$ 308,620	\$ 59,520	\$ 889,375	\$ 300,275	\$ 1,557,790
Excess of Revenues Over (Under) Expenditures	\$ 51,760	\$ (59,520)	\$ (884,756)	\$ (297,316)	\$ (1,189,832)
Other Financing Sources (Uses)					
Transfers In	\$ -	\$ -	\$ -	\$ 954,000	\$ 954,000
Transfers Out	-	(3,837)	(10,163)	-	(14,000)
Total Other Financing Sources (Uses)	\$ -	\$ (3,837)	\$ (10,163)	\$ 954,000	\$ 940,000
Net Change in Fund Balances	\$ 51,760	\$ (63,357)	\$ (894,919)	\$ 656,684	\$ (249,832)
Fund Balances, Beginning	(51,760)	63,357	894,919	-	906,516
Fund Balances, Ending	\$ -	\$ -	\$ -	\$ 656,684	\$ 656,684



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, 2012

	Budget	Prior Years	Actual Current Year	Total	Variance
Revenues					
Federal Aid	\$ 3,017,000	\$ 2,656,620	\$ 360,380	\$ 3,017,000	\$ -
Expenditures					
General Government	\$ 11,100	\$ -	\$ -	\$ -	\$ 11,100
Public Buildings					
Capital Outlay	3,047,800	2,837,630	308,620	3,146,250	(98,450)
Public Buildings					
Total Expenditures	\$ 3,058,900	\$ 2,837,630	\$ 308,620	\$ 3,146,250	\$ (87,350)
Excess of Revenues Over (Under) Expenditures	\$ (41,900)	\$ (181,010)	\$ 51,760	\$ (129,250)	\$ (87,350)
Other Financing Sources (Uses)					
Transfers In	129,250	129,250	-	129,250	-
Net Change in Fund Balance	\$ 87,350	\$ (51,760)	\$ 51,760	\$ -	\$ (87,350)
Fund Balance, Beginning	-	-	(51,760)	-	-
Fund Balance, Ending	\$ 87,350	\$ (51,760)	\$ -	\$ -	\$ (87,350)

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

CITY OF CLEMSON

CAPITAL PROJECTS FUND  
 CITY HALL EXPANSION  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2012

	Budget	Prior Years	Actual Current Year	Total	Variance
Revenues					
Investment Earnings	\$ 77,500	\$ 79,023	\$ -	\$ 79,023	\$ 1,523
Expenditures					
General Government	\$ 62,500	\$ -	\$ -	\$ -	\$ 62,500
Public Buildings					
Capital Outlay	2,761,500	2,716,906	59,520	2,776,426	(14,926)
Public Buildings					
Total Expenditures	\$ 2,824,000	\$ 2,716,906	\$ 59,520	\$ 2,776,426	\$ 47,574
Excess of Revenues Over (Under) Expenditures	\$ (2,746,500)	\$ (2,637,883)	\$ (59,520)	\$ (2,697,403)	\$ 49,097
Other Financing Sources (Uses)					
Issuance of Long Term Debt	\$ 650,000	\$ -	\$ -	\$ -	\$ (650,000)
Transfers In	2,100,000	2,754,387	-	2,754,387	654,387
Transfers Out	-	(53,147)	(3,837)	(56,984)	(56,984)
Total Other Financing Sources (Uses)	\$ 2,750,000	\$ 2,701,240	\$ (3,837)	\$ 2,697,403	\$ (52,597)
Net Change in Fund Balance	\$ 3,500	\$ 63,357	\$ (63,357)	\$ -	\$ (3,500)
Fund Balance, Beginning	-	-	63,357	-	-
Fund Balance, Ending	\$ 3,500	\$ 63,357	\$ -	\$ -	\$ (3,500)

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 Va  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2012

	Budget	Prior Years	Actual Current Year	Total	Variance
Revenues					
Investment Earnings	\$ 10,000	\$ 2,988	\$ 3,039	\$ 6,027	\$ (3,973)
Other Revenues	-	1,200	1,580	2,780	2,780
Total Revenues	\$ 10,000	\$ 4,188	\$ 4,619	\$ 8,807	\$ (1,193)
Expenditures					
Capital Outlay	\$ 2,265,500	\$ 485,804	\$ 889,375	\$ 1,375,179	\$ 890,321
Other Improvements					
Excess of Revenues Over (Under) Expenditures	\$ (2,255,500)	\$ (481,616)	\$ (884,756)	\$ (1,366,372)	\$ 889,128
Other Financing Sources (Uses)					
Transfers In	2,267,000	1,376,535	-	1,376,535	(890,465)
Transfers Out	-	-	(10,163)	(10,163)	(10,163)
Total Other Financing Sources (Uses)	\$ 2,267,000	\$ 1,376,535	\$ (10,163)	\$ 1,366,372	\$ (900,628)
Net Change in Fund Balance	\$ 11,500	\$ 894,919	\$ (894,919)	\$ -	\$ (11,500)
Fund Balance, Beginning	-	-	894,919	-	-
Fund Balance, Ending	\$ 11,500	\$ 894,919	\$ -	\$ -	\$ (11,500)

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 Vb  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2012

	Budget	Current Year	Variance
Revenues			
Investment Earnings	\$ 1,500	\$ 2,719	\$ 1,219
Other Revenues	-	240	240
Total Revenues	\$ 1,500	\$ 2,959	\$ 1,459
Expenditures			
Capital Outlay	\$ 893,500	\$ 300,275	\$ 593,225
Other Improvements			
Excess of Revenues Over (Under) Expenditures	\$ (892,000)	\$ (297,316)	\$ 594,684
Other Financing Sources			
Transfers In	940,000	954,000	14,000
Net Change in Fund Balance	\$ 48,000	\$ 656,684	\$ 608,684
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ 48,000	\$ 656,684	\$ 608,684

Note:

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

CITY OF CLEMSON

DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues</i>			
Property Taxes	\$ 77,945	\$ 79,236	\$ 1,291
Local Option Sales Tax	23,827	25,520	1,693
Investment Earnings	2,750	2,609	(141)
Other Revenues	-	1,971	1,971
	<u>104,522</u>	<u>109,336</u>	<u>4,814</u>
<i>Total Revenues</i>			
<i>Expenditures</i>			
<i>Debt Service</i>			
Principal	\$ 727,000	\$ 726,848	\$ 152
Interest	204,700	204,498	202
Fees	2,000	-	2,000
	<u>933,700</u>	<u>931,346</u>	<u>2,354</u>
<i>Total Expenditures</i>			
<i>Excess of Revenues Over (Under) Expenditures</i>	\$ (829,178)	\$ (822,010)	\$ 7,168
<i>Other Financing Sources</i>			
Transfers In	<u>824,361</u>	<u>824,361</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	\$ (4,817)	\$ 2,351	\$ 7,168
<i>Fund Balance, Beginning</i>	<u>150,655</u>	<u>150,655</u>	<u>-</u>
<i>Fund Balance, Ending</i>	<u><u>\$ 145,838</u></u>	<u><u>\$ 153,006</u></u>	<u><u>\$ 7,168</u></u>

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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, 2012 and 2011

	2012	2011
<b>Capital Assets</b>		
Land	\$ 1,595,400	\$ 1,595,400
Buildings	7,798,737	7,798,737
Other Improvements	15,496,211	15,166,757
Equipment	6,771,682	6,368,496
Construction in Progress	1,602,026	3,648,781
<b>Total Capital Assets</b>	<b>\$ 33,264,056</b>	<b>\$ 34,578,171</b>
<b>Investments In Capital Assets</b>		
General Fund	\$ 8,824,401	\$ 8,642,818
Proprietary Funds	183,071	183,071
Special Revenue Funds	3,802,344	3,709,582
Capital Projects Fund	18,624,993	20,213,453
Debt Service Fund	5,670	5,670
Donations	1,193,276	1,193,276
Prior, Unidentified	630,301	630,301
<b>Total Investments In Capital Assets</b>	<b>\$ 33,264,056</b>	<b>\$ 34,578,171</b>



CITY OF CLEMSON

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
 Fiscal Year Ended June 30, 2012

Asset Type	Balance 6/30/11	Additions	Retirements	Reclassifications & Transfers	Balance 6/30/12
<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	\$ 7,073,228	\$ -	\$ -	\$ -	\$ 7,073,228
Recreation	304,564	-	-	-	304,564
Community Development	420,945	-	-	-	420,945
<b>Total</b>	<b>\$ 7,798,737</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,798,737</b>
<b>Other Improvements</b>					
Municipal Court	\$ 2,126	\$ -	\$ -	\$ -	\$ 2,126
Planning	580,227	-	-	-	580,227
Public Buildings	560,199	-	-	268,403	828,602
Streets	6,949,348	-	-	61,051	7,010,399
Recreation	6,919,544	-	-	-	6,919,544
Equipment Services	26,493	-	-	-	26,493
Community Development	128,820	-	-	-	128,820
<b>Total</b>	<b>\$ 15,166,757</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 329,454</b>	<b>\$ 15,496,211</b>
<b>Equipment</b>					
Municipal Court	\$ 13,607	\$ -	\$ -	\$ -	\$ 13,607
Administration	36,414	-	-	-	36,414
Finance	110,731	-	-	-	110,731
Information Technology	29,985	14,597	-	17,686	62,268
Planning	140,561	21,078	16,263	(17,686)	127,690
Public Buildings	243,537	59,520	-	-	303,057
Police	1,411,503	60,629	-	-	1,472,132
Fire	555,838	-	-	-	555,838
Streets	790,283	70,625	-	-	860,908
Residential Sanitation	2,129,608	184,622	-	-	2,314,230
Public Works Administration	25,438	-	-	-	25,438
Recreation	373,032	-	-	(23,755)	349,277
Horticulture	227,158	32,133	-	-	259,291
Equipment Services	276,852	-	-	-	276,852
Community Development	3,949	-	-	-	3,949
<b>Total</b>	<b>\$ 6,368,496</b>	<b>\$ 443,204</b>	<b>\$ 16,263</b>	<b>\$ (23,755)</b>	<b>\$ 6,771,682</b>
<b>Construction In Progress</b>					
Public Buildings	\$ 3,106,033	\$ -	\$ -	\$ (3,106,033)	\$ -
Streets	542,747	1,120,330	-	(61,051)	1,602,026
<b>Total</b>	<b>\$ 3,648,780</b>	<b>\$ 1,120,330</b>	<b>\$ -</b>	<b>\$ (3,167,084)</b>	<b>\$ 1,602,026</b>
<b>Total Capital Assets</b>	<b>\$ 34,578,170</b>	<b>\$ 1,563,534</b>	<b>\$ 16,263</b>	<b>\$ (2,861,385)</b>	<b>\$ 33,264,056</b>

CITY OF CLEMSON

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY

June 30, 2012

Function & Activity	Land	Buildings	Other Improvements	Equipment	Construction in Progress	Total
General Government						
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	62,268	-	62,268
	764,125	7,073,228	828,602	127,690	-	707,917
				303,056	-	8,969,011
Total General Government	\$ 764,125	\$ 7,073,228	\$ 1,410,955	\$ 653,767	\$ -	\$ 9,902,075
Public Safety						
Police	\$ -	\$ -	\$ -	\$ 1,472,132	\$ -	\$ 1,472,132
Fire	-	-	-	555,838	-	555,838
Total Public Safety	\$ -	\$ -	\$ -	\$ 2,027,970	\$ -	\$ 2,027,970
Public Works						
Streets	\$ -	\$ -	\$ 7,010,399	\$ 860,908	\$ 1,602,026	\$ 9,473,333
Residential Sanitation	-	-	-	2,314,230	-	2,314,230
Public Works Administration	-	-	-	25,438	-	25,438
Total Public Works	\$ -	\$ -	\$ 7,010,399	\$ 3,200,576	\$ 1,602,026	\$ 11,813,001
Culture & Recreation						
Recreation	\$ 827,775	\$ 304,564	\$ 6,919,544	\$ 349,277	\$ -	\$ 8,401,160
Horticulture	-	-	-	259,291	-	259,291
Total Culture & Recreation	\$ 827,775	\$ 304,564	\$ 6,919,544	\$ 608,568	\$ -	\$ 8,660,451
Equipment Services	\$ -	\$ -	\$ 26,493	\$ 276,852	\$ -	\$ 303,345
Community Development	\$ 3,500	\$ 420,945	\$ 128,820	\$ 3,949	\$ -	\$ 557,214
Total Capital Assets	\$ 1,595,400	\$ 7,798,737	\$ 15,496,211	\$ 6,771,682	\$ 1,602,026	\$ 33,264,056

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OTHER REQUIRED  
INFORMATION



CITY OF CLEMSON

VICTIM SERVICES  
SUPPLEMENTARY SCHEDULE OF FINES AND ASSESSMENTS  
Fiscal Year Ended June 30, 2012

Collections: (Municipal Court)

Fines	\$ 699,289	
Assessments	277,163	
Surcharges	<u>173,559</u>	
Total Collections		<u>\$ 1,150,011</u>

Retainage: (Municipal Treasurer)

Fines	\$ 699,289	
Assessments	30,223	
Surcharges	<u>9,510</u>	
Total Retainage		<u>\$ 739,022</u>

Amounts Remitted:

State Treasurer - Assessments		<u>\$ 410,989</u>
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Amount of Funds Allocated to Victim Services by Fund Source:

From Assessments and Surcharges (Paid prior to 06/30/2012)		<u>\$ 39,733</u>
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Funds Carried Forward to FY 2013  
Designated as Victim Right's Funds

		<u>\$ -</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

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<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>82-87</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>88-91</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>92-96</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>97-98</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>99-101</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 Nine Fiscal Years  
(accrual basis of accounting)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>									
Invested in capital assets, net of related debt	\$ 6,091,113	\$ 7,169,768	\$ 6,693,640	\$ 6,219,941	\$ 6,291,242	\$ 8,978,544	\$ 10,785,335	\$ 14,364,423	\$ 12,388,670
Restricted	783,820	743,483	197,031	176,906	214,128	237,353	265,347	150,655	153,006
Unrestricted	1,179,592	810,128	3,547,765	6,496,742	5,563,862	5,782,454	5,168,202	5,090,063	6,096,998
<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>\$ 18,638,674</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	\$ 17,763,553
Restricted	758,665	765,375	797,255	925,932	838,462	803,817	720,860	1,200,157	1,094,499
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	6,131,877
<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>\$ 25,009,929</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	\$ 30,172,223
Restricted	1,542,485	1,508,858	994,286	1,102,838	1,052,590	1,041,170	986,207	1,350,812	1,247,505
Unrestricted	2,697,308	2,915,582	6,284,457	10,406,033	9,550,204	9,866,960	9,186,974	9,560,311	12,228,875
<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>	<b>\$ 43,648,603</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 Nine Fiscal Years  
(accrual basis of accounting)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>									
Governmental Activities:									
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	\$ 2,935,243
Public Safety	2,064,135	2,191,053	2,377,965	2,540,899	2,857,097	2,960,726	3,061,726	3,285,124	3,314,838
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	2,200,326
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	1,656,778
Equipment Services	110,340	115,716	-	-	-	-	-	-	-
Urban Redevelopment	60,128	73,816	12,748	34,016	31,082	13,611	8,773	2,214	9,762
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	246,178
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>10,363,125</b>
Business-type Activities:									
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	2,446,654
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	2,491,592
Sanitation	158,774	171,340	199,796	192,632	229,168	252,576	285,825	294,317	299,734
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	3,574,179
Parking Deck	14,006	79,614	104,854	92,298	97,552	102,568	97,435	175,947	81,991
<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>8,894,150</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>19,257,275</b>
<b>Program Revenues</b>									
Governmental Activities:									
Charges for Services:									
Refuse Collection	\$ 196,283	\$ 225,275	\$ 357,585	\$ 425,071	\$ 414,130	\$ 419,044	\$ 443,712	\$ 446,842	\$ 454,066
Other Public Works	95,984	414,027	388,035	443,250	429,580	434,494	459,162	464,398	471,622
Parks and Recreation	70,067	524,264	662,028	618,925	81,352	92,301	111,767	114,364	109,685
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	2,959,209
Operating Grants and Contributions	622,305	1,518,446	866,865	601,931	476,736	270,519	251,184	218,731	360,004
Capital Grants and Contributions	350,000	122,660	64,669	17,759	440,350	734,000	455,162	2,201,458	360,380
<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>	<b>4,714,966</b>
Business-type Activities:									
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	\$ 2,432,497
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	4,609,065
Sanitation	143,059	135,642	134,931	157,695	224,671	316,247	297,780	287,559	296,946
Transit	114,410	169,873	156,395	150,467	116,079	37,868	57,833	4,387	42,748
Parking Deck	3,512	23,721	77,987	80,148	86,472	93,546	74,788	80,543	86,826
Operating Grants and Contributions	687,456	1,840,856	1,852,063	2,891,904	3,311,138	3,096,441	3,283,713	3,580,810	4,599,791
Capital Grants and Contributions	740,000	1,737,605	842,528	155,620	721,636	145,000	21,614	10,580	102,558
<b>Total Business-type Activities Program Revenues</b>	<b>5,305,864</b>	<b>7,729,919</b>	<b>7,042,237</b>	<b>7,684,613</b>	<b>8,823,487</b>	<b>8,003,865</b>	<b>8,415,645</b>	<b>9,086,250</b>	<b>12,170,431</b>
<b>Total Primary Government Program Revenues</b>	<b>6,720,277</b>	<b>12,189,431</b>	<b>11,000,217</b>	<b>11,551,220</b>	<b>13,066,424</b>	<b>12,534,470</b>	<b>12,780,765</b>	<b>15,256,732</b>	<b>16,885,397</b>

Continued

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

	Fiscal Year									Continued
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
<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)	\$ (5,759,578)	\$ (3,899,492)	\$ (5,648,159)	
Business-type Activities	182,795	1,890,896	695,737	620,165	154,049	(514,659)	(124,376)	385,511	3,276,281	
<b>Total Primary Government Net Expense</b>	<b>\$ (5,994,926)</b>	<b>\$ (2,550,897)</b>	<b>\$ (3,698,363)</b>	<b>\$ (3,991,267)</b>	<b>\$ (4,872,873)</b>	<b>\$ (6,046,883)</b>	<b>\$ (5,883,954)</b>	<b>\$ (3,513,981)</b>	<b>\$ (2,371,878)</b>	
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
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	\$ 5,227,080	
Local Option Sales Tax	811,222	878,318	980,250	1,005,458	1,057,525	1,014,343	991,493	1,063,281	1,119,299	
Local Accommodations Tax	-	-	126,535	139,593	148,489	-	173,057	206,726	226,527	
Hospitality Fees	616,806	-	-	-	-	-	-	-	-	
Licenses and Permits	1,277,546	-	-	-	-	654,347	544,975	649,341	470,878	
Intergovernmental	881,582	713,355	-	642,409	679,677	-	-	-	-	
Fines and Forfeitures	181,638	-	-	523,332	333,429	195,704	168,538	110,136	101,358	
Unrestricted Investment Earnings	88,405	129,730	293,493	268,377	337,791	291,376	249,294	367,097	428,762	
Other	327,525	612,900	455,721	-	-	-	(133,081)	(12,035)	-	
Loss on Disposal of Assets	-	-	-	894,538	(399,223)	(255,164)	302,187	22,604	(2,892,212)	
Transfers	(2,128,176)	217,638	286,329	-	-	-	-	-	-	
<b>Total Governmental Activities</b>	<b>4,721,401</b>	<b>5,110,647</b>	<b>6,109,157</b>	<b>7,066,585</b>	<b>6,202,565</b>	<b>6,461,343</b>	<b>6,980,111</b>	<b>7,285,749</b>	<b>4,681,692</b>	
Business-type Activities:										
Intergovernmental	\$ 662,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Investment Earnings	50,952	107,691	170,702	213,814	187,510	110,813	99,442	91,643	76,174	
Gain on Sale of Capital Assets	-	-	-	260,000	-	-	-	-	-	
Transfers	2,128,176	(217,638)	(286,329)	(894,538)	399,223	255,164	(302,187)	(22,604)	2,892,212	
<b>Total Business-type Activities</b>	<b>2,841,128</b>	<b>(109,947)</b>	<b>(115,627)</b>	<b>(430,724)</b>	<b>586,733</b>	<b>365,977</b>	<b>(202,745)</b>	<b>69,039</b>	<b>2,966,386</b>	
<b>Total Primary Government</b>	<b>\$ 7,562,529</b>	<b>\$ 5,000,700</b>	<b>\$ 5,993,530</b>	<b>\$ 6,635,861</b>	<b>\$ 6,789,298</b>	<b>\$ 6,827,320</b>	<b>\$ 6,777,366</b>	<b>\$ 7,354,788</b>	<b>\$ 7,650,078</b>	
<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	\$ (966,467)	
Business-type Activities	3,023,923	1,780,949	580,110	189,441	740,782	(148,682)	(327,121)	454,550	6,244,667	
<b>Total Primary Government</b>	<b>\$ 1,567,603</b>	<b>\$ 2,449,803</b>	<b>\$ 2,295,167</b>	<b>\$ 2,644,594</b>	<b>\$ 1,916,425</b>	<b>\$ 780,437</b>	<b>\$ 893,412</b>	<b>\$ 3,840,807</b>	<b>\$ 5,278,200</b>	

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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	144,989	18,259	188,910	90,500	203,045	3,000	38,128	34,939	89,126
Assigned	-	2,208,561	2,244,457	2,462,084	2,687,519	2,606,828	2,814,699	105,645	41,209	28,850
Unassigned	2,002,582	-	-	-	-	-	-	2,748,243	2,644,280	2,883,827
<b>Total General Fund</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>\$ 3,001,603</b>
<b>All Other Governmental Funds</b>										
Restricted, Reported In:										
Special Revenue Funds	\$ 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	\$ 2,790,556
Community Development Fund	-	-	563,026	-	-	-	-	-	-	-
Tax Increment Fund	-	-	-	-	-	1,871,324	719,440	1,309,143	414,664	283,848
City Hall Expansion Fund	-	-	-	-	-	-	2,449,148	296,537	-	-
Nettles Park Fund	-	-	-	1,638,776	123,880	-	-	-	-	-
Parking Deck Fund	-	136,980	-	-	-	-	-	-	-	-
Capital Project Funds	2,892,253	903,754	437,526	1,239,821	2,763,767	991,027	-	-	287,211	97,396
Debt Service Fund	254,150	229,724	207,391	197,031	176,906	214,128	237,353	265,347	150,655	153,006
Assigned, Reported In:										
Special Revenue Funds	20,516	66,387	11,166	67,080	20,553	97,000	11,100	-	121,002	581,174
Tax Increment Fund	-	-	-	-	-	13,821	-	-	-	-
City Hall Expansion Fund	-	-	-	-	-	-	42,309	345,487	-	-
Nettles Park Fund	-	-	-	290,819	405,275	-	-	-	-	-
Parking Deck Fund	-	4,000	-	-	-	-	-	-	-	-
Capital Project Funds	1,930,236	278,578	141,329	1,994,010	180,333	1,128,081	-	-	617,065	559,288
Unassigned, Reported In:										
Transit Multi-Modal Facility Fund	-	-	-	-	-	-	-	-	(51,760)	-
<b>Total All Other Governmental Funds</b>	<b>\$ 6,267,534</b>	<b>\$ 2,905,589</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>	<b>\$ 4,465,268</b>

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Property Taxes	\$ 2,502,082	\$ 2,684,653	\$ 2,558,706	\$ 3,316,692	\$ 3,592,878	\$ 4,044,877	\$ 4,422,204	\$ 4,683,648	\$ 4,878,599	\$ 5,227,080
Local Option Sales Tax	811,221	811,222	878,318	980,250	1,005,458	1,057,525	1,014,343	1,063,281	1,063,281	1,119,299
Local Accommodations Tax	-	-	-	126,535	139,593	148,489	138,533	173,057	206,726	226,527
Hospitality Fees	338,162	616,806	715,752	776,428	823,234	878,930	911,540	968,309	1,047,555	1,094,957
Licenses and Permits	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	1,910,700
Intergovernmental	724,648	881,582	831,123	1,172,118	1,004,678	1,081,210	865,289	774,304	818,149	826,389
Federal Aid	87,696	374,534	9,668	385,485	117,181	73,023	323,577	467,017	2,211,470	360,380
State Aid	793,519	597,771	1,513,670	14,669	17,759	264,000	-	10,000	39,911	4,493
Charges for Services	437,362	442,108	463,530	537,153	599,252	591,127	613,206	680,413	675,843	673,946
Fines and Forfeitures	146,577	181,838	217,951	309,152	258,122	290,255	292,110	333,274	316,708	314,979
Investment Earnings	159,416	88,405	129,730	293,493	523,332	333,429	195,704	168,538	110,136	101,358
Quasi-External Transactions	253,041	-	-	-	-	-	-	-	-	-
Contributions & Donations	-	-	-	-	122,481	178,530	450,000	-	-	4,000
Other Revenues	479,780	335,329	559,392	214,103	261,352	328,241	289,010	215,396	369,871	304,888
<b>Total Revenues</b>	<b>\$ 8,018,481</b>	<b>\$ 8,271,794</b>	<b>\$ 9,299,073</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>\$ 12,168,996</b>
<b>Expenditures</b>										
General Government	\$ 1,677,771	\$ 1,748,670	\$ 1,807,368	\$ 2,037,702	\$ 2,127,550	\$ 2,204,790	\$ 2,376,389	\$ 2,454,355	\$ 2,263,785	\$ 2,403,514
Public Safety	1,800,309	2,017,402	2,124,176	2,267,304	2,461,131	2,764,753	2,732,920	2,893,005	3,148,688	3,118,552
Public Works	1,234,085	1,442,850	1,734,580	1,928,740	1,781,507	2,007,694	2,098,573	1,950,062	1,949,444	1,883,926
Culture and Recreation	587,698	611,158	702,074	858,965	651,509	745,854	856,646	872,293	1,136,068	848,754
Urban Redevelopment	78,181	60,128	73,816	12,748	34,016	31,082	13,611	8,773	2,214	9,762
Equipment Services	96,137	102,747	110,636	116,558	163,516	140,489	128,521	247,971	136,193	136,743
Capital Outlay	1,628,500	4,567,445	1,249,994	466,962	4,297,994	1,958,847	2,015,519	2,530,964	3,493,631	1,650,552
Debt Service	-	-	-	-	-	-	-	-	-	-
Interest	319,240	333,083	317,409	325,568	464,602	436,311	399,863	355,374	300,511	260,290
Principal	387,384	377,737	475,444	489,805	924,149	973,920	1,049,817	1,025,322	2,016,553	1,139,974
Fees	-	1,567	1,565	1,563	1,561	1,013	1,013	1,013	20,134	-
Intergovernmental	908,503	725,180	1,545,283	120,399	140,897	175,473	329,162	297,380	231,951	191,252
Other	25,935	31,911	41,816	93,882	153,481	142,097	167,759	156,013	181,292	197,953
<b>Total Expenditures</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>\$ 14,860,464</b>	<b>\$ 11,841,272</b>
<b>Excess of Revenues Over (Under) Expenditures</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>	<b>\$ 327,724</b>

Continued

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

Continued

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other Financing Sources (Uses)</b>										
General Obligation Bonds	\$ -	\$ 187,000	\$ -	\$ 2,039,833	\$ -	\$ 135,000	\$ -	\$ 455,000	\$ 951,000	\$ -
Lease Purchase Agreements	-	-	-	2,350,000	-	-	-	-	-	-
Tax Incremental Bonds	-	-	-	1,500,103	-	1,559,591	3,972,567	1,490,295	2,947,203	2,246,399
Transfers In	10,000	1,554,071	1,204,192	(829,687)	2,046,491	(1,236,153)	(3,827,251)	(1,188,107)	(2,924,599)	(1,992,361)
Transfers Out	(10,000)	(1,003,963)	(986,555)		(1,151,953)					
Total Other Financing Sources (Uses)	\$ -	\$ 737,108	\$ 217,637	\$ 5,060,249	\$ 1,249,538	\$ 458,438	\$ 145,316	\$ 757,188	\$ 973,604	\$ 254,038
Net Change In Fund Balances	\$ (725,262)	\$ (3,010,976)	\$ (666,610)	\$ 5,979,243	\$ (1,920,746)	\$ (288,710)	\$ (773,671)	\$ (895,111)	\$ (458,425)	\$ 581,762
Debt Service As a Percentage of Noncapital Expenditures	9.9%	9.9%	9.5%	10.5%	16.7%	15.8%	15.2%	14.6%	22.3%	13.7%

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			
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%
2012	48,964,038	3,386,351	83.34	1,035,719,943	5.05%

Source: Pickens County Auditor's Office

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

(b) 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
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
2012	80.96	1.90	0.48	83.34	170.50	59.00

Source of Overlapping Rates: Pickens County



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

Taxpayer	2012		Taxpayer	2003	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Duke Energy Corporation	\$ 948,900	1.81%	Duke Energy Corporation	\$ 1,063,510	2.94%
Lowe's Home Center, Inc.	723,520	1.38%	Bellsouth Telecommunications	906,560	2.51%
Clemson I, LLC	587,580	1.12%	Berkeley Place, LLC	485,020	1.34%
Bellsouth Telecommunications	538,710	1.03%	Clemson Area Retirement Center, Inc.	364,150	1.01%
Tiger Towne Village, LLC	534,950	1.02%	Clemson Place, LLC	312,000	0.86%
BCH Clemson, LLC	513,550	0.98%	Langston Place Partnership	300,290	0.83%
EDR Clemson Place, Limited Partnership	453,280	0.87%	Bi-Lo, Inc.	292,770	0.81%
Ingles Markets, Inc.	373,430	0.71%	Clemson Inn Associates (Comfort Inn)	249,960	0.69%
Clemson Area Retirement Center, Inc.	365,890	0.70%	Heritage Pointe, LLC	225,000	0.62%
Tristate SC One, Limited Partnership	345,430	0.66%	Nirman Enterprise Associates (Hampton Inn)	179,090	0.50%
<b>Total</b>	<b>\$ 5,385,240</b>	<b>10.28%</b>		<b>\$ 4,378,350</b>	<b>12.11%</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
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%
2012	3,317,771	3,296,380	99.36%	3,111,916	93.80%

Source: Pickens County Office of Finance

- Notes: (a) Does not include current year taxes collected as delinquent in the year of the levy.  
 (b) Collections in subsequent years by year of levy were unavailable. Amounts receivable at June 30, 2012 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	Tax		Capital Leases	Water Revenue Bonds	Capital Leases	Total Primary Government				
		Incremental Financing Bonds									
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			
2012	404,000	3,771,084	1,231,396	4,189,912	94,782	9,691,174	2.83%	695			

**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>		Less: Amounts Available in Debt Service Fund		Total	Percentage of Actual Taxable Value of Property <sup>(a)</sup>	Per Capita <sup>(b)</sup>
Fiscal Year	General Obligation Bonds					
2003	1,715,000	254,150	1,460,850	0.26%	122.36	
2004	1,590,000	229,724	1,360,276	0.25%	113.94	
2005	1,460,000	207,391	1,252,609	0.21%	104.92	
2006	1,320,000	197,031	1,122,969	0.16%	94.06	
2007	1,160,000	176,906	983,094	0.12%	82.34	
2008	1,040,000	214,128	825,872	0.10%	69.17	
2009	915,000	237,353	677,647	0.07%	52.12	
2010	780,000	265,347	514,653	0.06%	39.58	
2011	500,000	150,655	349,345	0.03%	25.12	
2012	404,000	153,006	250,994	0.02%	18.00	

**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, 2012

<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	\$ 332,972,147	12.14%	\$ 40,422,819
Pickens County General Obligation Debt	11,891,027	13.94%	1,657,609
<b>Other Debt</b>			
Pickens County Capital Leases	780,652	13.94%	108,823
Pickens County Notes Payable	4,949,266	13.94%	689,928
Pickens County - Other Debt	5,959,901	13.94%	<u>830,810</u>
Subtotal, Overlapping Debt			43,709,989
<b>City Direct Debt</b>			<u>5,406,480</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 49,116,469</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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 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	\$ 4,188,031
Total Net Debt Applicable to Limit	1,460,850	1,360,276	1,252,609	1,122,968	983,094	825,872	677,647	514,653	349,345	250,994
Legal Debt Margin	\$ 1,429,886	\$ 1,460,572	\$ 1,723,824	\$ 2,237,776	\$ 2,361,993	\$ 2,499,678	\$ 3,046,367	\$ 3,259,601	\$ 3,797,768	\$ 3,937,037
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	50.54%	48.22%	42.08%	33.41%	29.39%	24.83%	18.20%	13.64%	8.42%	5.99%

**Legal Debt Margin Calculation for Fiscal Year 2012**

Assessed Value	\$ 52,350,389
Debt Limit (8% of assessed value)	4,188,031
Debt Applicable to Limit:	
General Obligation Bonds	404,000
Less: Amount Set Aside for Repayment of General Obligation Debt	(153,006)
Total Net Debt Applicable to Limit	250,994
Legal Debt Margin	\$ 3,937,037

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Water Revenue Bonds</b>										
Utility Service Charges	\$ 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	\$ 2,411,340
Less: Operating Expenses	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	2,118,323
Net Available Revenue	151,800	37,753	123,887	307,425	503,611	257,514	223,965	225,484	133,398	293,017
Debt Service										
Principal	17,686	18,408	19,162	19,823	66,791	90,602	93,153	71,445	97,418	105,056
Interest	2,675	1,953	1,198	413	76,332	99,244	97,115	94,701	92,225	81,266
Coverage	7.46	1.85	6.08	15.19	3.52	1.36	1.18	1.36	0.70	1.57
<b>Wastewater Revenue Bonds and Capital Leases</b>										
Utility Service Charges	\$ 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	\$ 4,386,262
Less: Operating Expenses	1,235,757	1,384,400	1,457,827	1,570,485	1,594,632	1,919,478	1,887,071	1,789,368	1,858,048	2,028,092
Net Available Revenue	889,530	743,678	560,394	553,707	537,946	275,720	289,625	663,378	980,780	2,358,170
Debt Service										
Principal	246,690	220,150	116,634	117,035	105,000	105,000	105,000	105,000	177,498	184,958
Interest	50,403	34,852	37,152	45,704	46,504	33,546	16,572	16,182	19,556	17,025
Coverage	2.99	2.92	3.64	3.40	3.55	1.99	2.38	5.47	4.98	11.68
<b>Commercial Sanitation Capital Leases</b>										
Utility Service Charges	\$ 166,114	\$ 150,332	\$ 146,180	\$ 144,392	\$ 168,482	\$ 233,563	\$ 323,910	\$ 304,782	\$ 294,849	\$ 303,784
Less: Operating Expenses	131,882	137,387	149,955	157,750	150,586	192,441	224,545	234,322	243,456	249,574
Net Available Revenue	34,232	12,945	(3,775)	(13,358)	17,896	41,122	99,365	70,460	51,393	54,210
Debt Service										
Principal	-	-	-	-	-	-	-	20,106	20,733	21,379
Interest	-	-	-	-	-	-	2,643	2,842	2,199	1,536
Coverage	-	-	-	-	-	-	37.60	3.07	2.24	2.37
<b>Transit Capital Leases</b>										
Contract Services	\$ 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	\$ 4,662,556
Less: Operating Expenses	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	3,437,739
Net Available Revenue	290,630	183,803	484,395	308,235	803,045	468,122	167,914	254,464	465,998	1,224,817
Debt Service										
Principal	157,523	150,297	239,923	240,319	249,271	270,707	146,682	151,927	65,367	67,923
Interest	26,568	27,992	34,823	29,184	30,992	22,127	13,570	8,240	3,494	871
Coverage	1.58	1.03	1.77	1.14	2.87	1.60	1.05	1.59	6.77	17.80

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

<i>Calendar Year</i>	<i>Population</i>	<i>Personal Income</i>	<i>Per Capita Personal Income</i>	<i>Unemployment Rate</i>
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%
2012	13,946	342,820,572	24,582	8.0%



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

<u>Employer</u>	<u>2012</u>		<u>2003</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
<i>Clemson University <sup>(a)</sup></i>	4,565	45.65%	4,413	44.13%
<i>City of Clemson</i>	321	3.21%	319	3.19%
<i>Ingles Markets</i>	195	1.95%	98	0.98%
<i>Ruby Tuesday</i>	106	1.06%	140	1.40%
<i>Bi-Lo</i>	95	0.95%	139	1.39%
<i>Clemson Elementary School</i>	89	0.89%	75	0.75%
<i>Pixie &amp; Bills Restaurant</i>	59	0.59%	83	0.83%
<i>Trehel Corporation</i>	57	0.57%	126	1.26%
<i>University Inn</i>	57	0.57%	-	-
<i>Courtyard by Marriott</i>	28	0.28%	-	-
<b>Total</b>	<u>5,572</u>	<u>55.72%</u>	<u>5,393</u>	<u>53.93%</u>

**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.*

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

<u>Function/Program</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>	<u>2012</u>
General Government										
Council	-	2	2	2	1	1	1	1	1	1
Municipal Court	4	4	4	4	4	5	5	4	4	4
Administration	7	7	7	7	7	8	9	7	8	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	8	8	8	7	8	7	7
Public Buildings	2	2	2	2	2	2	2	2	2	2
Police										
Officers	25	25	25	26	26	28	27	26	26	26
Telecommunicators	4	5	5	5	5	6	6	6	6	6
Other	3	3	3	3	3	3	3	3	3	3
Refuse Collection										
Residential Sanitation	14	14	14	14	14	13	13	12	13	13
Commercial Sanitation	2	2	2	2	2	2	2	2	2	2
Other Public Works										
Streets	6	6	6	6	6	6	6	5	5	5
Public Works Administration	2	2	2	2	3	3	3	3	3	3
Equipment Services	2	2	2	2	2	2	2	2	2	2
Engineering	2	3	3	3	3	2	2	2	2	2
Other										
Recreation	6	6	6	6	6	7	7	8	7	7
Water	6	7	7	7	7	8	8	7	7	7
Utility Billing Administration	4	5	5	5	5	5	7	7	7	7
Wastewater Collection	7	7	7	7	7	7	7	7	7	7
Wastewater Treatment	4	4	4	4	4	4	6	4	4	4
Transit Administration	4	4	4	4	6	6	6	6	6	6
Transit Operations	5	7	9	9	12	13	11	11	13	13
Horticulture	1	1	2	2	3	3	3	3	3	3
<b>Total</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>	<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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Building Permits Issued	690	523	552	557	616	512	410	195	465	594
Building Inspections Conducted	3,523	3,074	3,166	3,232	2,084	1,246	786	967	1,053	1,716
Police										
Parking Violations	2,742	2,856	2,800	2,932	2,201	4,207	3,113	3,970	3,612	4,586
Traffic Violations	3,400	3,579	3,620	3,800	4,833	5,430	4,687	8,173	7,267	6,075
Fire										
Inspections	5,416	5,482	5,527	5,535	2,769	2,126	2,106	2,932	3,207	2,134
Refuse Collection										
Refuse Collected (lbs)	12,916,900	11,821,440	11,860,800	11,331,260	10,983,442	11,599,320	11,348,554	58,494,982	9,997,000	9,789,537
Recyclables Collected (lbs)	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	1,463,920
Other Public Works										
Street Resurfacing (miles)	2.89	4.11	3.22	4.43	4.62	4.45	0.00	2.10	2.90	3.30
Water										
New Taps	65	31	39	78	79	97	49	79	208	147
Water Main Breaks	201	178	153	188	170	179	161	229	200	193
Average Daily Consumption	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	1,932,000
Peak Daily Consumption	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	2,381,000
Wastewater										
Average Daily Sewage Treatment	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	1,440,000
Transit										
Total Route Miles	442,769	480,253	506,591	623,562	831,996	852,930	727,946	725,487	676,374	517,056
Passengers	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	1,504,570

Source : Various City Departments

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

<u>Function/Program</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>	<u>2012</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	5	5	5	5	5
Other Public Works										
Streets (miles)	64	64	64	64	64	64	64	64	64	64
Streetlights	695	695	696	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	100	100	100	100	100	100
Playgrounds	6	6	6	6	7	7	7	7	7	7
Soccer Fields	1	1	1	1	1	6	6	6	6	6
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	90	90	90	98.5	100	101.5	101.5	108	109.2	109.5
Fire Hydrants	370	371	372	392	412	439	439	479	480	480
Wastewater										
Sewer Mains Gravity (miles)	60	60	60	60	64	64	65	65.3	65.3	103.7
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	6	7	7	7	7	7	7	7	7
Transit										
Buses	17	19	20	20	26	26	26	26	26	23

Source : Various City Departments

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FEDERAL FINANCIAL  
ASSISTANCE



CITY OF CLEMSON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Fiscal Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor /Program Title	Federal CFDA Number	Pass Through Grantor's Number	Total Expenditures
US Department of Transportation Passed Through SC Dept. of Transportation Formula Grants for Other Than Urbanized Areas: Public Transportation Assistance... Transit Fund ARRA-IT Equipment and Software	20.509 20.509	PT-2A111-84 MT-1A1RR-79	\$ 958,302 107,520
Total 20.509			\$ 1,065,822
Federal Transit Capital Investment Grants: Transit Multi-Modal Facility Capital Assistance Vehicle Acquisition Program	20.500 20.500 20.500	MT-1A109-C8 PT-1A109-K4 PT-1A109-98	\$ 360,381 1,211,000 7,092
Total 20.500			\$ 1,578,473
Total Federal Assistance Expended			\$ 2,644,295

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, 2012, which collectively comprise the City of Clemson's basic financial statements and have issued our report thereon dated December 14, 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*

*Management of the City of Clemson is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the 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*

*December 14, 2012*



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COOLEY ESTEP  
& STAMEY, LLP

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**INDEPENDENT AUDITOR'S 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 City of Clemson's compliance with the types of compliance requirements described in the **OMB Circular A-133 Compliance Supplement** that could have a direct and material effect on each of the City of Clemson's major federal programs for the year ended June 30, 2012. 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 compliance 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, 2012.*

### 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  
December 14, 2012

**CITY OF CLEMSON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*Fiscal Year Ended June 30, 2012*

**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 "Federal Transit Capital Investment Grants":*

- Transit Multi-Modal Facility, Grant # MT-1A109-C8, CFDA # 20.500*
- Capital Assistance, Grant # PT-1A109-K4, CFDA # 20.500*
- Vehicle Acquisition Program, Grant # PT-1A109-98. CFDA # 20.500*

*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, 2012*

***No Prior Year Audit Findings***