



CITY OF CLEMSON  
SOUTH CAROLINA



Comprehensive Annual  
Financial Report



For the Fiscal Year Ended June 30, 2015

CITY OF CLEMSON  
SOUTH CAROLINA



Comprehensive Annual  
Financial Report



For the Fiscal Year Ended June 30, 2015



Prepared by the Office of Finance

**CITY OF CLEMSON**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2015**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

**Page(s)**

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

**FINANCIAL SECTION**

<i>Independent Auditor's Report</i>	<i>1 - 4</i>
<i>Management's Discussion and Analysis</i>	<i>5 - 12</i>
<i>Basic Financial Statements</i>	
<i>Government-wide Financial Statements</i>	
<i>Statement of Net Position</i>	<i>13</i>
<i>Statement of Activities</i>	<i>14 - 15</i>
<i>Fund Financial Statements</i>	
<i>Balance Sheet – Governmental Funds</i>	<i>16</i>
<i>Reconciliation of the Balance Sheet of Governmental Funds to the</i>	
<i>Statement of Net Position</i>	<i>17</i>
<i>Statement of Revenues, Expenditures, and Changes in Fund</i>	
<i>Balances – Governmental Funds</i>	<i>18</i>
<i>Reconciliation of the Statement of Revenues, Expenditures, and Changes in</i>	
<i>Fund Balances of Governmental Funds to the Statement of Activities</i>	<i>19</i>
<i>Statement of Revenues, Expenditures, and Changes in Fund Balance –</i>	
<i>Budget to Actual – General Fund</i>	<i>20 - 21</i>
<i>Statement of Revenues, Expenditures, and Changes in Fund Balance –</i>	
<i>Budget to Actual – Special Revenue Fund – Tax Increment Fund</i>	<i>22</i>
<i>Statement of Revenues, Expenditures, and Changes in Fund Balance –</i>	
<i>Budget to Actual – Debt Service Fund</i>	<i>23</i>
<i>Statement of Net Position – Proprietary Funds</i>	<i>24</i>
<i>Statement of Revenues, Expenses, and Changes in Net</i>	
<i>Position – Proprietary Funds</i>	<i>25</i>
<i>Statement of Cash Flows – Proprietary Funds</i>	<i>26 - 27</i>
<i>Notes to the Financial Statements</i>	<i>29 - 65</i>
<i>Required Supplementary Information</i>	
<i>Schedule of the City's Proportionate Share of the Net Pension Liability (SCRS)</i>	<i>67</i>
<i>Schedule of the City's Contributions (SCRS)</i>	<i>68</i>
<i>Schedule of the City's Proportionate Share of the Net Pension Liability (PORS)</i>	<i>69</i>
<i>Schedule of the City's Contributions (PORS)</i>	<i>70</i>
<i>Combining and Individual Fund Statements and Schedules</i>	
<i>Nonmajor Governmental Funds</i>	<i>71</i>
<i>Combining Balance Sheet – Nonmajor Governmental Funds</i>	<i>72</i>
<i>Combining Statement of Revenues, Expenditures, and Changes in Fund</i>	
<i>Balances – Nonmajor Governmental Funds</i>	<i>73</i>



Combining Balance Sheet – Nonmajor Special Revenue Funds	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Community Development	76
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Emergency Phone System	77
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Tourism Fund	78
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Park Land Fund	79
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Hospitality Fee Fund	80
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Hospitality Tax Fund	81
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Local Accommodations Tax Fund	82
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Earle Street Improvements	83
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Berkeley Drive Pedestrian Bridge	84
Capital Assets Used in the Operation of Governmental Funds	
Comparative Schedules By Source	85
Schedule of Changes by Function and Activity	86
Schedule by Function and Activity	87

#### **OTHER REQUIRED INFORMATION**

Supplementary Schedule of Fines and Assessments – Victim Services	89
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#### **STATISTICAL SECTION**

#### **Schedule #**

Contents		91
<i>Financial Trends:</i>		
Net Position by Component, Last Ten Fiscal Years	1	92
Changes in Net Position, Last Ten Fiscal Years	2	93 - 94
Fund Balances, Governmental Funds, Last Ten Fiscal Years	3	95
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	4	96 – 97
<i>Revenue Capacity:</i>		
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	5	98
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	6	99
Principal Property Taxpayers, Current Year and Nine Years Ago	7	100
Property Tax Levies and Collections, Last Ten Fiscal Years	8	101
<i>Debt Capacity:</i>		
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	9	102
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	10	103
Direct and Overlapping Governmental Activities Debt As of June 30, 2012	11	104
Legal Debt Margin Information, Last Ten Fiscal Years	12	105
Pledged-Revenue Coverage, Last Ten Fiscal Years	13	106
<i>Demographic and Economic Information:</i>		
Demographic and Economic Statistics, Last Ten Calendar Years	14	107
Principal Employers, Current Year and Nine Years Ago	15	108
<i>Operating Information:</i>		



<i>Full-time-Equivalent City Government Employees by Function/ Program, Last Ten Fiscal Years</i>	16	109
<i>Operating Indicators by Function/Program, Last Ten Fiscal Years</i>	17	110
<i>Capital Asset Statistics by Function/Program, Last Ten Fiscal Years</i>	18	111
<b>FEDERAL FINANCIAL ASSISTANCE SECTION</b>		
<i>Schedule of Expenditures of Federal Awards</i>		113
<i>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards</i>		115 – 116
<i>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</i>		117-118
<i>Schedule of Findings and Questioned Costs</i>		119
<i>Schedule of Summary of Prior Year Audit Findings</i>		120

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# INTRODUCTORY SECTION







## LETTER OF TRANSMITTAL

December 29, 2015

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, 2015. 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, stormwater, 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 21,000 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

- ***Wastewater Collection Line Replacement*** – Most of the wastewater collection lines selected for replacement were originally installed in the 1960's when subdivisions were built or when the original collection system was installed in Clemson in 1963. The original lines were installed using six-inch clay pipe and brick manholes; this antiquated technology is no longer used and the collection lines have exceeded their useful life. In January 2014 survey crews worked for several months verifying data for the existing collection system and approximately 14,500 feet of lines were identified as needing to be replaced. The \$1.4 million project is being funded with a low interest loan through the South Carolina Clean Water Revolving Fund.
- ***US Highway 76 Median Enhancement*** – The median along US Highway 76 is receiving landscape enhancements as dead or dying Cherry trees, along with overgrown bushes will be removed. Only healthy Maple trees will remain in the median. Additional Maple trees will be planted in order to make the median landscape more uniform and easier to maintain. The new plant material will create a “cleaner” and more inviting gateway into the City of Clemson. In addition, the landscape enhancements will “tie-in” nicely to the SC Highway 93 medians that adjoin Clemson University.
- ***Norfolk Southern Railroad Bridge Replacement*** – This \$11.5 million South Carolina Department of Transportation project will replace the existing railroad overpass with a wider overpass without a center support. The expanded overpass will allow for lengthened vehicular turn lanes and increased mobility for emergency vehicles.
- ***Sidewalk 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.
- ***Stormwater Utility*** – The City of Clemson is being required through delegation by the Environmental Protection Agency (EPA) to the South Carolina Department of Health and Environmental Control (DHEC) to manage stormwater runoff within the corporate limits of the City. The goal of the Stormwater Utility is to eliminate pollutant and illicit discharges into the City's storm sewer system, and protect water quality in surrounding lakes and streams. Operations of the Utility will be supported through resident user fees.



## FINANCIAL INFORMATION

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

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

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's compliance for the fiscal year ended June 30, 2015 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 meeting 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 \$171,072 on all investments for the year ended June 30, 2015.



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, 2015, \$7,636,955 of the City's bank balance of \$9,236,955 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, 2015 amounted to \$2,005,316 of Mortgage Notes and Certificates, \$3,313,942 of Bank Bonds, \$1,032,370 of South Carolina Investment Pool funds, and \$57,656 of other Federal Government Obligations. The City recognized a valuation gain on its investments of \$44,588 at June 30, 2015.

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 are 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, 2014. 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  
Chief Financial Officer

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Clemson  
South Carolina**

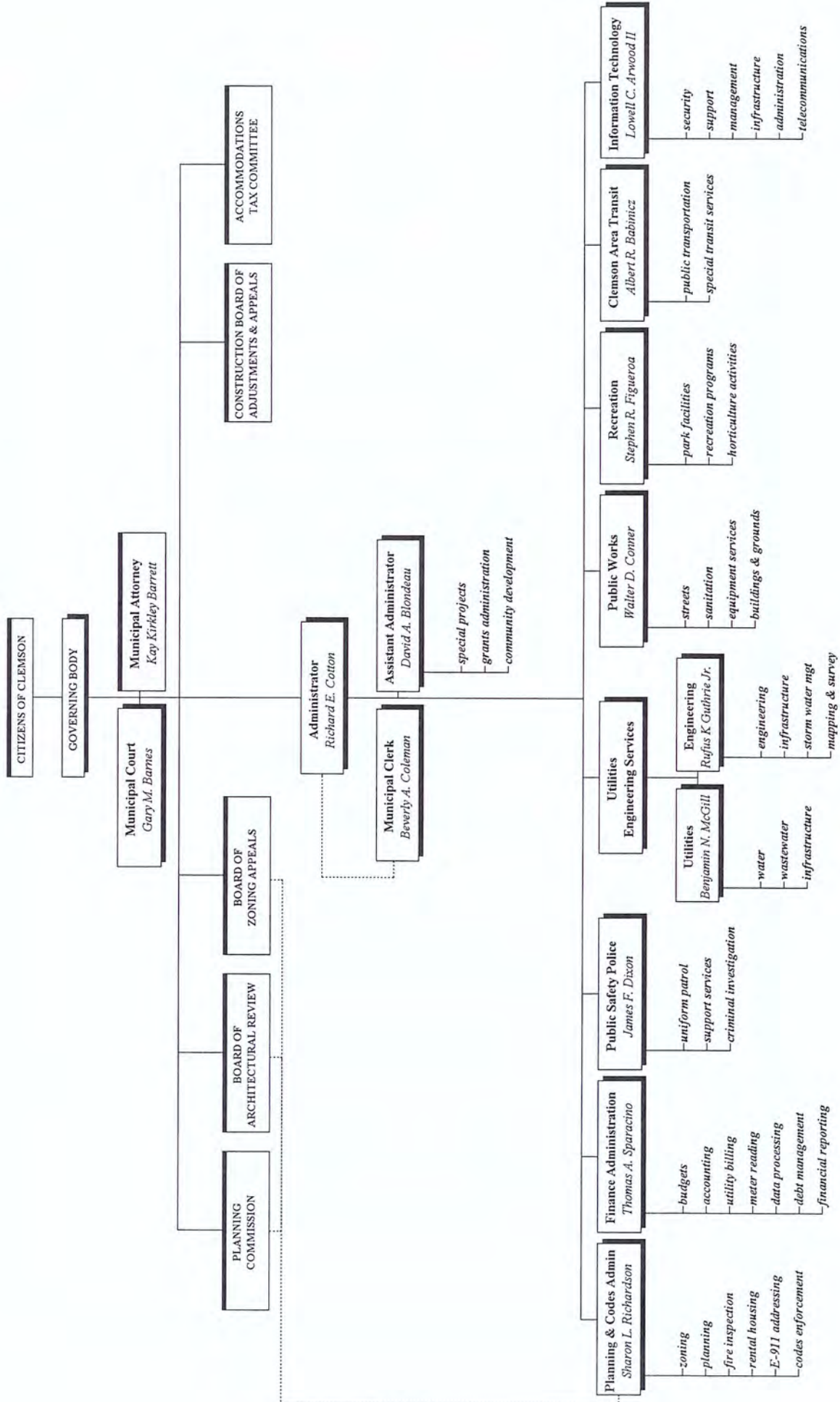
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**



Executive Director/CEO

# CITY OF CLEMSON ORGANIZATION CHART



CITY OF CLEMSON  
PRINCIPAL OFFICIALS  
JUNE 30, 2015

GOVERNING BODY

*James C. Cook III, Mayor*  
*Michael T. Fowler, Mayor Pro-Tempore*  
*Jerry O. Chapman*  
*May C. Cox*  
*John W. Ducworth III*  
*Pamela J. Hay*  
*James T. Oswald*

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 - Rufus K. Guthrie Jr., M.S.*  
*Municipal Judge - Gary M. Barnes, B.S.*  
*Director of Information Technology - Lowell C. Arwood II, B.B.A.*  
*Director of Clemson Area Transit System - Albert R. Babinicz, M.B.A.*



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## FINANCIAL SECTION





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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Clemson, South Carolina

### **Report on the Financial Statements**

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express 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 from material misstatement.

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



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

### **Opinions**

*In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the general fund budget to actual comparison, the tax increment fund budget to actual, the debt service fund budget to actual, and the aggregate remaining fund information of the City of Clemson, South Carolina, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.*

### **Change in Accounting Principle**

*As disclosed in the notes to the financial statements in the fiscal year ended June 30, 2015 the City adopted the provisions of Governmental Accounting Standard Board ("GASB") Statement No. 68, **"Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27"** and GASB No. 71, **"Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68"**. Our opinion is not modified with respect to this change in accounting principle.*

### **Other Matters**

#### **Required Supplementary Information**

*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 76 through 84, and the pension plan schedules, as listed on pages 67 through 70, 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.*





STANCIL  
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& STAMEY, LLP

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### **Other Information**

*Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Clemson, South Carolina'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 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.*

*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 basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 fairly stated in all material respects in relation to the basic financial statements 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.*

### **Other Reporting Required by Government Auditing Standards**

*In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2015, on our consideration of the City of Clemson, South Carolina'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Clemson, South Carolina's internal control over financial reporting and compliance.*

***Stancil Cooley Estep & Stamey, LLP***

*Clemson, South Carolina*

*December 29, 2015*



**CITY OF CLEMSON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

In this section of the City of Clemson's comprehensive annual financial report, senior management provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the City's primary government. Additional information is available in the letter of transmittal, which precedes Management's Discussion and Analysis.

**Financial Highlights**

- The assets of the City of Clemson exceeded its liabilities at the close of the most recent fiscal year by \$38,564,681 (*ending net position*). Of this amount, \$5,203,328 (*unrestricted net position*) may be used to meet Clemson's ongoing obligations to its citizens and creditors.
- The City of Clemson's total net position increased by \$2,161,568 during fiscal year 2014-15. Revenues increased \$846,857, while expenses decreased approximately \$1.02 million.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$4,154,750 or approximately 43% of total General Fund expenditures.
- The Tax Increment Fund (TIF) and Debt Service Fund were reported as major governmental funds at fiscal year end. Ad valorem taxes and investment earnings are the main sources of inflows in the TIF, while outflows consist of transfers to the Debt Service Fund. The Debt Service Fund is used to account for principal and interest associated with general obligation debt. Inflows consist of ad valorem taxes, investment earnings, and transfers from the TIF.

**Overview of 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 Position*. 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 position*. Over time, increases or decreases in net position 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 position 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, stormwater, 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 six 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 water operations, stormwater activities, wastewater operations, commercial sanitation services, public transportation services, and its parking deck operations.

### **Notes to Financial Statements**

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

### **Required Supplementary and Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents *Required Supplementary Information (RSI)* and certain *Other Required Information*. *RSI* relates to the City's progress in funding its obligation to provide pension and *Other Post-Employment Benefits (OPEB)* to its employees, and can be found on pages 67–70. The Victim Services supplementary schedule of fines and assessments follows the section pertaining to the financial statements.

### **Financial Analysis of City as a Whole**

At the close of fiscal year 2015, the City of Clemson's assets exceeded liabilities by \$38,564,681. The largest portion of the City's total net position (83 percent) reflects its investment in capital assets (land and buildings, other improvements, and equipment). The City of Clemson uses these capital assets to provide services to citizens, and consequently, are *not* available for future spending.

The following table provides a summary comparison of the City's net position for the fiscal years ended June 30, 2015 and June 30, 2014. Additional current year information concerning net position can be found in the Statement of Net Position presented on page 13.

### **Summary of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Current and Other Assets	\$ 13,156,232	\$ 12,112,457	\$ 10,502,091	\$ 9,072,372	\$ 23,658,323	\$ 21,184,829
Capital Assets	16,132,856	16,969,621	23,080,485	22,442,459	39,213,341	39,412,080
<b>Total Assets</b>	<b>\$ 29,289,088</b>	<b>\$ 29,082,078</b>	<b>\$ 33,582,576</b>	<b>\$ 31,514,831</b>	<b>\$ 62,871,664</b>	<b>\$ 60,596,909</b>
Deferred Outflows	\$ 685,976	\$ -	\$ 420,437	\$ -	\$ 1,106,413	\$ -
Long-term Liabilities	\$ 1,935,188	\$ 2,975,151	\$ 4,542,061	\$ 3,566,017	\$ 6,477,249	\$ 6,541,168
Other Liabilities	11,708,587	4,892,356	6,165,004	1,183,119	17,873,591	6,075,475
<b>Total Liabilities</b>	<b>\$ 13,643,775</b>	<b>\$ 7,867,507</b>	<b>\$ 10,707,065</b>	<b>\$ 4,749,136</b>	<b>\$ 24,350,840</b>	<b>\$ 12,616,643</b>
Deferred Inflows	\$ 658,785	\$ -	\$ 403,771	\$ -	\$ 1,062,556	\$ -
<b>Net Position</b>						
Investment Capital Assets ( <i>Net of Related Debt</i> )	\$ 13,639,628	\$ 13,775,958	\$ 18,187,149	\$ 18,757,994	\$ 31,826,777	\$ 32,533,952
Restricted	103,122	127,012	1,431,454	902,444	1,534,576	1,029,456
Unrestricted	1,929,754	7,311,601	3,273,574	7,105,257	5,203,328	14,416,858
<b>Total Net Position</b>	<b>\$ 15,672,504</b>	<b>\$ 21,214,571</b>	<b>\$ 22,892,177</b>	<b>\$ 26,765,695</b>	<b>\$ 38,564,681</b>	<b>\$ 47,980,266</b>



At the end of the current fiscal year, the City of Clemson is able to report positive balances in all categories of net position, 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 position decreased 31% or \$7,177,836 as a result of the cumulative change in accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) Statements No. 68 & 71. Prior to the cumulative change, governmental net position increased 7% or \$1,635,769. Governmental activities received transfers of \$259,038 from business-type activities, which assisted in contributing to the increase in governmental net position. Other areas of change are as follows:

- Total revenues escalated approximately 8% which resulted in a revenue increase of \$942,613. Various revenue items contributed to the increase in governmental resources.
- Program revenues increased \$578,574 as a result of increases in operating and capital grants and contributions. Developer improvements to roads, sidewalks, and drainage systems amounted to approximately \$477,000 of the increase in program revenues. Charges for services increased 5% to \$4,957,912 as a result of increases in licenses and permits, fines and forfeitures, and hospitality resources.
- As a result of reassessment of real property within the City's corporate limits, ad valorem taxes increased approximately \$300,000. Favorable economic conditions contributed to a slight increase of \$65,000 in sales and use taxes.
- Intergovernmental revenues increased \$40,000 primarily due to colder seasonal temperatures which resulted in a larger payment from the City's natural gas provider. Also, a new revenue line item was added to account for \$30,000 of alcoholic beverage permit fees.

The following table provides a summary comparison of the City's revenues, expenses, and changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014. Additional current year information concerning changes in net position can be found in the Statement of Activities presented on pages 14 & 15.

### **Summary of Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2014-15</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2013-14</b>
<b>REVENUES</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 4,957,912	\$ 4,732,083	\$ 6,380,512	\$ 6,035,299	\$ 11,338,424	\$ 10,767,382
Operating Grants and Contributions	212,044	212,023	3,370,683	3,274,439	3,582,727	3,486,462
Capital Grants and Contributions	483,950	131,226	188,258	708,600	672,208	839,826
<b>General Revenues</b>						
Ad Valorem Taxes	4,861,657	4,561,423	-	-	4,861,657	4,561,423
Sales and Use Taxes	1,599,122	1,533,394	-	-	1,599,122	1,533,394
Intergovernmental	593,817	553,667	-	-	593,817	553,667
Investment Earnings	119,305	130,774	51,767	68,638	171,072	199,412
Other Revenues	404,115	434,719	-	-	404,115	434,719
<b>Total Revenues</b>	<b>\$ 13,231,922</b>	<b>\$ 12,289,309</b>	<b>\$ 9,991,220</b>	<b>\$ 10,086,976</b>	<b>\$ 23,223,142</b>	<b>\$ 22,376,285</b>

(continued)



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

	Governmental Activities		Business-Type Activities		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>EXPENSES</b>						
General Government	\$ 2,585,835	\$ 1,234,375	\$ -	\$ -	\$ 2,585,835	\$ 1,234,375
Public Safety	3,813,284	3,480,770	-	-	3,813,284	3,480,770
Public Works	2,873,308	2,526,267	-	-	2,873,308	2,526,267
Culture and Recreation	1,756,398	3,387,372	-	-	1,756,398	3,387,372
Urban Redevelopment	16,188	19,977	-	-	16,188	19,977
Equipment Services	134,764	140,424	-	-	134,764	140,424
Intergovernmental	396,415	1,780,527	-	-	396,415	1,780,527
Interest Long Term Debt	138,512	173,128	-	-	138,512	173,128
Other Expenses	140,487	130,978	-	-	140,487	130,978
Water Utility	-	-	2,655,812	2,505,582	2,655,812	2,505,582
Stormwater Utility	-	-	39,942	-	39,942	-
Wastewater Utility	-	-	2,739,152	2,659,444	2,739,152	2,659,444
Commercial Sanitation	-	-	305,585	313,606	305,585	313,606
Clemson Area Transit	-	-	3,362,255	3,627,531	3,362,255	3,627,531
Parking Deck	-	-	103,637	99,252	103,637	99,252
<b>Total Expenses</b>	<b>\$ 11,855,191</b>	<b>\$ 12,873,818</b>	<b>\$ 9,206,383</b>	<b>\$ 9,205,415</b>	<b>\$ 21,061,574</b>	<b>\$ 22,079,233</b>
Change in Net Position Before Transfers	\$ 1,376,731	\$ (584,509)	\$ 784,837	\$ 881,561	\$ 2,161,568	\$ 297,052
Transfers	259,038	311,538	(259,038)	(311,538)	-	-
Change in Net Position After Transfers	\$ 1,635,769	\$ (272,971)	\$ 525,799	\$ 570,023	\$ 2,161,568	\$ 297,052
Net Position, Beginning	\$ 21,214,571	\$ 21,487,542	\$ 26,765,695	\$ 26,195,672	\$ 47,980,266	\$ 47,683,214
Cumulative Change GASB 68 & 71	(7,177,836)	-	(4,399,317)	-	(11,577,153)	-
Net Position, Ending	<u>\$ 15,672,504</u>	<u>\$ 21,214,571</u>	<u>\$ 22,892,177</u>	<u>\$ 26,765,695</u>	<u>\$ 38,564,681</u>	<u>\$ 47,980,266</u>

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

The City's business-type net position decreased 16% or \$4,399,317 as a result of the cumulative change in accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) Statements No. 68 & 71. Prior to the cumulative change, business-type net position increased 2% or \$525,799. A portion of the increase was attributed to a \$143,483 net equity addition to a wastewater treatment facility jointly owned with another municipality. Prior to transfers of \$259,038 related to governmental activities, business-type activities realized an increase in net position of \$784,837. Additional details in net position changes are as follows:

- Charges for utility and transportation services increased approximately 6%, to \$6,380,512. The increase was primarily due to an aggregate increase of approximately \$345,000 in water, stormwater, and wastewater utility service receipts, tap fees, and impact fees.
- The City's transportation services fund received operating grants amounting to \$1,522,939, and realized \$1,847,744 of intergovernmental revenues from state and local agencies. This is a 3% increase from the previous year.

#### **Financial Analysis of City 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'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 \$9,718,952. Approximately 43% of this total amount (\$4,154,750) 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 (\$3,954,597), Capital Projects Funds (\$623,276), and Debt Service Fund (\$103,122), (2) committed in the General Fund (\$263,538), and (3) assigned for purchases on order in the General and Special Revenue Funds (\$619,669). The unassigned fund balance increased \$651,966 from June 30, 2014.

The General Fund is the major operating fund of the City of Clemson. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,154,750, while total fund balance reached \$4,677,706. 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 43% of total General Fund expenditures, while total fund balance represents approximately 48% of total General Fund expenditures.

The Tax Increment Fund, a major special revenue fund, had a total fund balance of \$19,938 at the end of the year. This is a \$13,744 or 222% increase from the previous year. The increase is a result of the accumulation of ad valorem taxes and investment earnings. As a result of the settlement of a law suit with other taxing entities, ad valorem taxes collected in the fund can only be used for debt service payments pertaining to Tax Increment Bonds. The Debt Service Fund had a total fund balance of \$103,122 at June 30, 2015.

### ***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 position of the water, stormwater, and wastewater utilities at the end of the year amounted to (\$215,418), \$43,962, and \$3,334,148 respectively. Commercial sanitation operations ended the year with \$164,861 of unrestricted net position, while transit operations reported (\$552,740) of net position that was unrestricted. Also, the City's investment in the downtown parking deck provided this proprietary fund with \$498,761 of unrestricted net position at the end of the year.

### **General Fund Budget Highlights**

There was a \$266,570 difference between original budget expenditures and final amended budget expenditures during the fiscal year due to an additional mid-year appropriation in the street department. The total General Fund expenditures budget was approximately \$9.8 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 \$531,213 and actual expenditures were \$165,414 less than the City's budget estimates. The combined favorable revenue and expenditure variances increased fund balance by \$918,289.



## 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, 2015 amounted to \$39,213,341. This investment in capital assets includes land, buildings, other improvements, equipment, and construction in progress.

Of the \$39,213,341 investment, \$16,132,856 pertained to governmental activities and \$23,080,485 was reported as an investment in business-type activities. Additional information pertaining to the City of Clemson's capital assets can be found in Note 6. Major capital asset events during the current fiscal year included the following:

- The City issued \$1.2 million General Obligation Bonds in order to fund various general government projects and public improvements. Ad valorem taxes are pledged to retire the bonds over a three year period.
- The City's water utility borrowed \$1.9 million from the South Carolina Drinking Water Revolving Fund Authority in order to replace water lines and hydrants with the City's corporate limits. The debt will be repaid over a period of fifteen years with user fee revenue.
- The wastewater utility used proceeds of \$1.5 million from the South Carolina Clean Water Revolving Fund Authority to make improvements to its wastewater collection lines. This debt will be repaid over a period of fifteen years with user fee revenue derived from the wastewater utility.
- Transportation services entered into a \$200,000 agreement with a technology company to acquire a global positioning system to track its fleet of buses. Most of the effort associated with this project will occur in the subsequent fiscal year.

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

	Governmental Activities		Business-Type Activities		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Land and Buildings	\$ 7,482,609	\$ 7,655,388	\$ 5,160,256	\$ 5,287,117	\$ 12,642,865	\$ 12,942,505
Other Improvements	7,023,138	7,351,288	13,635,537	13,862,180	20,658,675	21,213,468
Equipment	1,627,109	1,962,945	2,789,616	3,120,079	4,416,725	5,083,024
Construction in Progress	-	-	1,495,076	173,083	1,495,076	173,083
<b>Total Capital Assets</b>	<b>\$ 16,132,856</b>	<b>\$ 16,969,621</b>	<b>\$ 23,080,485</b>	<b>\$ 22,442,459</b>	<b>\$ 39,213,341</b>	<b>\$ 39,412,080</b>

### *Debt Administration*

At June 30, 2015, the City had total bonded debt outstanding of \$1,204,000 as a result of refunding three prior General Obligation Bonds and issuing additional G.O. Bonds. 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 an original \$1.9 million debt issue for recreation park improvements. The remainder of the City's debt pertains to governmental and business-type activities.



**Governmental Debt Outstanding at June 30, 2015**

- *General Obligation Bonds* \$1,204,000
- *Tax Increment Bonds* \$1,700,253
- *Capital Lease Purchase Agreements* \$643,861

**Business-type Debt Outstanding at June 30, 2015**

- *Water Revenue Bonds (South Carolina Revolving Fund Loans)* \$3,099,301
- *Wastewater Revenue Bonds (South Carolina Revolving Fund Loan)* \$1,609,039

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 \$4,499,607, which is in excess of the City's outstanding general obligation debt of \$1,204,000. 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 82.20 mills actually translates to a "net ad valorem tax rate" of 60.23 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 POSITION**  
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 8,935,374	\$ 625	\$ 8,935,999
Investments	6,455,164	-	6,455,164
Receivables (Net of Allowance):			
Property Taxes	383,887	-	383,887
Accounts	395,245	588,702	983,947
Interest	14,237	-	14,237
Other	65,087	124,104	189,191
Due from Other Governmental Units	670,209	1,765,554	2,435,763
Internal Balances	(3,762,971)	3,762,971	-
Inventory	-	23,201	23,201
Investment in Joint Venture	-	3,651,651	3,651,651
Restricted Cash - Revenue Bond Covenants	-	585,283	585,283
Capital Assets not Being Depreciated			
Land	2,132,390	462,083	2,594,473
Construction in Progress	-	1,495,076	1,495,076
Capital Assets net of Accumulated Depreciation			
Buildings	5,350,219	4,698,173	10,048,392
Other Improvements	7,023,138	13,635,537	20,658,675
Equipment	1,627,109	2,789,616	4,416,725
<b>Total Assets</b>	<b>\$ 29,289,088</b>	<b>\$ 33,582,576</b>	<b>\$ 62,871,664</b>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Charges	\$ 685,976	\$ 420,437	\$ 1,106,413
<b>Liabilities</b>			
Accounts Payable and Other Current Liabilities	\$ 489,975	\$ 332,385	\$ 822,360
Due to Other Governmental Units	1,102,853	-	1,102,853
Contracts Payable	96,277	441,229	537,506
Accrued Interest Payable	28,880	22,097	50,977
Revenue Received in Advance	682,085	-	682,085
Net Pension Liability	7,255,727	4,447,058	11,702,785
Liabilities Payable From Restricted Assets	-	586,731	586,731
Noncurrent Liabilities:			
Due Within One Year	2,052,790	335,504	2,388,294
Due in More Than One Year	1,935,188	4,542,061	6,477,249
<b>Total Liabilities</b>	<b>\$ 13,643,775</b>	<b>\$ 10,707,065</b>	<b>\$ 24,350,840</b>
<b>Deferred Inflows of Resources</b>			
Deferred Pension Credits	\$ 658,785	\$ 403,771	\$ 1,062,556
<b>Net Position</b>			
Net Investment in Capital Assets	\$ 13,639,628	\$ 18,187,149	\$ 31,826,777
Restricted For:			
Debt Service	103,122	1,431,454	1,534,576
Unrestricted	1,929,754	3,273,574	5,203,328
<b>Total Net Position</b>	<b>\$ 15,672,504</b>	<b>\$ 22,892,177</b>	<b>\$ 38,564,681</b>



CITY OF CLEMSON

STATEMENT OF ACTIVITIES  
Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		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	\$ 3,257,501	\$ 3,820,467	\$ -	\$ 476,950	\$ 1,039,916	\$ -	\$ 1,039,916
Public Safety	3,813,284	448,955	-	7,000	(3,357,329)	-	(3,357,329)
Public Works	2,873,308	559,825	-	-	(2,313,483)	-	(2,313,483)
Culture and Recreation	1,756,398	128,665	212,044	-	(1,415,689)	-	(1,415,689)
Urban Redevelopment	16,188	-	-	-	(16,188)	-	(16,188)
Interest on Long-term Debt	138,512	-	-	-	(138,512)	-	(138,512)
<b>Total Governmental Activities</b>	<b>\$ 11,855,191</b>	<b>\$ 4,957,912</b>	<b>\$ 212,044</b>	<b>\$ 483,950</b>	<b>\$ (6,201,285)</b>	<b>\$ -</b>	<b>\$ (6,201,285)</b>
<b>Business-type Activities</b>							
Water	\$ 2,655,812	\$ 2,846,971	\$ -	\$ 74,465	\$ -	\$ 265,624	\$ 265,624
Stormwater	39,942	83,898	-	-	-	43,956	43,956
Wastewater	2,739,152	3,055,202	-	113,793	-	429,843	429,843
Sanitation	305,585	282,954	-	-	-	(22,631)	(22,631)
Transit	3,362,255	18,406	3,370,683	-	-	26,834	26,834
Parking Deck	103,637	93,081	-	-	-	(10,556)	(10,556)
<b>Total Business-type Activities</b>	<b>\$ 9,206,383</b>	<b>\$ 6,380,512</b>	<b>\$ 3,370,683</b>	<b>\$ 188,258</b>	<b>\$ -</b>	<b>\$ 733,070</b>	<b>\$ 733,070</b>
<b>Total Primary Government</b>	<b>\$ 21,061,574</b>	<b>\$ 11,338,424</b>	<b>\$ 3,582,727</b>	<b>\$ 672,208</b>	<b>\$ (6,201,285)</b>	<b>\$ 733,070</b>	<b>\$ (5,468,215)</b>

continued

CITY OF CLEMSON

STATEMENT OF ACTIVITIES  
Fiscal Year Ended June 30, 2015

continued

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
						Total
General Revenues:						
Property Taxes					\$ 4,861,657	\$ -
Local Option Sales Tax					1,330,243	-
Local Accommodations Tax					268,879	-
Intergovernmental - Unrestricted					593,817	-
Unrestricted Investment Earnings					119,305	51,767
Other					404,115	-
Transfers					259,038	(259,038)
						-
Total General Revenues and Transfers					\$ 7,837,054	\$ (207,271)
Change in Net Position					\$ 1,635,769	\$ 525,799
Net Position, Beginning, As Previously Reported					\$ 21,214,571	\$ 26,765,695
Cumulative Change in Accounting Principle - GASB 68 & 71					(7,177,836)	(4,399,317)
Net Position, Beginning, As Adjusted					\$ 14,036,735	\$ 22,366,378
Net Position, Ending					\$ 15,672,504	\$ 22,892,177



CITY OF CLEMSON  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2015

	General	Tax Increment Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Assets</b>					
Cash	\$ 8,935,374	\$ -	\$ -	\$ -	\$ 8,935,374
Investments	6,455,164	-	-	-	6,455,164
Receivables (Net of Allowance)					
Property Taxes	334,774	39,258	7,857	1,998	383,887
Accounts	43,906	-	-	351,339	395,245
Interest	14,237	-	-	-	14,237
Other	65,087	-	-	-	65,087
Due from Other Governmental Units	276,573	287,244	3,179	103,213	670,209
Due from Other Funds	-	828,342	98,258	4,496,045	5,422,645
<b>Total Assets</b>	<b>\$ 16,125,115</b>	<b>\$ 1,154,844</b>	<b>\$ 109,294</b>	<b>\$ 4,952,595</b>	<b>\$ 22,341,848</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Vouchers Payable	\$ 212,851	\$ -	\$ -	\$ -	\$ 212,851
Accounts Payable	244,285	-	-	32,839	277,124
Contracts Payable	87,525	-	-	-	87,525
Retainage Payable	8,752	-	-	-	8,752
Due to Other Governmental Units	-	1,102,853	-	-	1,102,853
Due to Other Funds	9,185,616	-	-	-	9,185,616
Deferred Support	763,333	-	-	-	763,333
Revenue Received in Advance	682,084	-	-	-	682,084
<b>Total Liabilities</b>	<b>\$ 11,184,446</b>	<b>\$ 1,102,853</b>	<b>\$ -</b>	<b>\$ 32,839</b>	<b>\$ 12,320,138</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Property Taxes	\$ 262,963	\$ 32,053	\$ 6,172	\$ 1,570	\$ 302,758
<b>Fund Balances:</b>					
<b>Restricted For:</b>					
Special Revenue Funds	\$ -	\$ 19,938	\$ -	\$ 3,682,673	\$ 3,702,611
Special Revenue Funds - L-T Receivables	-	-	-	251,986	251,986
Capital Projects Funds	-	-	-	623,276	623,276
Debt Service Fund	-	-	103,122	-	103,122
<b>Committed:</b>					
General Fund	263,538	-	-	-	263,538
<b>Assigned:</b>					
Purchases on Order	259,418	-	-	222,748	482,166
Special Revenue Funds	-	-	-	137,503	137,503
<b>Unassigned:</b>					
General Fund	4,154,750	-	-	-	4,154,750
<b>Total Fund Balances</b>	<b>\$ 4,677,706</b>	<b>\$ 19,938</b>	<b>\$ 103,122</b>	<b>\$ 4,918,186</b>	<b>\$ 9,718,952</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,125,115</b>	<b>\$ 1,154,844</b>	<b>\$ 109,294</b>	<b>\$ 4,952,595</b>	<b>\$ 22,341,848</b>

See Notes to Financial Statements

**CITY OF CLEMSON**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
June 30, 2015**

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

Total fund balances - governmental funds	\$	9,718,952
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$36,876,382 and the accumulated depreciation is \$20,743,526.		16,132,856
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds		8,544
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.		(28,880)
Certain deferred revenues in the governmental funds are reportable for governmental activities and, therefore are not included on the statement of net position.		1,057,546
The City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position		(7,228,536)
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	\$	643,861
Bonds Payable		2,904,253
Compensated Absences		439,864
		<u>(3,987,978)</u>
Net position of governmental activities	\$	<u><u>15,672,504</u></u>

See Notes to Financial Statements



CITY OF CLEMSON  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
Fiscal Year Ended June 30, 2015

	General	Tax Increment Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Revenues</b>					
Property Taxes	\$ 3,646,339	\$ 1,099,418	\$ 85,583	\$ 21,772	\$ 4,853,112
Local Option Sales Tax	1,292,198	-	30,330	7,715	1,330,243
Local Accomodations Tax	-	-	-	268,879	268,879
Hospitality Fees/Tax	-	-	-	1,335,003	1,335,003
Licenses and Permits	2,485,464	-	-	-	2,485,464
Intergovernmental	593,817	-	-	212,044	805,861
Charges for Services	738,291	-	-	39,774	778,065
Fines and Forfeitures	359,381	-	-	-	359,381
Investment Earnings	60,921	5,862	1,332	51,190	119,305
Gain on Sale of Property	-	-	-	10,594	10,594
Other	313,750	1,540	350	15,078	330,718
<b>Total Revenues</b>	<b>\$ 9,490,161</b>	<b>\$ 1,106,820</b>	<b>\$ 117,595</b>	<b>\$ 1,962,049</b>	<b>\$ 12,676,625</b>
<b>Expenditures</b>					
Current Operating					
General Government	\$ 2,662,123	\$ -	\$ -	\$ 10,118	\$ 2,672,241
Public Safety	3,515,687	-	-	33,346	3,549,033
Public Works	2,324,616	-	-	19,537	2,344,153
Culture and Recreation	716,147	-	-	211,953	928,100
Equipment Services	134,764	-	-	-	134,764
Urban Redevelopment	-	-	-	16,188	16,188
Other	140,487	-	-	-	140,487
Debt Service					
Principal	168,642	-	1,254,929	295,727	1,719,298
Interest	6,496	-	122,632	21,181	150,309
Capital Outlay	-	-	-	149,508	149,508
Intergovernmental	-	-	-	396,415	396,415
<b>Total Expenditures</b>	<b>\$ 9,668,962</b>	<b>\$ -</b>	<b>\$ 1,377,561</b>	<b>\$ 1,153,973</b>	<b>\$ 12,200,496</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (178,801)</b>	<b>\$ 1,106,820</b>	<b>\$ (1,259,966)</b>	<b>\$ 808,076</b>	<b>\$ 476,129</b>
<b>Other Financing Sources (Uses)</b>					
Issuance of Long Term Debt	\$ 573,820	\$ -	\$ -	\$ 626,180	\$ 1,200,000
Transfers In	524,838	-	1,236,076	172,068	1,932,982
Transfers Out	(1,568)	(1,093,076)	-	(579,300)	(1,673,944)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 1,097,090</b>	<b>\$ (1,093,076)</b>	<b>\$ 1,236,076</b>	<b>\$ 218,948</b>	<b>\$ 1,459,038</b>
<b>Net Change in Fund Balances</b>	<b>\$ 918,289</b>	<b>\$ 13,744</b>	<b>\$ (23,890)</b>	<b>\$ 1,027,024</b>	<b>\$ 1,935,167</b>
<b>Fund Balances, Beginning</b>	<b>3,759,417</b>	<b>6,194</b>	<b>127,012</b>	<b>3,891,162</b>	<b>7,783,785</b>
<b>Fund Balances, Ending</b>	<b>\$ 4,677,706</b>	<b>\$ 19,938</b>	<b>\$ 103,122</b>	<b>\$ 4,918,186</b>	<b>\$ 9,718,952</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, 2015**

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

Net change in fund balances - total governmental funds	\$ 1,935,167
Governmental funds report capital outlays as expenditures (\$834,809). However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$1,671,575). This is the amount by which depreciation exceeded capital outlays in the current period.	(836,766)
Revenues in the statement of activities that do not represent current financial resources are not reported as revenues in the funds.	71,348
The issuance of long-term debt (\$1,200,000) provides current financial resources to governmental funds, while the repayment of long-term debt (\$1,719,298) consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.	519,298
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.	11,797
Changes in the City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities	(50,700)
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.	(14,375)
Change in net position of governmental activities	<u>\$ 1,635,769</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, 2015

	Budgeted			
	Original	Final	Actual	Variance
<b>Revenues</b>				
Property Taxes	\$ 3,460,291	\$ 3,460,291	\$ 3,646,339	\$ 186,048
Local Option Sales Tax	1,211,166	1,211,166	1,292,198	81,032
Licenses and Permits	2,369,000	2,369,000	2,485,464	116,464
Intergovernmental	520,520	707,720	593,817	(113,903)
Charges for Services	730,871	730,871	738,291	7,420
Fines and Forfeitures	225,000	225,000	359,381	134,381
Investment Earnings	40,000	40,000	60,921	20,921
Other	214,900	214,900	313,750	98,850
<b>Total Revenues</b>	<b>\$ 8,771,748</b>	<b>\$ 8,958,948</b>	<b>\$ 9,490,161</b>	<b>\$ 531,213</b>
<b>Expenditures</b>				
<b>Current Operating</b>				
<b>General Government</b>				
Council	\$ 188,470	\$ 188,470	\$ 141,966	\$ 46,504
Municipal Court	305,519	305,519	298,957	6,562
Administration	579,823	579,823	582,713	(2,890)
Finance	215,786	215,786	209,730	6,056
Information Tech Services	178,853	178,853	230,059	(51,206)
Planning and Codes	775,480	775,480	832,502	(57,022)
Public Buildings	382,278	382,278	366,196	16,082
<b>Total</b>	<b>\$ 2,626,209</b>	<b>\$ 2,626,209</b>	<b>\$ 2,662,123</b>	<b>\$ (35,914)</b>
<b>Public Safety</b>				
Police	\$ 2,784,007	\$ 2,784,007	\$ 2,790,687	\$ (6,680)
Fire	725,000	725,000	725,000	-
<b>Total</b>	<b>\$ 3,509,007</b>	<b>\$ 3,509,007</b>	<b>\$ 3,515,687</b>	<b>\$ (6,680)</b>
<b>Public Works</b>				
Streets	\$ 876,657	\$ 1,143,227	\$ 1,118,616	\$ 24,611
Residential Sanitation	1,133,359	1,133,359	964,248	169,111
Administration	243,451	243,451	241,752	1,699
<b>Total</b>	<b>\$ 2,253,467</b>	<b>\$ 2,520,037</b>	<b>\$ 2,324,616</b>	<b>\$ 195,421</b>
<b>Culture and Recreation</b>	<b>\$ 680,998</b>	<b>\$ 680,998</b>	<b>\$ 716,147</b>	<b>\$ (35,149)</b>
<b>Equipment Services</b>	<b>\$ 176,825</b>	<b>\$ 176,825</b>	<b>\$ 134,764</b>	<b>\$ 42,061</b>
<b>Debt Service</b>				
Principal	\$ 168,600	\$ 168,600	\$ 168,642	\$ (42)
Interest	6,700	6,700	6,496	204
<b>Total</b>	<b>\$ 175,300</b>	<b>\$ 175,300</b>	<b>\$ 175,138</b>	<b>\$ 162</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, 2015

	<i>Budgeted</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>Expenditures, continued</i>				
<i>Other</i>	\$ 146,000	\$ 146,000	\$ 140,487	\$ 5,513
<i>Total Expenditures</i>	\$ 9,567,806	\$ 9,834,376	\$ 9,668,962	\$ 165,414
<i>Excess of Revenues Over (Under)</i>				
<i>Expenditures</i>	\$ (796,058)	\$ (875,428)	\$ (178,801)	\$ 696,627
<i>Other Financing Sources</i>				
<i>Proceeds Long Term Debt</i>	\$ -	\$ -	\$ 573,820	\$ 573,820
<i>Transfers In</i>	520,020	520,020	524,838	4,818
<i>Transfers Out</i>	4,500	4,500	1,568	(2,932)
<i>Total</i>	\$ 515,520	\$ 515,520	\$ 1,097,090	\$ 581,570
<i>Net Change in Fund Balances</i>	\$ (280,538)	\$ (359,908)	\$ 918,289	\$ 1,278,197
<i>Fund Balance, Beginning</i>	3,759,417	3,759,417	3,759,417	-
<i>Fund Balance, Ending</i>	\$ 3,478,879	\$ 3,399,509	\$ 4,677,706	\$ 1,278,197

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, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property Taxes	\$ 1,788,500	\$ 1,099,418	\$ (689,082)
Investment Earnings	11,500	5,862	(5,638)
Other Revenue	-	1,540	1,540
	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	\$ 1,800,000	\$ 1,106,820	\$ (693,180)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Expenditures</b>			
Current Operating			
General Government	\$ 325,000	\$ -	\$ 325,000
	<u>          </u>	<u>          </u>	<u>          </u>
Excess of Revenues Over (Under) Expenditures	\$ 1,475,000	\$ 1,106,820	\$ (368,180)
	<u>          </u>	<u>          </u>	<u>          </u>
Other Financing Sources (Uses)			
Transfer Out	(1,404,768)	(1,093,076)	311,692
	<u>          </u>	<u>          </u>	<u>          </u>
Net Change in Fund Balance	\$ 70,232	\$ 13,744	\$ (56,488)
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance, Beginning	6,194	6,194	-
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance, Ending	\$ 76,426	\$ 19,938	\$ (56,488)
	<u>          </u>	<u>          </u>	<u>          </u>

See Notes To Financial Statements

## CITY OF CLEMSON

## DEBT SERVICE FUND

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

Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property Taxes	\$ 81,207	\$ 85,583	\$ 4,376
Local Option Sales Tax	28,424	30,330	1,906
Investment Earnings	1,900	1,332	(568)
Other Revenue	-	350	350
<b>Total Revenues</b>	<u>\$ 111,531</u>	<u>\$ 117,595</u>	<u>\$ 6,064</u>
<b>Expenditures</b>			
Debt Service			
Principal	\$ 854,900	\$ 1,254,929	\$ (400,029)
Interest	116,600	122,632	(6,032)
<b>Total Expenditures</b>	<u>\$ 971,500</u>	<u>\$ 1,377,561</u>	<u>\$ (406,061)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ (859,969)</u>	<u>\$ (1,259,966)</u>	<u>\$ (399,997)</u>
<b>Other Financing Sources</b>			
Transfers In	829,768	1,236,076	406,308
<b>Net Change in Fund Balance</b>	<u>\$ (30,201)</u>	<u>\$ (23,890)</u>	<u>\$ 6,311</u>
<b>Fund Balance, Beginning</b>	<u>127,012</u>	<u>127,012</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 96,811</u></u>	<u><u>\$ 103,122</u></u>	<u><u>\$ 6,311</u></u>



CITY OF CLEMSON  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
June 30, 2015

	Water	Stormwater	Wastewater	Sanitation	Transit	Parking Deck	Total
<b>Assets</b>							
<b>Current Assets</b>							
Cash	\$ 300	-	\$ 150	-	\$ 175	\$ -	\$ 625
Accounts Receivable	89,815	13,221	95,304	23,726	86,990	-	309,056
Unbilled Utility Receivables	132,380	18,880	122,501	5,885	-	-	279,646
Note Receivable-Current	17,095	-	-	-	-	-	17,095
Due from Other Governmental Units	-	-	662,169	-	1,103,385	-	1,765,554
Due from Other Funds	1,221,192	15,938	1,392,000	155,709	478,668	499,463	3,762,970
Inventory	23,202	-	-	-	-	-	23,202
<b>Total Current Assets</b>	<b>\$ 1,483,984</b>	<b>\$ 48,039</b>	<b>\$ 2,272,124</b>	<b>\$ 185,320</b>	<b>\$ 1,669,218</b>	<b>\$ 499,463</b>	<b>\$ 6,158,148</b>
<b>Noncurrent Assets</b>							
Restricted Cash - Revenue Bond Covenants	\$ 381,263	-	\$ 204,020	-	-	-	\$ 585,283
Investment in Joint Venture	-	-	3,651,651	-	-	-	3,651,651
Note Receivable	107,009	-	-	-	-	-	107,009
Capital Assets							
Land and Buildings	167,149	-	260,171	-	3,011,754	2,683,179	6,122,253
Other Improvements	8,238,462	-	17,884,204	-	23,673	-	26,146,339
Equipment	654,330	-	1,280,670	469,235	8,056,405	22,803	10,483,443
Accumulated Depreciation	(2,763,053)	-	(10,000,802)	(284,239)	(5,920,099)	(703,357)	(19,671,550)
<b>Total Noncurrent Assets</b>	<b>\$ 6,785,160</b>	<b>\$ -</b>	<b>\$ 13,279,914</b>	<b>\$ 184,996</b>	<b>\$ 5,171,733</b>	<b>\$ 2,002,625</b>	<b>\$ 27,424,428</b>
<b>Total Assets</b>	<b>\$ 8,269,144</b>	<b>\$ 48,039</b>	<b>\$ 15,552,038</b>	<b>\$ 370,316</b>	<b>\$ 6,840,951</b>	<b>\$ 2,502,088</b>	<b>\$ 33,582,576</b>
<b>Deferred Outflows of Resources</b>							
Deferred Pension Charges	\$ 85,747	\$ -	\$ 127,348	\$ 16,328	\$ 190,414	\$ -	\$ 420,437
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Accounts Payable	\$ 70,556	\$ 1,293	\$ 43,648	\$ 5,349	\$ 146,955	\$ 702	\$ 268,503
Contracts Payable	83,623	-	357,606	-	-	-	441,229
Accrued Expenses	31,831	2,214	25,114	2,697	24,123	-	85,979
Compensated Absences	24,023	305	37,096	5,300	23,718	-	90,442
Revenue Bonds Payable - Current	120,537	-	124,525	-	-	-	245,062
<b>Total Current Liabilities</b>	<b>\$ 330,570</b>	<b>\$ 3,812</b>	<b>\$ 587,989</b>	<b>\$ 13,346</b>	<b>\$ 194,796</b>	<b>\$ 702</b>	<b>\$ 1,131,215</b>
<b>Noncurrent Liabilities</b>							
Compensated Absences	\$ 20,927	\$ 265	\$ 32,314	\$ 4,616	\$ 20,661	\$ -	\$ 78,783
Net Pension Liability	906,966	-	1,346,990	179,053	2,014,049	-	4,447,058
Customer Deposits Payable	577,620	-	-	9,111	-	-	586,731
Revenue Bonds Payable	2,978,764	-	1,484,514	-	-	-	4,463,278
<b>Total Noncurrent Liabilities</b>	<b>\$ 4,484,277</b>	<b>\$ 265</b>	<b>\$ 2,863,818</b>	<b>\$ 192,780</b>	<b>\$ 2,034,710</b>	<b>\$ -</b>	<b>\$ 9,575,850</b>
<b>Total Liabilities</b>	<b>\$ 4,814,847</b>	<b>\$ 4,077</b>	<b>\$ 3,451,807</b>	<b>\$ 206,126</b>	<b>\$ 2,229,506</b>	<b>\$ 702</b>	<b>\$ 10,707,065</b>
<b>Deferred Inflows of Resources</b>							
Deferred Pension Credits	\$ 82,348	\$ -	\$ 122,300	\$ 16,257	\$ 182,866	\$ -	\$ 403,771
<b>Net Position</b>							
Net Investment in Capital Assets	\$ 3,197,587	\$ -	\$ 7,815,204	\$ -	\$ 5,171,733	\$ 2,002,625	\$ 18,187,149
Restricted for Debt Service	475,527	-	955,927	164,861	(552,740)	498,761	1,431,454
Unrestricted	(215,418)	43,962	3,334,148	-	-	-	3,273,574
<b>Total Net Position</b>	<b>\$ 3,457,696</b>	<b>\$ 43,962</b>	<b>\$ 12,105,279</b>	<b>\$ 164,861</b>	<b>\$ 4,618,993</b>	<b>\$ 2,501,386</b>	<b>\$ 22,892,177</b>

See Notes to Financial Statements

## CITY OF CLEMSON

PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
Fiscal Year Ended June 30, 2015

	Water	Stormwater	Wastewater	Sanitation	Transit	Parking Deck	Totals
<b>Operating Revenues</b>							
Charges for Services	\$ 2,719,725	\$ 82,924	\$ 2,601,097	\$ 280,362	\$ -	\$ 91,550	\$ 5,775,658
Impact Fees	22,309	-	117,628	-	-	-	139,937
Late Charges	30,877	972	31,433	1,790	-	-	65,072
Joint Venture Income	-	-	143,483	-	-	-	143,483
Other	54,077	2	161,561	802	18,406	1,531	236,379
<b>Total Operating Revenues</b>	<b>\$ 2,826,988</b>	<b>\$ 83,898</b>	<b>\$ 3,055,202</b>	<b>\$ 282,954</b>	<b>\$ 18,406</b>	<b>\$ 93,081</b>	<b>\$ 6,360,529</b>
<b>Operating Expenses</b>							
Water Department	\$ 1,943,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,943,676
Stormwater Collection	-	39,942	-	-	-	-	39,942
Wastewater Collection	-	-	754,428	-	-	-	754,428
Wastewater Treatment	-	-	1,231,944	-	-	-	1,231,944
Billing Administration	311,537	-	-	-	-	-	311,537
Engineering	-	-	242,130	-	-	-	242,130
Commercial Sanitation	-	-	-	260,036	-	-	260,036
Transit Operations	-	-	-	-	2,733,847	-	2,733,847
Parking Deck Operations	-	-	-	-	-	42,668	42,668
Depreciation	265,485	-	436,051	32,541	621,110	60,969	1,416,156
Other	64,381	-	64,502	13,008	7,298	-	149,189
<b>Total Operating Expenses</b>	<b>\$ 2,585,079</b>	<b>\$ 39,942</b>	<b>\$ 2,729,055</b>	<b>\$ 305,585</b>	<b>\$ 3,362,255</b>	<b>\$ 103,637</b>	<b>\$ 9,125,553</b>
<b>Operating Income (Loss)</b>	<b>\$ 241,909</b>	<b>\$ 43,956</b>	<b>\$ 326,147</b>	<b>\$ (22,631)</b>	<b>\$ (3,343,849)</b>	<b>\$ (10,556)</b>	<b>\$ (2,765,024)</b>
<b>Non-Operating Revenues (Expenses)</b>							
Investment Earnings	\$ 17,158	\$ 6	\$ 18,032	\$ 3,055	\$ 8,030	\$ 5,486	\$ 51,767
Operating Grants	-	-	-	-	1,522,939	-	1,522,939
Intergovernmental	19,982	-	-	-	1,847,744	-	1,867,726
Debt Service - Interest	(70,733)	-	(10,097)	-	-	-	(80,830)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ (33,593)</b>	<b>\$ 6</b>	<b>\$ 7,935</b>	<b>\$ 3,055</b>	<b>\$ 3,378,713</b>	<b>\$ 5,486</b>	<b>\$ 3,361,602</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>\$ 208,316</b>	<b>\$ 43,962</b>	<b>\$ 334,082</b>	<b>\$ (19,576)</b>	<b>\$ 34,865</b>	<b>\$ (5,070)</b>	<b>\$ 596,579</b>
Capital Contributions	74,465	-	113,793	-	-	-	188,258
Transfers In	15,000	-	-	-	-	-	15,000
Transfers Out	(91,835)	-	(165,879)	(7,424)	(8,900)	-	(274,038)
<b>Change in Net Position</b>	<b>\$ 205,946</b>	<b>\$ 43,962</b>	<b>\$ 281,996</b>	<b>\$ (27,000)</b>	<b>\$ 25,965</b>	<b>\$ (5,070)</b>	<b>\$ 525,799</b>
<b>Total Net Position, Beginning, As Previously Reported</b>	<b>\$ 4,148,979</b>	<b>\$ -</b>	<b>\$ 13,155,813</b>	<b>\$ 368,991</b>	<b>\$ 6,585,456</b>	<b>\$ 2,506,456</b>	<b>\$ 26,765,695</b>
<b>Cumulative Change in Accounting Principle - GASB 68 and 71</b>	<b>(897,229)</b>	<b>-</b>	<b>(1,332,530)</b>	<b>(177,130)</b>	<b>(1,992,428)</b>	<b>-</b>	<b>(4,389,317)</b>
<b>Total Net Position, Beginning, As Adjusted</b>	<b>\$ 3,251,750</b>	<b>\$ -</b>	<b>\$ 11,823,283</b>	<b>\$ 191,861</b>	<b>\$ 4,593,028</b>	<b>\$ 2,506,456</b>	<b>\$ 22,366,378</b>
<b>Total Net Position, Ending</b>	<b>\$ 3,457,696</b>	<b>\$ 43,962</b>	<b>\$ 12,105,279</b>	<b>\$ 164,861</b>	<b>\$ 4,618,993</b>	<b>\$ 2,501,386</b>	<b>\$ 22,892,177</b>

See Notes to Financial Statements



CITY OF CLEMSON

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
Fiscal Year Ended June 30, 2015

Business-type Activities - Enterprise Funds

	Water	Stormwater	Wastewater	Sanitation	Transit	Parking Deck	Totals
<b>Cash Flows from Operating Activities</b>							
Receipts from Customers and Users	\$ 2,868,485	\$ 51,798	\$ 2,422,936	\$ 285,507	\$ 17,836	\$ 93,081	\$ 5,739,643
Payments to Suppliers	(1,511,972)	(12,312)	(1,005,434)	(116,637)	(1,149,499)	(47,047)	(3,842,901)
Payments to Employees	(737,603)	(23,554)	(1,095,443)	(148,262)	(1,522,044)	-	(3,526,906)
Net Cash Provided (Used) by Operating Activities	\$ 618,910	\$ 15,932	\$ 322,059	\$ 20,608	\$ (2,653,707)	\$ 46,034	\$ (1,630,164)
<b>Cash Flows from Noncapital Financing Activities</b>							
Transfer from Other Funds	\$ 15,000	\$ -	\$ 361,110	\$ 201,299	\$ 380,107	\$ -	\$ 957,516
Transfer to Other Funds	(317,764)	(15,938)	(165,880)	(7,424)	(8,900)	(51,520)	(567,426)
Grants Available for Operating Purposes	-	-	-	-	1,810,706	-	1,810,706
Subsidies from Other Governmental Agencies	19,982	-	-	-	556,044	-	576,026
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (282,782)	\$ (15,938)	\$ 195,230	\$ 193,875	\$ 2,737,957	\$ (51,520)	\$ 2,776,822
<b>Cash Flows from Capital and Related Financing Activities</b>							
Capital Contributions	\$ 74,465	\$ -	\$ 113,793	\$ -	\$ -	\$ -	\$ 188,258
Purchases of Capital Assets	(36,025)	-	(25,005)	(217,538)	(92,280)	-	(370,848)
Acquisition and Construction of Capital Assets	(74,465)	-	(1,608,869)	-	-	-	(1,683,334)
Principal Paid on Capital Debt	(117,863)	-	(78,283)	-	-	-	(196,146)
Interest Paid on Capital Debt	(71,396)	-	(7,306)	-	-	-	(78,702)
Proceeds from Capital Debt	16,674	-	1,220,021	-	-	-	1,236,695
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (208,610)	\$ -	\$ (385,649)	\$ (217,538)	\$ (92,280)	\$ -	\$ (904,077)
<b>Cash Flows from Investing Activities</b>							
Investment Income Received	\$ 17,158	\$ 6	\$ 18,032	\$ 3,055	\$ 8,030	\$ 5,486	\$ 51,767
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 144,676	\$ -	\$ 149,672	\$ -	\$ -	\$ -	\$ 294,348
<b>Cash and Cash Equivalents, Beginning</b>	236,887	-	54,498	-	175	-	291,560
<b>Cash and Cash Equivalents, Ending</b>	\$ 381,563	\$ -	\$ 204,170	\$ -	\$ 175	\$ -	\$ 585,908

continued

CITY OF CLEMSON

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
Fiscal Year Ended June 30, 2015

continued

Business-type Activities - Enterprise Funds

Water	Stormwater	Wastewater	Sanitation	Transit	Parking Deck	Totals
\$ 241,909	\$ 43,956	\$ 326,147	\$ (22,631)	\$ (3,343,849)	\$ (10,556)	\$ (2,765,025)
\$ 265,485	\$ -	\$ 436,051	\$ 32,541	\$ 621,110	\$ 60,969	\$ 1,416,156
3,585	(32,101)	(632,266)	1,257	(570)	-	(660,095)
6,335	-	-	-	-	-	6,335
-	-	(143,483)	-	-	-	(143,483)
47,400	1,293	(975)	4,417	58,586	(4,379)	106,342
3,565	-	318,173	-	-	-	321,738
4,469	2,214	5,336	794	4,079	-	16,892
6,338	-	9,412	1,252	14,073	-	31,075
1,909	570	3,664	1,683	(7,136)	-	690
37,915	-	-	1,295	-	-	39,210
\$ 377,001	\$ (28,024)	\$ (4,088)	\$ 43,239	\$ 690,142	\$ 56,590	\$ 1,134,860
\$ 618,910	\$ 15,932	\$ 322,059	\$ 20,608	\$ (2,653,707)	\$ 46,034	\$ (1,630,164)

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 Accounts Payable  
Increase (Decrease) in Contracts Payable  
Increase (Decrease) in Accrued Wages  
Increase (Decrease) in Net Pension Liability,  
Deferred Charges and Deferred Credits  
Increase (Decrease) in Compensated Absences  
Increase (Decrease) in Customer Deposits  
Total Adjustments

Net Cash Provided (Used) by Operating Activities

See Notes To Financial Statements



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## **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, stormwater, 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 position and the statement of activities) report information on all of the activities of the primary government. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.*

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

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



## **CITY OF CLEMSON**

### **NOTES TO FINANCIAL STATEMENTS**

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

##### **MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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

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

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

*The government reports the following major governmental funds:*

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

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

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



## **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 Stormwater Fund accounts for charges to users for stormwater 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.*

*During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.*



## **CITY OF CLEMSON**

### **NOTES TO FINANCIAL STATEMENTS**

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

*Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in the business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.*

*Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.*

*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.*



## **CITY OF CLEMSON**

### **NOTES TO FINANCIAL STATEMENTS**

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

##### **ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

###### *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;
- 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*



## **CITY OF CLEMSON**

### **NOTES TO FINANCIAL STATEMENTS**

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

*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*

*Certain resources in the City's proprietary funds are classified as restricted on the statement of net position because they are maintained in separate bank accounts as required by certain bond covenants. The 2005 Water A, 2005 Water B, 2015 Water State Revolving Fund Trustee Account and 2009 and 2014 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.*

##### *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:*



## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

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

<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

#### *Deferred Inflows of Resources*

*In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.*

#### *Pensions*

*In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the City's proportionate share thereof in the case of a cost-sharing multiple employer plan, measured as of the City's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on*



## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

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

a closed basis over a five-year period beginning with the period in which the difference occurred.

##### *Adoption of Accounting Standards*

The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" ("GASB 68") and GASB No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68 ("GASB 71" and collectively "Statements") for the fiscal year ended June 30, 2015. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. In addition, state and local governments who participate in a cost-sharing multiple employer plan are now required to recognize a liability for its proportionate share of the net pension liability of that plan. It is the GASB's intention that these statements will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the City's financial obligations to current and former employees for past services rendered. In particular, these Statements require the City to recognize a net pension liability, deferred outflows of resources and deferred inflows of resources for its participation in the South Carolina Retirement System and the South Carolina Police Officers' Retirement System ("Plans"), cost-sharing multiple employer defined benefit pensions plans, on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the statement of net position) and present more extensive note disclosures.

The adoption of these Statements had no impact on the City's governmental fund financial statements, which continue to report expenditures in the amount of the contractually required contributions, as required by the South Carolina Public Employee Benefit Authority ("PEBA") who administers the Plans. However, the adoption has resulted in the restatement of the City's net position as of July 1, 2014 for its government-wide financial statements to reflect the reporting of net pensions liabilities and deferred outflows of resources for each of its qualified Plans in accordance with the provisions of these Statements. Due to the operation of enterprise funds the Net Pension Liability and Deferred Pension Charges and Credits are allocated between governmental activities and business-type activities. The allocations are shown in the table below. The net position of the City's governmental activities in the government-wide financial statements as of July 1, 2014 was decreased by \$ 7,177,836 and net position for the business-type activities was decreased by \$4,399,317.

##### *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



## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

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

service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Compensated absences are typically funded by the General Fund.

##### *Long-Term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. 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.



## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

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

- *Committed* – includes amounts that are constrained for specific purposes that are internally imposed by the government through adoption of an ordinance 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.
- *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. City Council has by resolution designated the City Administrator as responsible for assigning amounts for a specific purpose.
- *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 Position*

*Net Position* represents assets plus deferred outflows of resources less liabilities less deferred inflows of resources. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by City Council or through external



## **CITY OF CLEMSON**

### **NOTES TO FINANCIAL STATEMENTS**

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

*restrictions imposed by creditors, grantors, or laws or regulations of other governmental entities.*

##### *Accounting Estimates*

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

#### **2. BUDGETARY PRACTICES**

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

*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.*



## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

#### 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 \$44,588 as of the balance sheet date.

The following is an analysis of investments held at June 30, 2015: Amounts are recorded at cost or fair value depending on the nature and term of the investment. Adjustments are not made to adjust original cost unless significant in amount.

<u>Investment</u>	<u>Credit Rating</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Federal Farm Credit Bank Bonds			
Due 04/25/17	AAA	\$ 118,900	\$ 108,731
Due 06/04/18	AAA	80,737	76,447
Due 05/05/17	AAA	117,128	108,655
Due 07/16/27	AAA	97,057	97,622
Due 11/07/28	AAA	103,969	95,112
Due 05/07/20	AAA/Aaa/AAA	104,525	113,402
Due 12/21/20	AAA/Aaa/AAA	100,552	109,026
Due 03/13/24	AAA/Aaa/AAA	93,174	98,354
Due 11/26/24	AAA/Aaa/AAA	125,297	138,599
Due 02/14/25	AAA/Aaa	51,952	57,228
Due 10/24/25	AAA/Aaa	101,308	96,582
Due 08/08/39	AAA/Aaa	101,910	91,254
Due 11/02/40	AAA/Aaa	102,646	105,200
Due 02/01/28	AAA/Aaa	151,167	170,833
Due 08/03/28	AAA/Aaa	60,108	57,352
Due 11/24/28	AAA/Aaa	196,244	223,834
Due 04/24/29	AAA/Aaa	102,995	101,570
Due 01/18/30	AAA/Aaa	104,480	103,438
Due 11/08/32	AAA/Aaa	184,656	189,626
Due 09/01/33	AAA/Aaa	103,852	102,905



# CITY OF CLEMSON

## NOTES TO FINANCIAL STATEMENTS

### 3. CASH AND INVESTMENTS, continued

<u>Investment</u>	<u>Credit Rating</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Due 06/08/37	AAA/Aaa	\$ 100,352	\$ 111,576
Federal Home Loan Mortgage Notes			
Due 01/13/22	AAA/Aaa/AAA	102,236	101,247
Tennessee Valley Auth			
Due 07/15/33	AAA/Aaa/AAA	50,326	56,541
Due 09/15/39	AAA/Aaa/AAA	48,779	54,752
Due 12/15/42	AAA/Aaa/AAA	285,980	261,520
Due 09/15/24	AAA/Aaa/AAA	101,981	100,469
Federal Home Loan Banks			
Due 06/14/24	AAA/Aaa	100,780	101,291
Due 03/12/21	AAA/Aaa	221,708	239,611
Due 03/11/22	AAA/Aaa	214,528	202,754
Due 03/10/23	AAA/Aaa	138,633	146,288
Due 12/01/26	AAA/Aaa	105,480	103,296
Due 10/24/16	AAA/Aaa	98,875	100,117
Due 7/15/36	AAA/Aaa	130,929	129,374
GNMA II Guaranteed Pass Thru			
Due 06/20/28	N/A	14,138	9,794
Federal Home Loan MTG Corp			
Due 04/15/33	N/A	101,186	102,651
Due 10/02/19	N/A	73,487	74,230
Due 1/12/18	N/A	99,184	99,879
Federal National Mortgage			
Due 11/15/16	AAA	102,402	101,365
Due 06/20/19	AAA	101,913	101,069
Due 11/24/17	AAA	102,200	103,618
Due 04/30/18	AAA	99,625	99,962
Due 05/21/18	AAA	48,688	49,764
Due 04/18/36	AAA/Aaa/AAA	107,505	104,315
Due 2/19/19		50,387	51,304
U.S. Treasury Notes			
Due 11/30/15	AAA	101,683	101,202
Due 03/31/16	AAA	106,930	102,199
Due 08/31/17	AAA	103,829	103,143
Due 11/30/17	AAA	103,125	104,223
Due 08/31/18	AAA	99,732	101,814
State Investment Pool			
Due 09/30/15	AAA/Aaa	1,032,370	1,032,370
Other Investments			
Federated Govt Oblig Prm #117	AAA/Aaa	53,494	53,494
Federated Govt Oblig Prm #117 II	AAA/Aaa	4,162	4,162
Totals		<u>\$ 6,409,284</u>	<u>\$ 6,455,164</u>



## **CITY OF CLEMSON**

### **NOTES TO FINANCIAL STATEMENTS**

#### **3. CASH AND INVESTMENTS, continued**

**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, 2015, \$7,636,955 of the City's bank balance of \$9,236,955 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 \$6,455,164 the City has a custodial credit risk exposure of \$183,320 because the related securities are uninsured, unregistered and held by the City's brokerage firm which is also the counterparty for these particular securities. The City minimizes its exposure to custodial credit risk for investments by review of financial statements issued by the brokerage and financial institutions holding the municipal investments.

#### **4. PROPERTY TAXES / RECEIVABLES**

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



# CITY OF CLEMSON

## NOTES TO FINANCIAL STATEMENTS

### 4. PROPERTY TAXES / RECEIVABLES, continued

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 non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

<b>Governmental funds:</b>	<u>General</u>	<u>Tax Increment</u>	<u>Debt Service</u>	<u>Non-major</u>	<u>Total</u>
Receivables:					
Property Taxes	\$ 352,393	\$ 41,324	\$ 8,271	\$ 2,104	\$ 404,092
Accounts	43,906	-	-	351,339	395,245
Interest	14,237	-	-	-	14,237
Inter- governmental	276,573	287,244	3,179	103,213	670,209
Other	65,087	-	-	-	65,087
Gross Receivables	\$ 752,196	\$ 328,568	\$ 11,450	\$ 456,656	\$ 1,548,870
Less: Allowance for Uncollectibles	(17,619)	(2,066)	(414)	(106)	(20,205)
Net Total Receivables	\$ 734,577	\$ 326,502	\$ 11,036	\$ 456,550	\$ 1,528,665



**CITY OF CLEMSON**  
**NOTES TO FINANCIAL STATEMENTS**

**4. PROPERTY TAXES / RECEIVABLES, continued**

<i>Business-type funds:</i>	<u>Water</u>	<u>Stormwater</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Transit</u>	<u>Total</u>
<i>Receivables:</i>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts	222,195	32,101	217,805	29,611	86,990	588,702
Interest	-	-	-	-	-	-
Inter- governmental	-	-	662,169	-	1,103,385	1,765,554
Other	-	-	-	-	-	-
Gross Receivables	\$ 222,195	\$ 32,101	\$ 879,974	\$ 29,611	\$ 1,190,375	\$ 2,354,256
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Net Total Receivables	\$ 222,195	\$ 32,101	\$ 879,974	\$ 29,611	\$ 1,190,375	\$ 2,354,256

Included in accounts receivable in the Non-major 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, 2015 is \$265,086 of which \$251,986 is long-term.

**5. NOTE RECEIVABLE – TOWN OF CENTRAL**

The City sold its Highway 93 Water Tank to the Town of Central for \$250,000 in 2007. The terms of the sale call for the Town of Central to pay \$5,009 per quarter for 15 years at an interest rate of 2.5%. The balance of the note at June 30, 2015 is \$124,104 with \$17,095 due within the next year.

**6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 was as follows:

<i>Governmental activities:</i>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Capital assets, not depreciated:</i>				
Land	\$ 2,121,120	\$ 11,270	\$ -	\$ 2,132,390
<i>Capital assets, depreciated:</i>				
Other improvements	\$ 7,785,461	\$ -	\$ -	\$ 7,785,461
Buildings	7,798,737	-	-	7,798,737

# CITY OF CLEMSON

## NOTES TO FINANCIAL STATEMENTS

### 6. CAPITAL ASSETS, continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Infrastructure	\$ 10,996,958	\$ 476,950	\$ -	\$ 11,473,908
Furniture and equipment	7,497,300	388,371	(199,786)	7,685,885
<b>Total capital assets depreciated</b>	<b>\$ 34,078,456</b>	<b>\$ 865,321</b>	<b>\$ (199,786)</b>	<b>\$ 34,743,991</b>
Less accumulated depreciation for:				
Other improvements	\$ (5,727,598)	\$ (407,379)	\$ -	\$ (6,134,977)
Buildings	(2,264,469)	(184,049)	-	(2,448,518)
Infrastructure	(5,703,533)	(397,721)	-	(6,101,254)
Furniture and equipment	(5,534,355)	(682,426)	158,005	(6,058,776)
<b>Total accumulated depreciation</b>	<b>\$ (19,229,955)</b>	<b>\$ (1,671,575)</b>	<b>\$ 158,005</b>	<b>\$ (20,743,525)</b>
<b>Total capital assets, depreciated, net</b>	<b>\$ 14,848,501</b>	<b>\$ (806,254)</b>	<b>\$ (41,781)</b>	<b>\$ 14,000,466</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 16,969,621</b>	<b>\$ (794,984)</b>	<b>\$ (41,781)</b>	<b>\$ 16,132,856</b>
<b>Business-type activities:</b>	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balance</u></b>
Capital assets, not depreciated:				
Land	\$ 462,083	\$ -	\$ -	\$ 462,083
Construction in Progress	173,082	1,495,076	(173,082)	1,495,076
<b>Total capital assets, not depreciated</b>	<b>\$ 635,165</b>	<b>\$ 1,495,076</b>	<b>\$ (173,082)</b>	<b>\$ 1,957,159</b>
Capital assets, depreciated:				
Other improvements	\$ 7,938,410	\$ -	\$ -	\$ 7,938,410
Buildings	5,660,170	-	-	5,660,170
Infrastructure	16,351,512	361,341	-	16,712,853
Furniture and equipment	10,806,667	370,847	(694,071)	10,483,443
<b>Total capital assets depreciated</b>	<b>\$ 40,756,759</b>	<b>\$ 732,188</b>	<b>\$ (694,071)</b>	<b>\$ 40,794,876</b>
Less accumulated depreciation for:				
Other improvements	\$ (4,822,935)	\$ (195,963)	\$ -	\$ (5,018,898)
Buildings	(835,136)	(126,861)	-	(961,997)
Infrastructure	(5,604,807)	(392,021)	-	(5,996,828)
Furniture and equipment	(7,686,588)	(701,310)	694,071	(7,693,827)
<b>Total accumulated depreciation</b>	<b>\$ (18,949,466)</b>	<b>\$ (1,416,155)</b>	<b>\$ 694,071</b>	<b>\$ (19,671,550)</b>
<b>Total capital assets, depreciated, net</b>	<b>\$ 21,807,293</b>	<b>\$ (683,967)</b>	<b>\$ -</b>	<b>\$ 21,123,326</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 22,442,458</b>	<b>\$ 811,109</b>	<b>\$ (173,082)</b>	<b>\$ 23,080,485</b>



# CITY OF CLEMSON

## NOTES TO FINANCIAL STATEMENTS

### 6. CAPITAL ASSETS, continued

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

Government Activities:	
General Government	\$ 278,622
Public Safety	261,344
Public Works	680,898
Culture and Recreation	437,193
Equipment Services	13,518
Total Depreciation Expense-Governmental Activities	<u>\$ 1,671,575</u>
Business-type Activities:	
Water	\$ 265,485
Wastewater	436,051
Sanitation	32,541
Transit	621,110
Parking Deck	60,968
Total Depreciation Expense-Business-Type Activities	<u>\$ 1,416,155</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:

	Governmental Activities
Equipment	\$ 1,095,623
Other Improvements	2,309,124
Less: Accumulated Depreciation	(2,192,353)
Carrying Value	<u>\$ 1,212,394</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, 2015:

Fiscal Year Ending	Governmental Activities
06/30/2016	\$ 491,661
06/30/2017	85,777
06/30/2018	85,777
Total minimum lease payments	<u>\$ 663,215</u>
Less interest portion	(19,354)
Present value of future minimum Lease payments	<u>\$ 643,861</u>

# CITY OF CLEMSON

## NOTES TO FINANCIAL STATEMENTS

### 8. LONG-TERM DEBT

The City issued revenue bonds in its business-type activities where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at June 30, 2015, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Current Portion</u>
2009 Wastewater Fund	1.82 %	\$ 389,018	\$ 35,077
2005 Water A	2.25 %	2,662,467	101,891
2005 Water B	2.25 %	436,834	18,646
2014 Wastewater Fund	68 % of Prime*	1,220,021	89,448
<b>Total</b>		<b>\$ 4,708,340</b>	<b>\$ 245,062</b>

\* 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 \$1,045,848 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 245,062	\$ 105,548	\$ 350,610
2017	250,163	100,447	350,610
2018	255,382	95,229	350,611
2019	260,721	89,889	350,610
2020	266,187	84,423	350,610
2021-2025	1,417,458	335,593	1,753,051
2026-2030	1,039,562	169,840	1,209,402
2031-2035	854,444	63,534	917,978
2036	119,361	1,345	120,706
<b>Totals</b>	<b>\$ 4,708,340</b>	<b>\$ 1,045,848</b>	<b>\$ 5,754,188</b>

Water and Wastewater System Revenue Bond Ordinances require the following reserves on the Water and Wastewater Funds retained earnings at June 30, 2015:

	<u>Water</u>	<u>Wastewater</u>
Reserve for future principal and interest payments (1)	\$ 134,059	\$ 16,467
Reserve for operations and maintenance	188,927	195,516
Reserve for depreciation	151,541	742,944
Reserve for contingency	1,000	1,000
<b>Total</b>	<b>\$ 475,527</b>	<b>\$ 955,927</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.



# CITY OF CLEMSON

## NOTES TO FINANCIAL STATEMENTS

### 8. LONG-TERM DEBT, continued

General obligation bonds are issued in the governmental activities to provide funding for the acquisition and construction of major capital facilities. Bonds issued and the amounts outstanding at June 30, 2015 are as follows:

<u>Purpose</u>	<u>Bond Proceeds</u>	<u>Interest Rate</u>	<u>Balance 6/30/15</u>
Law Enforcement/Central Recreation/ Capital Projects / Land	\$ 806,000	2.220 %	\$ 104,000
Fire Substation Land	360,000	1.510%	300,000
Various Capital Projects	5,000,000	4.810 %	1,060,000
Various Capital Projects	3,000,000	3.790 %	640,253
Various Capital Projects	1,200,000	1.060%	800,000
Totals	<u>\$ 10,366,000</u>		<u>\$ 2,904,253</u>

Annual debt service requirements to maturity for general obligation bonds including interest of \$141,558 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,356,304	\$ 90,581	\$ 1,446,885
2017	1,447,949	49,467	1,497,416
2018	100,000	1,510	101,510
Totals	<u>\$ 2,904,253</u>	<u>\$ 141,558</u>	<u>\$ 3,045,811</u>

Property taxes will be used to pay debt service principal and interest as it becomes due. The City has pledged its full faith and credit as collateral for the general obligation bonds. The City is not obligated for any special assessment debt.

Long-term liability activity for the year ended June 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds \$	2,959,347	\$ 1,200,000	\$ (1,255,094)	\$ 2,904,253	\$ 1,356,304
Capital Leases	1,108,333	-	(464,472)	643,861	476,141
Compensated Absences	425,490	265,977	(251,603)	439,864	220,345
Governmental Activity Long-Term Liabilities	<u>\$ 4,493,170</u>	<u>\$ 1,465,977</u>	<u>\$ (1,971,169)</u>	<u>\$ 3,987,978</u>	<u>\$ 2,052,790</u>
<b>Business-Type Activities:</b>					
Revenue Bonds \$	3,684,465	\$ 1,220,021	\$ (196,146)	\$ 4,708,340	\$ 245,063
Capital Leases	-	-	-	-	-
Compensated Absences	168,535	106,241	(105,551)	169,225	90,441
Business-Type Activity Long-Term Liabilities	<u>\$ 3,853,000</u>	<u>\$ 1,326,262</u>	<u>\$ (301,697)</u>	<u>\$ 4,877,565</u>	<u>\$ 335,504</u>

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

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

The composition of interfund balances as of June 30, 2015 is as follows:

Due to/from funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water	General	\$ 1,221,192
Wastewater	General	1,392,000
Stormwater	General	15,939
Sanitation	General	155,709
Transit	General	478,668
Parking Deck	General	499,463
Tax Increment	General	828,342
Hospitality Tax	General	98,258
Non-major Governmental Funds		4,496,045
Total		<u>\$ 9,185,616</u>

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

Interfund transfers are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
<u>Governmental Funds</u>			
General Fund:			
Non-major Governmental	\$ 250,800	\$ 1,568	
Total General Fund	<u>\$ 250,800</u>	<u>\$ 1,568</u>	
Tax Increment Fund:			
Debt Service Fund	<u>\$ -</u>	<u>\$ 1,093,076</u>	
Debt Service Fund:			
Tax Increment Fund	\$ 1,093,076	\$ -	
Non-major Governmental	143,000	-	
Total Hospitality Tax Fund	<u>\$ 1,236,076</u>	<u>\$ -</u>	
Non-major Governmental:			
General Fund	\$ 1,568	\$ 250,800	
Water Fund	-	15,000	
Non-major Governmental	170,500	313,500	
Total Non-major Governmental	<u>\$ 172,068</u>	<u>\$ 579,300</u>	
Total Governmental Fund Transfers	<u>\$ 1,658,944</u>	<u>\$ 1,673,944</u>	<u>\$ (15,000)</u>
<u>Proprietary Funds</u>			
Water:			
Non-Major Governmental	<u>15,000</u>	<u>-</u>	
Total Proprietary Fund Transfers	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 15,000</u>



## **CITY OF CLEMSON**

### **NOTES TO FINANCIAL STATEMENTS**

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

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

#### **10. 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 contract was 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 \$725,000 for fire suppression services.

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

For the year beginning:	July	2015	\$ 775,000
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#### **11. EMPLOYEES RETIREMENT SYSTEMS**

##### *Plan Description*

The City participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"), which was created on July 1, 2012 and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11 member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.



## **CITY OF CLEMSON**

### **NOTES TO FINANCIAL STATEMENTS**

#### **11. EMPLOYEES RETIREMENT SYSTEMS, continued**

*The South Carolina Retirement System ("SCRS"), a cost-sharing multiple employer defined pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for the employees of the state, its public school districts, and political subdivisions.*

*The South Carolina Police Officers' Retirement System ("PORS"), a cost-sharing multiple employer defined benefit pension plan, was established effective July 1, 1962 pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.*

#### *Plan Membership*

*Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A summary of the requirements of each system is listed below.*

*SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a class Three member.*

*PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.*



## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

#### 11. EMPLOYEES RETIREMENT SYSTEMS, *continued*

##### *Plan Benefits*

*Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefits terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and the average final compensation. A summary of benefits terms for each system is presented here.*

*SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.*

*PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those*



# CITY OF CLEMSON

## NOTES TO FINANCIAL STATEMENTS

### 11. EMPLOYEES RETIREMENT SYSTEMS, *continued*

annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

#### Plan Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9% of earnable compensation for SCRS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contributions rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and this increase is not limited to one-half of one percent per year.

As noted above, both employee and the City are required to contribute to the Plans at rates established and as amended by the PEBA. The City's contributions are actuarially determined, but are communicated to and paid by the City as a percentage of the employees' annual eligible compensation as follows for the past three years:

	SCRS Rates			PORS Rates		
	2013	2014	2015	2013	2014	2015
Employer Rate:						
Retirement*	10.45%	10.45%	10.75%	11.90%	12.44%	13.01%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	10.60%	10.60%	10.90%	12.30%	12.84%	13.41%
Employee Rate	7.00%	7.5%	8.00%	7.00%	7.84%	8.41%

#### SCRS Three-Year Trend Information

<u>Year Ending</u>	<u>Total Payroll</u>	<u>Covered Payroll</u>	<u>Employer Contribution</u>	<u>Actual % Contributed</u>
6-30-13	4,880,832	4,880,832	517,368	10.600%
6-30-14	4,888,129	4,888,129	518,142	10.600%
6-30-15	5,094,900	5,094,900	555,344	10.900%



**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**11. EMPLOYEES RETIREMENT SYSTEMS, continued**

*PORS Three-Year Trend Information*

<u>Year Ending</u>	<u>Total Payroll</u>	<u>Covered Payroll</u>	<u>Employer Contribution</u>	<u>Actual % Contributed</u>
6-30-13	1,473,417	1,473,417	181,230	12.300%
6-30-14	1,519,121	1,519,121	195,055	12.840%
6-30-15	1,666,296	1,666,296	223,450	13.410%

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows or Resources Related to Pensions*

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2013. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2013 actuarial valuations, using membership data as of July 1, 2013, projecting forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by PEBA's consulting actuary, Gabriel, Roeder, Smith and Company.

The net pension liability ("NPL") is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that system's fiduciary net position. For the year ended June 30, 2015, NPL amounts and the change in NPL amounts for SCRS and PORS are as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension</u>
SCRS	\$42,955,205,796	\$25,738,521,026	\$17,216,684,770	59.92%
PORS	\$ 5,899,529,434	\$ 3,985,101,996	\$ 1,914,427,438	67.55%

At June 30, 2015, the City reported a liability of \$11,702,785 for its proportionate share of the net pension liabilities which comprise SCRS plan \$9,057,324 and PORS plan \$2,645,461. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities for the plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report of July 1, 2013 that was projected forward to the measurement date. The City's proportion of the net pension liabilities were based on a projection of the City's long-term share of contributions to the plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At June 30, 2015, the City's SCRS proportion was 0.053929 percent, which was equal to its proportion measured as



# CITY OF CLEMSON

## NOTES TO FINANCIAL STATEMENTS

### 11. EMPLOYEES RETIREMENT SYSTEMS, continued

of June 30, 2013. At June 30, 2015, the City's PORS proportion was 0.12630 percent, which was equal to its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense on its government-wide financial statements of \$860,579, consisting of \$618,321 for SCRS and \$242,258 for the PORS. At June 30, 2015, the City reported deferred outflows or resources and deferred inflows of resources related to pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences between expected and actual experience	\$ 263,092	\$ -
Net Difference between projected and actual earnings on pension plan investments	-	782,776
District's contributions subsequent to the measurement date	555,345	-
<b>Total SCRS</b>	<b>\$ 818,437</b>	<b>\$ 782,776</b>
<b>PORS</b>		
Differences between expected and actual experience	\$ 64,526	\$ -
Net Difference between projected and actual earnings on pension plan investments	-	279,780
District's contributions subsequent to the measurement date	223,450	-
<b>Total PORS</b>	<b>\$ 287,976</b>	<b>\$ 279,780</b>
<b>Total SCRS and PORS</b>	<b>\$ 1,106,413</b>	<b>\$ 1,062,556</b>

\$555,345 and \$223,450 that were reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will be recognized in pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2016	\$ (114,317)	\$ (53,211)	\$ (167,528)
2017	(114,317)	(53,211)	(167,528)
2018	(114,317)	(53,211)	(167,528)
2019	(176,733)	(55,621)	(232,354)
<b>Total</b>	<b>\$ (519,684)</b>	<b>\$ (215,254)</b>	<b>\$ (734,938)</b>



# CITY OF CLEMSON

## NOTES TO FINANCIAL STATEMENTS

### 11. EMPLOYEES RETIREMENT SYSTEMS, continued

#### Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The following table provides a summary of the actuarial cost method and assumptions used in the July 1, 2013, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry age	Entry age
Actuarial assumptions:		
Investment Rate of Return	7.5%	7.5%
Salary increases	Levels off at 3.5%	Levels off at 4.0%
Includes inflation at	2.75%	2.75%
Benefits adjustments	Lesser of 1% or \$500	Lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Former job class	Males	Females
Educators and judges	RP-2000 Males (with white collar adjustment) multiplies by 110%	RP-2000 Females (with white collar adjustment) multiplies by 95%
General employees and members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public safety, firefighters, and members of the South Carolina National Guard	RP-2000 Males (with blue collar adjustment) multiplied by 115%	RP-2000 Females (with blue collar adjustment) multiplied by 115%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in



**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**11. EMPLOYEES RETIREMENT SYSTEMS, continued**

coordination with the investment consultant for the Retirement System Investment Commission ("RSIC") using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below. For actuarial purposes, the 7.5% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component.

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Short Term	5%		
Cash	2%	0.30	0.01
Short Duration	3%	0.60	0.02
Domestic Fixed Income	13%		
Core Fixed Income	7%	1.10	0.08
High Yield	2%	3.5	0.07
Bank Loans	4%	2.80	0.11
Global Fixed Income	9%		
Global Fixed Income	3%	0.80	0.02
Emerging Markets Debt	6%	4.10	0.25
Global Public Equity	31%	7.80	2.42
Global Tactical Asset Allocation	10%	5.10	0.51
Alternatives	32%		
Hedge Funds (Low Beta)	8%	4.00	0.32
Private Debt	7%	10.20	0.71
Private Equity	9%	10.20	0.92
Real Estate (Broad Market)	5%	5.90	0.29
Commodities	3%	5.10	0.15
Total Expected Real Return	100%		5.88
Inflation for Actuarial Purposes			2.75
Total Expected Nominal Return			8.63



## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

#### 11. EMPLOYEES RETIREMENT SYSTEMS, *continued*

##### *Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the sensitivity of net pension liability of the Plan as of June 30, 2015 to changes in the discount rate, calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.5%) or 1% point higher (8.5%) than the current rate:

System	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability of the SCRS	\$ 12,015,087	\$ 9,284,787	\$ 7,006,931
City's proportionate share of the net pension liability of the PORS	\$ 3,378,983	\$ 2,417,998	\$ 1,622,724

##### *Plans' Fiduciary Net Position*

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at [www.retirement.sc.gov](http://www.retirement.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

#### 12. 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.



**CITY OF CLEMSON**  
**NOTES TO FINANCIAL STATEMENTS**

**12. EXCESS OF EXPENDITURES OVER APPROPRIATIONS, continued**

<u>General Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>
Current Operating		
Administration	\$ 579,823	\$ 582,713
Information Tech Services	178,853	230,059
Planning and Codes	775,480	832,502
Public Safety		
Police	2,784,007	2,790,687
Culture and Recreation	680,998	716,147
Debt Service – Principal	168,600	168,642
<u>Debt Service Fund</u>		
Debt Service		
Principal	854,900	1,254,929
Interest	116,600	122,632
<u>Non-major Governmental Funds</u>		
Park Land		
Capital Outlay	-	11,270
Hospitality Tax		
Public Works	-	19,537
Tourism – Tourism Related	119,000	127,286

**13. 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.
- Ongoing financial relationship - Each of the entities has both an ongoing financial interest and an ongoing financial responsibility.



## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

#### 13. JOINT VENTURE, continued

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.

At June 30, 2015 the City's Wastewater Fund had total assets of \$15,552,038 and total liabilities of \$3,451,807.

The financial activity of the joint facility operated by the Town of Pendleton is included in the Town of Pendleton's financial statements and is audited by the Town's independent auditors. A copy of the 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.

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

Total Assets	\$ 6,737,239
Total Liabilities	1,561,534
Total Equity	5,175,705
Total Operating Revenues	959,790
Total Operating Expenses	687,397
Operating Income	272,393

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 \$3,651,651 which includes a \$33,812 contribution towards debt on new capacity, \$26,525 of



## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

#### 13. JOINT VENTURE, *continued*

*amortization of the difference of the cost of the investment and the value of the underlying assets, and \$136,196 of current year net income as follows:*

Carrying Value, 6/30/14	\$ 3,508,168	
Current year income (loss)	136,196	
	<u>\$ 3,644,364</u>	\$ 3,644,364
Net value of underlying assets	<u>(2,583,353)</u>	
Difference	<u>\$ 1,061,011</u>	
Amortization - SL over 40 years		(26,525)
Contribution towards debt on new capacity		<u>33,812</u>
Carrying Value, 6/30/15		<u>\$ 3,651,651</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*

#### 14. 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.*



## **CITY OF CLEMSON**

### **NOTES TO FINANCIAL STATEMENTS**

#### **15. 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 \$1,330,243 during the current year.*

#### **16. 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 \$667,502 of hospitality fees and \$667,501 of hospitality taxes.*

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

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

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

#### **18. 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*



## CITY OF CLEMSON

### NOTES TO FINANCIAL STATEMENTS

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

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 \$1,099,418 in TIF designated property taxes. The City transferred \$1,093,076 to the Debt Service Fund during the current year.

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
 Total	 \$ 8,000,000	 \$ 8,000,000

#### 19. 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.



**CITY OF CLEMSON**  
**NOTES TO FINANCIAL STATEMENTS**

**20. FUND BALANCES**

	<u>GOVERNMENTAL FUNDS</u>				
	<u>General</u>	<u>Tax Increment Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>FUND BALANCES</b>					
Restricted for:					
Tax Increment Fund	\$ -	\$ 19,938	\$ -	\$ -	\$ 19,938
Hospitality Tax Fund	-	-	-	1,496,655	1,496,655
Community Development Fund	-	-	-	360,718	360,718
Emergency Phone System	-	-	-	139,986	139,986
Tourism Fund	-	-	-	69,523	69,523
Hospitality Fee Fund	-	-	-	972,531	972,531
Local Accommodation Tax Fund	-	-	-	643,260	643,260
Comm Dev – L-T Receivables	-	-	-	251,986	251,986
Berkeley Drive Pedestrian Bridge	-	-	-	623,276	623,276
Debt Service	-	-	103,122	-	103,122
Committed for:					
Duke Power	263,538	-	-	-	263,538
Underground Power					
Assigned to:					
Culture & Recreation	12,329	-	-	114,048	126,377
Public Works	247,089	-	-	108,700	355,789
Park Land Fund	-	-	-	137,503	137,503
Unassigned:	4,154,750	-	-	-	4,154,750
<b>TOTAL FUND BALANCES</b>	<b>\$4,677,706</b>	<b>\$ 19,938</b>	<b>\$ 103,122</b>	<b>\$ 4,918,186</b>	<b>\$ 9,718,952</b>

**21. DATE OF MANAGEMENT'S REVIEW**

*In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 29, 2015, the date that the financial statements were available to be issued.*

**CITY OF CLEMSON**

**NOTES TO FINANCIAL STATEMENTS**

**22. CONSTRUCTION COMMITMENTS**

*The City has the following construction commitments at June 30, 2015:*

<i>SRF Drinking Water Project</i>	<i>\$1,821,953</i>
<i>Nettles Park Drainage Improvements</i>	<i>33,575</i>
<i>Ashley Dearing Park Improvements</i>	<i>64,378</i>
<i>Berkeley Drive Pedestrian Bridge</i>	<i><u>99,880</u></i>
	<i><u>\$2,019,786</u></i>



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## REQUIRED SUPPLEMENTARY INFORMATION





**CITY OF CLEMSON**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SOUTH CAROLINA RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS\*\***

	<u><b>Year Ended June 30, 2015</b></u>
<i>City's Proportion of the Net Pension Liability (Asset)</i>	0.053929%
<i>City's Proportion of the Net Pension Liability (Asset)</i>	\$9,057,324
<i>City's Covered-Employee Payroll</i>	\$5,510,941
<i>City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll</i>	164.35%
<i>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</i>	59.92%

**Notes to Schedule:**

Only the current fiscal year is present because ten year data is not yet available.

\*\*The amounts presented were determined as of the prior fiscal year ending June 30th.

**CITY OF CLEMSON**

**SCHEDULE OF THE CITY'S CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	<u><b>Year Ended June 30, 2015</b></u>
<i>Contractually Required Contribution</i>	\$ 555,344
<i>Contributions in Relation to the Contractually Required Contribution:</i>	<u>555,344</u>
<i>Contribution Deficiency (Excess)</i>	<u>\$ -</u>
<i>City of Clemson Covered-Employee Payroll</i>	\$ 5,510,941
<i>Contributions as a Percentage of Covered-Employee Payroll</i>	10.08%

**Notes to Schedule:**

Only the current fiscal year is present because ten year data is not yet available.



**CITY OF CLEMSON**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
POLICE OFFICERS' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS\*\***

	<u><b>Year Ended June 30, 2015</b></u>
<i>City's Proportion of the Net Pension Liability (Asset)</i>	0.126300%
<i>City's Proportion of the Net Pension Liability (Asset)</i>	\$2,645,461
<i>City's Covered-Employee Payroll</i>	\$1,604,176
<i>City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll</i>	164.91%
<i>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</i>	67.55%

**Notes to Schedule:**

Only the current fiscal year is present because ten year data is not yet available.

\*\*The amounts presented were determined as of the prior fiscal year ending June 30th.

**CITY OF CLEMSON**  
**SCHEDULE OF THE CITY'S CONTRIBUTIONS**  
**POLICE OFFICERS' RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**

	<u>Year Ended</u> <u>June 30, 2015</u>
<i>Contractually Required Contribution</i>	\$ 223,450
<i>Contributions in Relation to the Contractually Required Contribution:</i>	<u>223,450</u>
<i>Contribution Deficiency (Excess)</i>	<u>\$ -</u>
<i>City of Clemson Covered-Employee Payroll</i>	\$ 1,604,176
<i>Contributions as a Percentage of Covered-Employee Payroll</i>	13.93%

**Notes to Schedule:**

Only the current fiscal year is present because ten year data is not yet available.



COMBINING AND  
INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES



## **NONMAJOR GOVERNMENTAL FUNDS**

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

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

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

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

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

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

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

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



**CITY OF CLEMSON**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2015**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets</b>			
<i>Receivables (Net of Allowance)</i>			
Property Taxes	\$ 1,998	\$ -	\$ 1,998
Accounts	351,339	-	351,339
Due from Other Governmental Units	103,213	-	103,213
Due from Other Funds	<u>3,872,769</u>	<u>623,276</u>	<u>4,496,045</u>
 Total Assets	 <u>\$ 4,329,319</u>	 <u>\$ 623,276</u>	 <u>\$ 4,952,595</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	<u>\$ 32,839</u>	<u>\$ -</u>	<u>\$ 32,839</u>
 Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	<u>\$ 1,570</u>	<u>\$ -</u>	<u>\$ 1,570</u>
 <b>Fund Balances</b>			
Restricted for Long - Term Receivables	251,986	-	251,986
Assigned to Encumbrances	114,048	108,700	222,748
Unassigned	<u>3,928,876</u>	<u>514,576</u>	<u>4,443,452</u>
 Total Fund Balances	 <u>\$ 4,294,910</u>	 <u>\$ 623,276</u>	 <u>\$ 4,918,186</u>
 Total Liabilities and Fund Balances	 <u>\$ 4,329,319</u>	 <u>\$ 623,276</u>	 <u>\$ 4,952,595</u>

## CITY OF CLEMSON

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
*Fiscal Year Ended June 30, 2015*

	Special Revenue	Capital Projects	Total
<b>Revenues</b>			
Property Taxes	\$ 21,772	\$ -	\$ 21,772
Local Option Sales Tax	7,715	-	7,715
Local Accomodations Tax	268,879	-	268,879
Hospitality Fees/Tax	1,335,003	-	1,335,003
Intergovernmental	212,044	-	212,044
Charges for Services	39,774	-	39,774
Investment Earnings	49,894	1,296	51,190
Gain on Sale of Property	10,594	-	10,594
Other Revenues	15,078	-	15,078
<b>Total Revenues</b>	<b>\$ 1,960,753</b>	<b>\$ 1,296</b>	<b>\$ 1,962,049</b>
<b>Expenditures</b>			
Current Operating			
General Government	\$ 5,918	\$ 4,200	\$ 10,118
Public Safety	33,346	-	33,346
Public Works	19,537	-	19,537
Urban Redevelopment	16,188	-	16,188
Culture and Recreation	211,953	-	211,953
Debt Service			
Principal	295,727	-	295,727
Interest	21,181	-	21,181
Capital Outlay	149,508	-	149,508
Intergovernmental			
Tourism - Promotion	100,000	-	100,000
Tourism - Tourism Related	296,415	-	296,415
<b>Total Expenditures</b>	<b>\$ 1,149,773</b>	<b>\$ 4,200</b>	<b>\$ 1,153,973</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 810,980</b>	<b>\$ (2,904)</b>	<b>\$ 808,076</b>
<b>Other Financing Sources (Uses)</b>			
Issuance of Long Term Debt	\$ -	\$ 626,180	\$ 626,180
Transfers In	170,500	1,568	172,068
Transfers Out	(579,300)	-	(579,300)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (408,800)</b>	<b>\$ 627,748</b>	<b>\$ 218,948</b>
<b>Net Change in Fund Balances</b>	<b>\$ 402,180</b>	<b>\$ 624,844</b>	<b>\$ 1,027,024</b>
<b>Fund Balances, Beginning</b>	<b>3,892,730</b>	<b>(1,568)</b>	<b>3,891,162</b>
<b>Fund Balances, Ending</b>	<b>\$ 4,294,910</b>	<b>\$ 623,276</b>	<b>\$ 4,918,186</b>



CITY OF CLEMSON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2015

	Community Development Funds	Emergency Phone System	Tourism Fund	Park Land Fund	Hospitality Fee Fund	Hospitality Tax Fund	Local Accom Tax Fund	Total 6/30/15
Assets								
Receivables (Net of Allowance)								
Property Taxes	\$ -	\$ -	\$ -	\$ 1,998	\$ -	\$ -	\$ -	\$ 1,998
Accounts	232,556	2,452	-	-	47,339	47,338	21,654	351,339
Due from Other Governmental Units	-	3,062	63,057	809	-	18,143	18,142	103,213
Due from Other Funds	386,341	137,333	6,466	136,266	931,457	1,560,917	713,989	3,872,769
Total Assets	\$ 618,897	\$ 142,847	\$ 69,523	\$ 139,073	\$ 978,796	\$ 1,626,398	\$ 753,785	\$ 4,329,319
Liabilities and Fund Balances								
Liabilities								
Accounts and Vouchers Payable	\$ 6,193	\$ 2,861	\$ -	\$ -	\$ 6,265	\$ 15,695	\$ 1,825	\$ 32,839
Deferred Inflows of Resources								
Unavailable Revenue - Property Taxes	\$ -	\$ -	\$ -	\$ 1,570	\$ -	\$ -	\$ -	\$ 1,570
Fund Balances								
Restricted For Long - Term Receivables	\$ 251,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 251,986
Unreserved	360,718	139,986	69,523	137,503	972,531	1,610,703	751,960	4,042,924
Total Fund Balances	\$ 612,704	\$ 139,986	\$ 69,523	\$ 137,503	\$ 972,531	\$ 1,610,703	\$ 751,960	\$ 4,294,910
Total Liabilities and Fund Balances	\$ 618,897	\$ 142,847	\$ 69,523	\$ 139,073	\$ 978,796	\$ 1,626,398	\$ 753,785	\$ 4,329,319

CITY OF CLEMSON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
Fiscal Year Ended June 30, 2015

	Community Development Funds	Emergency Phone System	Tourism Fund	Park Land Fund	Hospitality Fee Fund	Hospitality Tax Fund	Local Accom Tax Fund	Total 6/30/15
<b>Revenues</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ 21,772	\$ -	\$ -	\$ -	\$ 21,772
Local Option Sales Tax	-	-	-	7,715	-	-	-	7,715
Local Accommodations Tax	-	-	-	-	-	-	268,879	268,879
Hospitality Fees/Tax	-	-	-	-	667,502	667,501	-	1,335,003
Intergovernmental	-	-	212,044	-	-	-	-	212,044
Other Revenues	-	398	36	367	2,643	4,443	2,197	15,078
Charges for Services	4,994	39,774	-	-	-	-	-	39,774
Gain on Sale of Property	10,594	-	-	-	-	-	-	10,594
Investment Earnings	11,497	1,515	136	1,399	10,065	16,918	8,364	49,894
<b>Total Revenues</b>	<b>\$ 27,085</b>	<b>\$ 41,687</b>	<b>\$ 212,216</b>	<b>\$ 31,253</b>	<b>\$ 680,210</b>	<b>\$ 688,862</b>	<b>\$ 279,440</b>	<b>\$ 1,960,753</b>
<b>Expenditures</b>								
Current Operating								
General Government	\$ -	\$ -	\$ -	\$ -	\$ 5,918	\$ -	\$ -	\$ 5,918
Public Safety	-	24,994	-	-	-	8,352	-	33,346
Public Works	-	-	-	-	-	19,537	-	19,537
Urban Redevelopment	16,188	-	-	-	-	-	-	16,188
Culture and Recreation	-	-	-	-	165,393	46,560	-	211,953
Capital Outlay	-	-	-	11,270	126,290	11,948	-	149,508
Intergovernmental	-	-	100,000	-	-	-	-	100,000
Tourism - Promotion	-	-	125,000	-	16,864	127,286	27,265	296,415
Tourism - Tourism Related	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	80,754	214,973	-	295,727
Principal	-	-	-	-	5,023	16,158	-	21,181
Interest	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 16,188</b>	<b>\$ 24,994</b>	<b>\$ 225,000</b>	<b>\$ 11,270</b>	<b>\$ 400,242</b>	<b>\$ 444,814</b>	<b>\$ 27,265</b>	<b>\$ 1,149,773</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 10,897</b>	<b>\$ 16,693</b>	<b>\$ (12,784)</b>	<b>\$ 19,983</b>	<b>\$ 279,968</b>	<b>\$ 244,048</b>	<b>\$ 252,175</b>	<b>\$ 810,980</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ 63,500	\$ 107,000	\$ -	\$ 170,500
Transfers Out	-	-	-	-	(246,000)	(158,000)	(175,300)	(579,300)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (182,500)</b>	<b>\$ (51,000)</b>	<b>\$ (175,300)</b>	<b>\$ (408,800)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 10,897</b>	<b>\$ 16,693</b>	<b>\$ (12,784)</b>	<b>\$ 19,983</b>	<b>\$ 97,468</b>	<b>\$ 193,048</b>	<b>\$ 76,875</b>	<b>\$ 402,180</b>
<b>Fund Balances, Beginning</b>	<b>601,807</b>	<b>123,293</b>	<b>82,307</b>	<b>117,520</b>	<b>875,063</b>	<b>1,417,655</b>	<b>675,085</b>	<b>3,892,730</b>
<b>Fund Balances, Ending</b>	<b>\$ 612,704</b>	<b>\$ 139,986</b>	<b>\$ 69,523</b>	<b>\$ 137,503</b>	<b>\$ 972,531</b>	<b>\$ 1,610,703</b>	<b>\$ 751,960</b>	<b>\$ 4,294,910</b>



**CITY OF CLEMSON**

**COMMUNITY DEVELOPMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Investment Earnings	\$ 5,500	\$ 11,497	\$ 5,997
Gain on Sale of Property	-	10,594	10,594
Other Revenues	6,500	4,994	(1,506)
	<u>12,000</u>	<u>27,085</u>	<u>15,085</u>
<b>Total Revenues</b>	<u>\$ 12,000</u>	<u>\$ 27,085</u>	<u>\$ 15,085</u>
<b>Expenditures</b>			
Current Operating			
Urban Redevelopment			
Rehabilitation	\$ 51,800	\$ 16,188	\$ 35,612
	<u>51,800</u>	<u>16,188</u>	<u>35,612</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ (39,800)	\$ 10,897	\$ 50,697
<b>Fund Balance, Beginning</b>	<u>601,807</u>	<u>601,807</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 562,007</u>	<u>\$ 612,704</u>	<u>\$ 50,697</u>

**CITY OF CLEMSON**

**EMERGENCY PHONE SYSTEM  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Charges for Services	\$ 43,000	\$ 39,774	\$ (3,226)
Investment Earnings	1,200	1,515	315
Other Revenue	-	398	398
	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	\$ 44,200	\$ 41,687	\$ (2,513)
<b>Expenditures</b>			
Current Operating			
Public Safety	31,760	24,994	6,766
	<u>          </u>	<u>          </u>	<u>          </u>
Excess of Revenues Over (Under) Expenditures	\$ 12,440	\$ 16,693	\$ 4,253
Fund Balance, Beginning	<u>123,293</u>	<u>123,293</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 135,733</u>	<u>\$ 139,986</u>	<u>\$ 4,253</u>



## CITY OF CLEMSON

**TOURISM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
*Fiscal Year Ended June 30, 2015*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Intergovernmental	\$ 180,000	\$ 212,044	\$ 32,044
Investment Earnings	750	136	(614)
Other Revenue	-	36	36
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Revenues</b>	<u>\$ 180,750</u>	<u>\$ 212,216</u>	<u>\$ 31,466</u>
<b>Expenditures</b>			
Intergovernmental			
Tourism - Promotion	\$ 100,000	\$ 100,000	\$ -
Tourism - Tourism Related	125,000	125,000	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Expenditures</b>	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ -</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ (44,250)</u>	<u>\$ (12,784)</u>	<u>\$ 31,466</u>
<b>Fund Balance, Beginning</b>	<u>82,307</u>	<u>82,307</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 38,057</u>	<u>\$ 69,523</u>	<u>\$ 31,466</u>

CITY OF CLEMSON

PARK LAND FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property Taxes	\$ 20,516	\$ 21,772	\$ 1,256
Local Option Sales Tax	7,181	7,715	534
Investment Earnings	1,250	1,399	149
Other Revenue	-	367	367
	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	\$ 28,947	\$ 31,253	\$ 2,306
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Expenditures</b>			
Current Operating			
Capital Outlay	\$ -	\$ 11,270	\$ (11,270)
	<u>          </u>	<u>          </u>	<u>          </u>
Excess of Revenues Over (Under) Expenditures	\$ 28,947	\$ 19,983	\$ (8,964)
	<u>          </u>	<u>          </u>	<u>          </u>
Net Change in Fund Balance	\$ 28,947	\$ 19,983	\$ (8,964)
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance, Beginning	117,520	117,520	-
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance, Ending	\$ 146,467	\$ 137,503	\$ (8,964)
	<u>          </u>	<u>          </u>	<u>          </u>



## CITY OF CLEMSON

HOSPITALITY FEE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Hospitality Fees	\$ 570,000	\$ 667,502	\$ 97,502
Investment Earnings	5,700	10,065	4,365
Other Revenue	-	2,643	2,643
<b>Total Revenues</b>	<u>\$ 575,700</u>	<u>\$ 680,210</u>	<u>\$ 104,510</u>
<b>Expenditures</b>			
Current Operating			
General Government	\$ 8,500	\$ 5,918	\$ 2,582
Culture and Recreation	181,698	165,393	16,305
Capital Outlay	127,000	126,290	710
Tourism - Tourism Related	32,000	16,864	15,136
Debt Service			
Principal	80,800	80,754	46
Interest	5,100	5,023	77
<b>Total Expenditures</b>	<u>\$ 435,098</u>	<u>\$ 400,242</u>	<u>\$ 34,856</u>
<b>Excess of Revenues Over ( Under) Expenditures</b>	<u>\$ 140,602</u>	<u>\$ 279,968</u>	<u>\$ 139,366</u>
<b>Other Financing Sources (Uses)</b>			
Transfer In	\$ 63,500	\$ 63,500	\$ -
Transfer Out	(256,500)	(246,000)	10,500
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (193,000)</u>	<u>\$ (182,500)</u>	<u>\$ 10,500</u>
<b>Net Change in Fund Balance</b>	<u>\$ (52,398)</u>	<u>\$ 97,468</u>	<u>\$ 149,866</u>
<b>Fund Balance, Beginning</b>	<u>875,063</u>	<u>875,063</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 822,665</u>	<u>\$ 972,531</u>	<u>\$ 149,866</u>

## CITY OF CLEMSON

## HOSPITALITY TAX FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

## BUDGET TO ACTUAL

Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Hospitality Tax	\$ 570,000	\$ 667,501	\$ 97,501
Investment Earnings	10,000	16,918	6,918
Other Revenue	-	4,443	4,443
<b>Total Revenues</b>	<u>\$ 580,000</u>	<u>\$ 688,862</u>	<u>\$ 108,862</u>
<b>Expenditures</b>			
Current Operating			
Public Safety	\$ 8,500	\$ 8,352	\$ 148
Public Works	-	19,537	(19,537)
Culture and Recreation	181,000	46,560	134,440
Capital Outlay	12,500	11,948	552
Tourism - Tourism Related	119,000	127,286	(8,286)
Debt Service			
Principal	215,000	214,973	27
Interest	16,200	16,158	42
<b>Total Expenditures</b>	<u>\$ 552,200</u>	<u>\$ 444,814</u>	<u>\$ 107,386</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ 27,800</u>	<u>\$ 244,048</u>	<u>\$ 216,248</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	\$ 125,142	\$ 107,000	\$ (18,142)
Transfers Out	(25,500)	(158,000)	(132,500)
<b>Total Other Financing Sources (Uses)</b>	<u>\$ 99,642</u>	<u>\$ (51,000)</u>	<u>\$ (150,642)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 127,442</u>	<u>\$ 193,048</u>	<u>\$ 65,606</u>
<b>Fund Balance, Beginning</b>	<u>1,417,655</u>	<u>1,417,655</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 1,545,097</u></u>	<u><u>\$ 1,610,703</u></u>	<u><u>\$ 65,606</u></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, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Local Accommodations Tax	\$ 230,000	\$ 268,879	\$ 38,879
Investment Earnings	6,200	8,364	2,164
Other Revenue	-	2,197	2,197
	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	\$ 236,200	\$ 279,440	\$ 43,240
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Expenditures</b>			
Intergovernmental			
Tourism - Tourism Related	\$ 47,300	\$ 27,265	\$ 20,035
	<u>          </u>	<u>          </u>	<u>          </u>
Excess of Revenues Over (Under) Expenditures	\$ 188,900	\$ 252,175	\$ 63,275
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Other Financing Sources (Uses)</b>			
Transfer In	\$ 18,143	\$ -	\$ (18,143)
Transfer Out	(170,500)	(175,300)	(4,800)
	<u>          </u>	<u>          </u>	<u>          </u>
Total Other Financing Sources (Uses)	\$ (152,357)	\$ (175,300)	\$ (22,943)
	<u>          </u>	<u>          </u>	<u>          </u>
Net Change in Fund Balance	\$ 36,543	\$ 76,875	\$ 40,332
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance, Beginning	675,085	675,085	-
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance, Ending	\$ 711,628	\$ 751,960	\$ 40,332
	<u>          </u>	<u>          </u>	<u>          </u>

CITY OF CLEMSON

CAPITAL PROJECTS FUND  
EARLE STREET IMPROVEMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2015

	Budget	Prior Years	Actual Current Year	Total	Variance
Revenues					
Contributions and Donations	\$ 140,412	\$ 65,413	\$ -	\$ 65,413	\$ (74,999)
Investment Earnings	-	465	-	465	465
Total Revenues	\$ 140,412	\$ 65,878	\$ -	\$ 65,878	\$ (74,534)
Expenditures					
General Government	\$ 329,305	\$ 164,449	\$ -	\$ 164,449	\$ 164,856
Streets					
Excess of Revenues Over (Under) Expenditures	\$ (188,893)	\$ (98,571)	\$ -	\$ (98,571)	\$ 90,322
Other Financing Sources (Uses)					
Transfers In	189,503	97,003	1,568	98,571	(90,932)
Net Change in Fund Balance	\$ 610	\$ (1,568)	\$ 1,568	\$ -	\$ (610)
Fund Balance, Beginning	-	-	(1,568)	-	-
Fund Balance, Ending	\$ 610	\$ (1,568)	\$ -	\$ -	\$ (610)

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  
BERKELEY DRIVE PEDESTRIAN BRIDGE  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE

BUDGET TO ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2015

	Budget	Current Year	Variance
Revenues			
Federal Aid	\$ 800,000	\$ -	\$ (800,000)
Intergovernmental	80,000	-	(80,000)
Investment Earnings	-	1,296	1,296
Total Revenues	\$ 880,000	\$ 1,296	\$ (878,704)
Expenditures			
General Government			
Streets	\$ 1,506,180	\$ 4,200	\$ 1,501,980
Excess of Revenues Over (Under) Expenditures	\$ (626,180)	\$ (2,904)	\$ 623,276
Other Financing Sources			
Issuance of Long Term Debt	626,180	626,180	-
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ -	\$ 623,276	\$ 623,276

Note:

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

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, 2015 and 2014

	2015	2014
<b>Capital Assets</b>		
Land	\$ 2,132,390	\$ 2,121,120
Buildings	7,798,737	7,798,737
Other Improvements	19,259,369	18,782,419
Equipment	7,685,884	7,497,301
<b>Total Capital Assets</b>	<b>\$ 36,876,380</b>	<b>\$ 36,199,577</b>
 <b>Investments In Capital Assets</b>		
General Fund	\$ 9,516,002	\$ 9,472,655
Proprietary Funds	195,822	195,823
Special Revenue Funds	4,506,942	4,357,434
Capital Projects Fund	19,241,235	19,241,235
Debt Service Fund	5,670	5,670
Donations	2,780,408	2,296,459
Prior, Unidentified	630,301	630,301
<b>Total Investments In Capital Assets</b>	<b>\$ 36,876,380</b>	<b>\$ 36,199,577</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, 2015

Asset Type	Balance 6/30/14	Additions	Retirements	Reclassifications & Transfers	Balance 6/30/15
<b>Land</b>					
Public Buildings	\$ 764,125	\$ -	\$ -	\$ -	\$ 764,125
Fire	358,160	-	-	-	358,160
Streets	52,000	-	-	-	52,000
Recreation	943,335	11,270	-	-	954,605
Community Development	3,500	-	-	-	3,500
Total	<u>\$ 2,121,120</u>	<u>\$ 11,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,132,390</u>
<b>Buildings</b>					
Public Buildings	\$ 7,073,228	\$ -	\$ -	\$ -	\$ 7,073,228
Recreation	304,564	-	-	-	304,564
Community Development	420,945	-	-	-	420,945
Total	<u>\$ 7,798,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,798,737</u>
<b>Other Improvements</b>					
Municipal Court	\$ 2,126	\$ -	\$ -	\$ -	\$ 2,126
Planning	580,227	-	-	-	580,227
Public Buildings	828,602	-	-	-	828,602
Streets	10,296,607	476,950	-	-	10,773,557
Recreation	6,919,544	-	-	-	6,919,544
Equipment Services	26,493	-	-	-	26,493
Community Development	128,820	-	-	-	128,820
Total	<u>\$ 18,782,419</u>	<u>\$ 476,950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,259,369</u>
<b>Equipment</b>					
Municipal Court	\$ 13,607	\$ -	\$ -	\$ -	\$ 13,607
Administration	36,414	-	11,300	-	25,114
Finance	112,955	-	-	-	112,955
Information Technology	80,385	14,887	5,318	-	89,954
Planning	147,560	-	-	-	147,560
Public Buildings	303,057	-	-	29,608	332,665
Police	1,587,460	48,702	12,751	11,350	1,634,761
Fire	1,067,719	-	-	-	1,067,719
Streets	780,615	135,396	120,061	(29,608)	766,342
Residential Sanitation	2,465,806	22,135	-	-	2,487,941
Public Works Administration	12,641	-	-	-	12,641
Recreation	264,448	-	9,397	-	255,051
Horticulture	334,921	126,290	-	(11,350)	449,861
Equipment Services	285,764	-	-	-	285,764
Community Development	3,949	-	-	-	3,949
Total	<u>\$ 7,497,301</u>	<u>\$ 347,410</u>	<u>\$ 158,827</u>	<u>\$ -</u>	<u>\$ 7,685,884</u>
<b>Total Capital Assets</b>	<u>\$ 36,199,577</u>	<u>\$ 835,630</u>	<u>\$ 158,827</u>	<u>\$ -</u>	<u>\$ 36,876,380</u>



CITY OF CLEMSON

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
June 30, 2015

Function & Activity	Land	Buildings	Other Improvements	Equipment	Construction in Progress	Total
General Government						
Municipal Court Administration	\$ -	\$ -	\$ 2,126	\$ 13,607	\$ -	\$ 15,733
Finance	-	-	-	25,114	-	25,114
Information Technology	-	-	-	112,955	-	112,955
Planning	-	-	-	89,954	-	89,954
Public Buildings	764,125	7,073,228	580,227	147,560	-	727,787
Total General Government	\$ 764,125	\$ 7,073,228	\$ 828,602	\$ 332,665	\$ -	\$ 8,998,620
Public Safety						
Police	-	-	-	1,634,761	-	1,634,761
Fire	358,160	-	-	1,067,719	-	1,425,879
Total Public Safety	\$ 358,160	\$ -	\$ -	\$ 2,702,480	\$ -	\$ 3,060,640
Public Works						
Streets	\$ 52,000	-	\$ 10,773,557	\$ 766,342	\$ -	\$ 11,591,899
Residential Sanitation	-	-	-	2,487,941	-	2,487,941
Public Works Administration	-	-	-	12,641	-	12,641
Total Public Works	\$ 52,000	\$ -	\$ 10,773,557	\$ 3,266,924	\$ -	\$ 14,092,481
Culture & Recreation						
Recreation	\$ 954,605	\$ 304,564	\$ 6,919,544	\$ 255,051	\$ -	\$ 8,433,764
Horticulture	-	-	-	449,861	-	449,861
Culture & Recreation	\$ 954,605	\$ 304,564	\$ 6,919,544	\$ 704,912	\$ -	\$ 8,883,625
Equipment Services	\$ -	\$ -	\$ 26,493	\$ 285,764	\$ -	\$ 312,257
Community Development	\$ 3,500	\$ 420,945	\$ 128,820	\$ 3,949	\$ -	\$ 557,214
Total Capital Assets	\$ 2,132,390	\$ 7,798,737	\$ 19,259,369	\$ 7,685,884	\$ -	\$ 36,876,380

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## OTHER REQUIRED INFORMATION



**CITY OF CLEMSON**

**VICTIM SERVICES  
SUPPLEMENTARY SCHEDULE OF FINES AND ASSESSMENTS  
Fiscal Year Ended June 30, 2015**

**Collections: (Municipal Court)**

<i>Fines</i>	\$ 720,073	
<i>Assessments</i>	285,198	
<i>Surcharges</i>	<u>183,755</u>	
<b>Total Collections</b>		<b>\$ <u>1,189,026</u></b>

**Retainage: (Municipal Treasurer)**

<i>Fines</i>	\$ 720,073	
<i>Assessments</i>	31,088	
<i>Surcharges</i>	<u>9,464</u>	
<b>Total Retainage</b>		<b>\$ <u>760,625</u></b>

**Amounts Remitted:**

<i>State Treasurer - Assessments</i>		<b>\$ <u>428,401</u></b>
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**Amount of Funds Allocated to Victim  
Services by Fund Source:**

<i>From Assessments and Surcharges (Paid prior to 06/30/2015)</i>		<b>\$ <u>40,552</u></b>
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**Funds Carried Forward to FY 2016  
Designated as Victim Right's Funds**

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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>92-97</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>98-101</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>102-106</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>107-108</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>109-111</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 Position by Component, Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 6,693,640	\$ 6,219,941	\$ 8,291,242	\$ 8,975,544	\$ 10,785,335	\$ 14,364,423	\$ 12,388,670	\$ 14,340,750	\$ 13,775,958	\$ 13,639,628
Restricted	197,031	176,906	214,128	237,353	265,347	150,855	153,006	155,476	127,012	103,122
Unrestricted	3,547,765	6,496,742	5,563,862	5,782,454	5,168,202	5,090,063	6,095,996	6,991,316	7,371,601	1,929,764
Total Governmental Activities Net Position	\$ 10,438,436	\$ 12,893,589	\$ 14,069,232	\$ 14,995,351	\$ 16,218,884	\$ 19,605,141	\$ 18,638,674	\$ 21,487,542	\$ 21,214,571	\$ 15,672,504
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt	\$ 14,334,572	\$ 13,222,737	\$ 13,973,938	\$ 13,761,737	\$ 13,583,307	\$ 13,107,084	\$ 17,783,553	\$ 18,613,393	\$ 18,757,994	\$ 18,187,149
Restricted	797,255	925,932	838,462	803,817	720,860	1,200,157	1,094,499	1,008,288	902,444	1,431,454
Unrestricted	2,736,692	3,909,291	3,986,342	4,084,506	4,018,772	4,470,248	6,131,877	6,573,991	7,105,257	3,273,574
Total Business-type Activities Net Position	\$ 17,868,519	\$ 18,057,960	\$ 18,798,742	\$ 18,650,060	\$ 18,322,939	\$ 18,777,489	\$ 25,009,929	\$ 26,195,672	\$ 26,765,695	\$ 22,892,177
<b>Primary Government</b>										
Net Investment in capital assets	\$ 21,028,212	\$ 19,442,678	\$ 22,265,180	\$ 22,740,281	\$ 24,368,642	\$ 27,471,507	\$ 30,172,223	\$ 32,954,143	\$ 32,533,952	\$ 31,826,777
Restricted	994,286	1,102,838	1,052,590	1,041,170	986,207	1,350,812	1,247,505	1,163,764	1,029,456	1,534,576
Unrestricted	6,284,457	10,406,033	9,550,204	9,866,960	9,186,974	9,560,311	12,228,875	13,585,307	14,416,858	5,203,328
Total Primary Government Net Position	\$ 28,306,955	\$ 30,951,549	\$ 32,867,974	\$ 33,648,411	\$ 34,541,823	\$ 38,382,630	\$ 43,648,603	\$ 47,683,214	\$ 47,980,266	\$ 38,564,681

^ 92 v  
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 Position, Last Ten**  
**Fiscal Years**  
**(accrual basis of accounting)**

	<b>Fiscal Year</b>									
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 2,339,510	\$ 2,558,597	\$ 2,609,850	\$ 2,836,335	\$ 2,692,818	\$ 2,761,322	\$ 2,935,243	\$ 3,272,222	\$ 3,286,304	\$ 3,257,501
Public Safety	2,377,965	2,540,899	2,857,097	2,960,726	3,061,726	3,235,124	3,314,838	3,293,682	3,480,770	3,813,284
Public Works	1,996,915	1,883,390	2,022,930	2,086,131	2,260,906	2,132,326	2,200,326	3,719,287	2,526,267	2,873,308
Culture and Recreation	1,238,200	1,008,891	1,249,955	1,778,272	1,748,027	1,647,387	1,656,778	2,074,569	3,387,372	1,756,398
Urban Redevelopment	12,748	34,016	31,082	13,611	8,773	2,214	9,762	362,661	19,977	16,188
Interest on Long-term Debt	386,742	452,246	438,945	387,754	352,448	291,601	246,178	210,520	173,128	138,512
<b>Total Governmental Activities Expenses</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>	<b>12,932,941</b>	<b>12,873,818</b>	<b>11,855,191</b>
<b>Business-type Activities:</b>										
Water	1,706,688	1,749,773	2,252,466	2,215,120	2,261,429	2,439,081	2,446,654	2,432,057	2,505,582	2,655,812
Stormwater	-	-	-	-	-	-	-	-	-	39,942
Wastewater	1,968,864	1,991,209	2,310,876	2,257,442	2,208,398	2,300,009	2,491,592	2,386,578	2,659,444	2,739,152
Sanitation	199,796	192,632	229,168	252,576	285,825	294,317	299,734	292,655	313,606	305,585
Transit	2,366,298	3,038,536	3,779,376	3,690,818	3,686,934	3,491,385	3,574,179	3,661,994	3,627,531	3,362,255
Parking Deck	104,854	92,298	97,552	102,568	97,435	175,947	81,991	88,427	99,252	103,637
<b>Total Business-type Activities Expenses</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>8,861,711</b>	<b>9,205,415</b>	<b>9,206,383</b>
<b>Total Primary Government Expenses</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>\$ 21,794,652</b>	<b>\$ 22,079,233</b>	<b>\$ 21,061,574</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:	\$ 357,585	\$ 425,071	\$ 414,130	\$ 419,044	\$ 443,712	\$ 446,842	\$ 454,066	\$ 500,575	\$ 508,196	\$ 542,269
Refuse Collection	388,035	443,250	429,580	434,494	459,162	464,398	471,622	518,131	525,752	559,825
Other Public Works	682,028	618,925	81,352	92,301	111,767	114,364	109,685	106,412	123,059	128,665
Parks and Recreation	1,618,798	1,759,671	2,400,789	2,580,247	2,644,133	2,724,689	2,959,209	3,258,274	3,575,076	3,727,153
Other Activities	866,865	601,931	476,736	270,519	251,184	218,731	360,004	1,767,822	212,023	212,044
Operating Grants and Contributions	64,669	17,759	440,350	734,000	455,162	2,201,458	360,380	1,463,442	131,228	483,950
Capital Grants and Contributions	3,957,980	3,866,607	4,242,937	4,530,605	4,365,120	6,170,482	4,714,966	7,614,656	5,075,332	5,653,906
<b>Total Governmental Activities Program Revenues</b>										
<b>Business-type Activities:</b>										
Charges for Services:	1,919,062	2,046,144	2,181,428	2,124,358	2,176,734	2,272,815	2,432,497	2,350,277	2,583,576	2,846,971
Water	-	-	-	-	-	-	-	-	-	83,898
Stormwater	2,059,271	2,202,635	2,180,063	2,190,405	2,503,183	2,849,556	4,609,065	2,557,008	3,064,258	3,055,202
Wastewater	134,931	157,695	224,671	316,247	297,780	287,559	296,946	282,837	286,617	282,954
Sanitation	156,395	150,467	116,079	37,868	57,833	4,387	42,748	25,625	13,240	18,406
Transit	77,987	80,148	88,472	93,546	74,788	80,543	86,826	85,641	87,608	93,081
Parking Deck	1,852,063	2,891,904	3,311,138	3,096,441	3,283,713	3,580,810	4,599,791	4,262,214	3,274,439	3,370,683
Operating Grants and Contributions	842,528	155,620	721,636	145,000	21,614	10,580	102,558	652,438	708,600	188,258
Capital Grants and Contributions	7,042,237	7,084,613	8,823,487	8,003,865	8,415,645	9,086,250	12,170,431	10,216,040	10,018,338	9,939,453
<b>Total Business-type Activities Program Revenues</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>	<b>\$ 17,830,696</b>	<b>\$ 15,093,670</b>	<b>\$ 15,593,359</b>

Continued

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

Continued

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (4,394,100)	\$ (4,611,432)	\$ (5,026,922)	\$ (5,532,224)	\$ (5,759,578)	\$ (3,899,492)	\$ (5,648,159)	\$ (5,318,285)	\$ (7,798,486)	\$ (6,201,285)
Business-type Activities	695,737	620,165	154,049	(514,659)	(124,376)	385,511	3,276,281	1,354,329	812,923	733,070
<b>Total Primary Government Net Expense</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>\$ (3,963,956)</b>	<b>\$ (6,985,563)</b>	<b>\$ (5,468,215)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
General Revenues										
Property Taxes	\$ 3,316,692	\$ 3,592,878	\$ 4,044,877	\$ 4,422,204	\$ 4,683,648	\$ 4,878,599	\$ 5,227,080	\$ 5,557,061	\$ 4,561,423	\$ 4,861,657
Local Option Sales Tax	980,250	1,005,458	1,057,525	1,014,343	991,493	1,063,281	1,119,299	1,289,819	1,279,399	1,330,243
Local Accommodations Tax	126,535	139,593	148,489	138,533	173,057	206,726	226,527	223,138	253,995	268,879
Intergovernmental	650,137	642,409	679,677	654,347	544,975	649,341	470,878	493,901	553,667	593,817
Unrestricted Investment Earnings	293,493	523,332	333,429	195,704	168,538	110,136	101,358	106,034	130,774	119,305
Other	455,721	268,377	337,791	291,376	249,294	367,097	428,762	242,662	434,719	404,115
Loss on Disposal of Assets	-	-	-	-	(133,081)	(12,035)	-	-	-	-
Transfers	286,329	894,538	(399,223)	(255,164)	302,187	22,604	(2,892,212)	254,538	311,538	259,038
<b>Total Governmental Activities</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>	<b>8,167,153</b>	<b>7,525,515</b>	<b>7,837,054</b>
Business-type Activities:										
Investment Earnings	170,702	213,814	187,510	110,813	99,442	91,643	76,174	54,994	68,638	51,767
Gain on Sale of Capital Assets	-	250,000	-	-	-	-	-	-	-	-
Transfers	(286,329)	(894,538)	399,223	255,164	(302,187)	(22,604)	2,892,212	(254,538)	(311,538)	(259,038)
<b>Total Business-type Activities</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>2,968,386</b>	<b>(199,544)</b>	<b>(242,900)</b>	<b>(207,271)</b>
<b>Total Primary Government</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>\$ 7,967,609</b>	<b>\$ 7,282,615</b>	<b>\$ 7,629,783</b>
<b>Changes in Net Position</b>										
Governmental Activities	\$ 1,715,057	\$ 2,455,153	\$ 1,175,643	\$ 929,119	\$ 1,220,533	\$ 3,386,257	\$ (966,467)	\$ 2,848,868	\$ (272,971)	\$ 1,635,769
Business-type Activities	580,110	189,441	740,782	(148,682)	(327,121)	454,550	6,244,667	1,154,785	570,023	525,799
<b>Total Primary Government</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>	<b>\$ 4,003,653</b>	<b>\$ 297,052</b>	<b>\$ 2,161,568</b>



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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	188,910	90,500	203,045	3,000	38,128	34,939	89,126	144,227	201,256	263,538
Assigned	2,462,084	2,687,519	2,606,828	2,814,699	105,645	41,209	28,850	1,785	55,377	259,418
Unassigned					2,746,243	2,644,280	2,883,627	2,825,543	3,502,784	4,154,750
<b>Total General Fund</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>\$ 2,971,555</b>	<b>\$ 3,759,417</b>	<b>\$ 4,677,706</b>
<b>All Other Governmental Funds</b>										
Restricted, Reported In:										
Special Revenue Funds	\$ 2,493,241	\$ 2,852,293	\$ 1,887,062	\$ 1,961,596	\$ 2,237,004	\$ 2,625,844	\$ 2,790,556	\$ 3,250,562	\$ 2,352,205	\$ 2,438,004
Community Development Fund	-	-	-	-	-	-	-	-	-	-
Tax Increment Fund	-	-	1,871,324	719,440	1,309,143	414,664	283,848	1,118,251	6,194	19,938
City Hall Expansion Fund	-	-	-	2,449,148	296,537	-	-	-	-	-
Netlles Park Fund	1,638,776	123,880	-	-	-	-	-	-	1,412,305	1,496,655
Hospitality Tax Fund	-	-	-	-	-	-	-	-	(1,588)	623,276
Capital Project Funds	1,239,821	2,763,767	991,027	-	-	287,211	97,396	97,003	127,012	103,122
Debt Service Fund	197,031	176,906	214,128	237,353	265,347	150,655	153,006	155,476	-	-
Assigned, Reported In:										
Special Revenue Funds	67,080	20,553	97,000	11,100	-	121,002	581,174	271,420	122,870	246,203
Tax Increment Fund	-	-	13,821	-	-	-	-	24,914	-	-
City Hall Expansion Fund	-	-	-	42,309	345,487	-	-	-	-	-
Netlles Park Fund	290,819	405,275	-	-	-	-	-	-	-	-
Hospitality Tax Fund	-	-	-	-	-	-	-	-	5,350	114,048
Capital Project Funds	1,994,010	180,333	1,128,081	-	-	617,065	559,288	-	-	-
Transit Multi-Modal Facility Fund	-	-	-	-	-	(51,760)	-	-	-	-
<b>Total All Other Governmental Funds</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>	<b>\$ 4,917,626</b>	<b>\$ 4,024,368</b>	<b>\$ 5,041,246</b>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Property Taxes	\$ 3,316,692	\$ 3,592,878	\$ 4,044,877	\$ 4,422,204	\$ 4,683,648	\$ 4,878,599	\$ 5,227,080	\$ 5,296,975	\$ 4,528,173	\$ 4,853,112
Local Option Sales Tax	980,250	1,005,458	1,057,525	1,014,343	991,493	1,063,281	1,119,299	1,289,819	1,279,399	1,330,243
Local Accommodations Tax	126,535	139,593	148,489	138,533	173,057	206,726	226,527	223,138	253,995	268,879
Hospitality Fees	776,428	823,234	878,930	911,540	968,309	1,047,555	1,094,957	1,125,361	1,256,903	1,335,003
Licenses and Permits	1,413,112	1,566,309	1,565,539	1,709,230	1,676,777	1,710,186	1,910,700	2,299,077	2,446,474	2,485,464
Intergovernmental	1,172,118	1,004,678	1,091,210	885,289	774,304	818,149	826,389	1,734,595	790,503	805,861
Federal Aid	385,485	117,181	73,023	323,577	467,017	2,211,470	360,380	305,550	-	-
State Aid	14,669	17,759	264,000	-	10,000	39,911	4,493	95,710	-	-
Charges for Services	537,153	599,252	591,127	613,206	680,413	675,943	673,946	714,476	736,949	778,065
Fines and Forfeitures	309,152	258,122	290,255	292,110	333,274	316,708	314,979	244,478	291,756	359,381
Investment Earnings	293,493	523,332	333,429	195,704	168,538	110,136	101,358	106,034	130,774	119,305
Contributions & Donations	-	122,481	178,530	450,000	-	-	4,000	527,128	65,413	-
Gain on Sale of Property	-	-	-	-	-	-	-	-	-	10,594
Other Revenues	214,103	261,352	328,241	289,010	215,396	369,871	304,888	231,205	272,793	330,718
<b>Total Revenues</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>14,193,546</b>	<b>12,053,132</b>	<b>12,676,625</b>
<b>Expenditures</b>										
General Government	2,037,702	2,127,550	2,204,790	2,376,389	2,454,355	2,263,785	2,403,514	2,525,063	2,718,450	2,672,241
Public Safety	2,267,304	2,461,131	2,764,753	2,732,920	2,893,005	3,148,688	3,118,552	3,129,270	3,850,549	3,549,033
Public Works	1,828,740	1,781,507	2,007,694	2,098,513	1,950,062	1,949,444	1,883,926	3,765,108	1,785,974	2,344,153
Culture and Recreation	858,965	651,509	745,854	856,646	872,293	1,136,068	848,754	1,136,837	1,157,581	928,100
Urban Redevelopment	12,748	34,016	31,082	13,611	8,773	2,214	9,762	362,661	19,977	16,188
Equipment Services	116,558	163,516	140,489	128,521	247,971	136,193	136,743	150,704	140,424	134,764
Capital Outlay	466,962	4,297,994	1,958,847	2,015,519	2,530,964	3,493,631	1,650,552	1,312,448	53,783	149,508
Debt Service										
Interest	325,568	464,602	436,311	399,863	355,374	300,511	260,290	216,873	183,073	150,309
Principal	489,805	924,149	973,920	1,049,817	1,025,322	2,016,553	1,139,974	1,100,320	1,186,750	1,719,298
Fees	1,563	1,561	1,013	1,013	1,013	20,134	-	1,124	-	-
Intergovernmental	120,399	140,897	175,473	329,162	297,380	231,951	191,252	403,808	1,780,527	396,415
Other	93,882	153,481	142,097	161,759	158,013	181,292	197,953	330,958	130,978	140,487
<b>Total Expenditures</b>	<b>8,620,196</b>	<b>13,201,913</b>	<b>11,582,323</b>	<b>12,163,733</b>	<b>12,794,525</b>	<b>14,880,464</b>	<b>11,841,272</b>	<b>14,435,774</b>	<b>13,008,066</b>	<b>12,200,496</b>
Excess of Revenues Over (Under)	918,994	(3,170,284)	(747,148)	(918,987)	(1,652,299)	(1,432,029)	327,724	(242,228)	(954,934)	476,129
Expenditures										

Continued



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

Continued

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Other Financing Sources (Uses)</b>										
Lease Purchase Agreements	\$ 2,039,833	\$ 355,000	\$ 135,000	\$ -	\$ 455,000	\$ 951,000	\$ -	\$ 410,000	\$ 178,000	\$ -
General Obligation Bonds	2,350,000	-	-	-	-	-	-	-	360,000	1,200,000
Tax Increment Bonds	1,500,103	2,046,491	1,559,591	3,972,567	1,490,295	2,947,203	2,246,399	1,497,586	1,583,346	1,932,982
Transfers In	(829,687)	(1,151,953)	(1,236,153)	(3,827,251)	(1,188,107)	(2,924,599)	(1,992,361)	(1,243,048)	(1,271,808)	(1,673,944)
Transfers Out										
Total Other Financing Sources (Uses)	5,060,249	1,249,538	458,438	145,316	757,188	973,604	254,038	664,538	849,538	1,459,038
Net Change In Fund Balances	\$ 5,979,243	\$ (1,920,746)	\$ (288,710)	\$ (773,671)	\$ (895,111)	\$ (458,425)	\$ 581,762	\$ 422,310	\$ (105,396)	\$ 1,935,167
Debt Service As a Percentage of Noncapital Expenditures	10.5%	16.7%	15.8%	15.2%	14.6%	22.3%	14.0%	11.5%	11.3%	15.6%

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

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value (b)	Total Direct Tax Rate (a)	Estimated		Taxable Assessed Value as a Percentage of Actual Taxable Value
					Actual Taxable Value	Value	
2006	37,945,629	4,063,665	42,009,294	76.90	700,154,900	6.00%	
2007	37,736,666	4,076,916	41,813,582	77.90	822,681,920	5.08%	
2008	37,527,471	4,041,902	41,569,373	79.50	817,914,453	5.08%	
2009	42,741,623	3,808,547	46,550,170	81.00	918,308,243	5.07%	
2010	43,858,444	3,319,726	47,178,170	81.00	932,497,647	5.06%	
2011	48,677,448	3,161,465	51,838,913	78.60	1,026,240,043	5.05%	
2012	48,964,038	3,386,351	52,350,389	83.34	1,035,719,943	5.05%	
2013	49,157,941	3,819,936	52,977,877	83.34	1,046,824,420	5.06%	
2014	49,944,239	4,244,018	54,188,257	83.34	1,069,618,413	5.07%	
2015	51,754,304	4,490,780	56,245,084	82.20	1,109,932,413	5.07%	

**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		
	General Obligation Debt			Special Revenue Rate	Total Direct Rate	Pickens County	Pickens County
	Basic Rate	Service	4.73			School	County
						District	County
2006	71.60			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
2013	80.96		1.90	0.48	83.34	169.00	59.00
2014	80.96		1.90	0.48	83.34	169.00	59.00
2015	79.80		1.90	0.50	82.20	174.10	61.30

Source of Overlapping Rates: Pickens County

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

Taxpayer	2015		Taxpayer	2006	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Breckenridge Group, Clemson SC	\$ 1,527,850	2.72%	Duke Energy Corporation	\$ 1,050,750	2.50%
Duke Energy Corporation	1,127,020	2.00%	Bellsouth Telecommunications	813,570	1.94%
CEV Berkeley, LP	744,530	1.32%	Berkeley Place, LLC	539,120	1.28%
Lowes Home Center, Inc.	712,180	1.27%	Clemson Area Retirement Center, Inc.	486,430	1.16%
Bellsouth Telecommunications	628,490	1.12%	Clemson Place Development, LLC	455,900	1.09%
Cellco Partnership, DBA Verizon	593,270	1.05%	Langston Place Partnership	343,120	0.82%
Gateway Tiger (123), LLC	521,270	0.93%	R. A. Clemson, LLC	287,540	0.68%
CEV Clemson, LP	517,320	0.92%	Ingles markets, Inc.	268,430	0.64%
Blue Atlantic Clemson, LLC	485,190	0.86%	Heritage Pointe, LLC	264,700	0.63%
BCH Clemson, LLC	444,730	0.79%	GDG Investments, LLC	259,570	0.62%
Total	<u>\$ 7,301,850</u>	<u>12.98%</u>		<u>\$ 4,769,130</u>	<u>11.36%</u>

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)		Receivable June 30	Estimated Tax Collections to Date (b)	
		Amount	Percentage of Levy		Estimated Amount	Percentage of Levy
2006	2,355,234	2,264,062	96.13%	13,451	2,341,783	99.43%
2007	2,268,425	2,338,708	103.10%	21,410	2,247,015	99.06%
2008	2,296,135	2,487,570	108.34%	54,731	2,241,404	97.62%
2009	2,732,167	2,762,699	101.12%	86,711	2,645,456	96.83%
2010	2,772,651	2,901,164	104.64%	207,044	2,565,607	92.53%
2011	2,833,871	3,134,190	110.60%	182,294	2,651,577	93.57%
2012	3,317,771	3,296,380	99.36%	205,855	3,111,916	93.80%
2013	3,243,562	3,333,308	102.77%	227,418	3,016,144	92.99%
2014	3,374,611	3,328,212	98.63%	288,143	3,086,468	91.46%
2015	3,472,543	3,412,869	98.28%	276,433	3,196,110	92.04%

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, 2015 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>
	Tax		Incremental Financing Bonds	Capital Leases	Water Revenue Bonds	Capital Leases			
	General Obligation Bonds								
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
2013	306,000		3,114,960	1,295,201	3,938,721	22,735	8,677,617	2.67%	616
2014	536,000		2,423,347	1,108,333	3,684,465	-	7,752,145	2.34%	543
2015	1,204,000		1,700,253	643,861	4,708,340	-	8,256,454	2.36%	548

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

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



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

<u>General Bonded Debt Outstanding</u>				
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net</u>	<u>Percentage of Actual Taxable Value of Property <sup>(a)</sup></u>
2006	1,320,000	197,031	1,122,969	0.16%
2007	1,160,000	176,906	983,094	0.12%
2008	1,040,000	214,128	825,872	0.10%
2009	915,000	237,353	677,647	0.07%
2010	780,000	265,347	514,653	0.06%
2011	500,000	150,655	349,345	0.03%
2012	404,000	153,006	250,994	0.02%
2013	306,000	155,476	150,524	0.01%
2014	536,000	127,012	408,988	0.04%
2015	1,204,000	103,122	1,100,878	0.10%
				<u>Per Capita <sup>(b)</sup></u>
				94.06
				82.34
				69.17
				52.12
				39.58
				25.12
				18.00
				10.68
				28.65
				73.04

**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, 2015

<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	\$ 264,637,000	12.14%	\$ 32,126,932
Pickens County General Obligation Debt	9,526,866	13.94%	1,328,045
<b>Other Debt</b>			
Pickens County Capital Leases	306,119	13.94%	42,673
Pickens County Notes Payable	3,677,978	13.94%	512,710
Pickens County - Other Debt	7,461,095	13.94%	<u>1,040,077</u>
Subtotal, Overlapping Debt			35,050,437
City Direct Debt			<u>3,548,114</u>
Total Direct and Overlapping Debt			<u>\$ 38,598,551</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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 3,360,744	\$ 3,345,087	\$ 3,325,550	\$ 3,724,014	\$ 3,774,254	\$ 4,147,113	\$ 4,188,031	\$ 4,238,230	\$ 4,335,060	\$ 4,499,607
Total Net Debt Applicable to Limit	1,122,968	983,094	825,872	677,647	514,653	349,345	250,994	50,524	408,988	1,100,878
Legal Debt Margin	\$ 2,237,776	\$ 2,361,993	\$ 2,499,678	\$ 3,046,367	\$ 3,259,601	\$ 3,797,768	\$ 3,937,037	\$ 4,187,706	\$ 3,926,072	\$ 3,398,729
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	33.41%	29.39%	24.83%	18.20%	13.64%	8.42%	5.99%	1.19%	9.43%	24.47%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Assessed Value	\$ 56,245,084
Debt Limit (8% of assessed value)	4,499,607
Debt Applicable to Limit:	
General Obligation Bonds	1,204,000
Less: Amount Set Aside for Repayment of General Obligation Debt	103,122
Total Net Debt Applicable to Limit	1,100,878
Legal Debt Margin	\$ 3,398,729

**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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Water Revenue Bonds</b>										
Utility Service Charges	\$ 1,938,992	\$ 2,059,097	\$ 2,210,784	\$ 2,134,850	\$ 2,165,443	\$ 2,248,188	\$ 2,411,340	\$ 2,300,173	\$ 2,510,704	2,821,837
Less: Operating Expenses	1,631,567	1,555,486	1,953,270	1,910,885	1,939,959	2,114,790	2,118,323	2,102,688	2,166,389	2,319,594
Net Available Revenue	307,425	503,611	257,514	223,965	225,484	133,398	293,017	197,485	344,315	502,243
Debt Service										
Principal	19,823	66,791	90,602	93,153	71,445	97,418	105,056	112,691	115,248	117,863
Interest	413	76,332	99,244	97,115	94,701	92,225	81,266	75,935	73,363	70,733
Coverage	15.19	3.52	1.36	1.18	1.36	0.70	1.57	1.05	1.83	2.66
<b>Wastewater Revenue Bonds and Capital Leases</b>										
Utility Service Charges	2,124,192	2,132,578	2,195,198	2,176,696	2,452,746	2,838,828	4,386,262	2,513,772	2,727,218	2,955,606
Less: Operating Expenses	1,570,485	1,594,632	1,919,478	1,887,071	1,789,368	1,858,048	2,028,092	1,933,792	2,213,642	2,293,004
Net Available Revenue	553,707	537,946	275,720	289,625	663,378	980,780	2,358,170	579,980	513,576	662,602
Debt Service										
Principal	117,035	105,000	105,000	105,000	105,000	177,498	184,958	188,500	139,008	78,283
Interest	45,704	46,504	33,546	16,572	16,182	19,556	17,025	12,735	9,540	10,097
Coverage	3.40	3.55	1.99	2.38	5.47	4.98	11.68	2.88	3.46	7.50
<b>Commercial Sanitation Capital Leases</b>										
Utility Service Charges	144,392	168,482	233,563	323,910	304,782	294,849	303,784	288,175	292,567	286,009
Less: Operating Expenses	157,750	150,586	192,441	224,545	234,322	243,456	249,574	263,859	290,261	273,044
Net Available Revenue	(13,358)	17,896	41,122	99,365	70,460	51,393	54,210	24,316	2,306	12,965
Debt Service										
Principal	-	-	-	-	20,106	20,733	21,379	22,047	22,734	-
Interest	-	-	-	2,643	2,842	2,199	1,536	853	148	-
Coverage	-	-	-	37.60	3.07	2.24	2.37	1.06	0.10	-
<b>Transit Capital Leases</b>										
Contract Services	1,943,035	3,082,395	3,478,832	3,161,802	3,367,597	3,543,096	4,662,556	4,298,200	3,839,880	3,397,119
Less: Operating Expenses	1,634,800	2,279,350	3,010,710	2,993,888	3,113,133	3,077,098	3,437,739	3,103,435	3,022,610	2,741,145
Net Available Revenue	308,235	803,045	468,122	167,914	254,464	465,998	1,224,817	1,194,765	817,270	655,974
Debt Service										
Principal	240,319	249,271	270,707	146,682	151,927	65,367	67,923	-	-	-
Interest	29,184	30,992	22,127	13,570	8,240	3,494	871	-	-	-
Coverage	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**

<b><i>Calendar Year</i></b>	<b><i>Population</i></b>	<b><i>Personal Income</i></b>	<b><i>Per Capita Personal Income</i></b>	<b><i>Unemployment Rate</i></b>
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%
2013	14,089	324,399,225	23,025	8.0%
2014	14,276	331,702,860	23,235	5.2%
2015	15,072	350,197,920	23,235	5.2%

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

<i>Employer</i>	<i>2015</i>		<i>2006</i>	
	<i>Employees</i>	<i>Percentage of Total City Employment</i>	<i>Employees</i>	<i>Percentage of Total City Employment</i>
<i>Clemson University <sup>(a)</sup></i>	5,069	50.69%	4,619	46.19%
<i>City of Clemson</i>	330	3.30%	321	3.21%
<i>Ingles Markets</i>	124	1.24%	120	1.20%
<i>Bi-Lo</i>	103	1.03%	84	0.84%
<i>Clemson Elementary School</i>	85	0.85%	103	1.03%
<i>Pixie &amp; Bills Restaurant</i>	62	0.62%	135	1.35%
<i>Trehel Corporation</i>	57	0.57%	76	0.76%
<i>Courtyard by Marriott</i>	47	0.47%	130	1.30%
<i>Ruby Tuesday</i>	42	0.42%	<i>Not Established</i>	-
<i>University Inn</i>	25	0.25%	<i>Not Established</i>	-
<i>Total</i>	<u>5,944</u>	<u>59.44%</u>	<u>5,588</u>	<u>55.88%</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>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>FY 12-13</u>	<u>FY 13-14</u>	<u>FY 14-15</u>
General Government										
Council	2	1	1	1	1	1	1	0	0	0
Municipal Court	4	4	5	5	4	4	4	4	4	4
Administration	7	7	8	9	7	8	8	8	7	7
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	8	8	8	7	8	7	7	8	8	10
Public Buildings	2	2	2	2	2	2	2	2	2	2
Police										
Officers	26	26	28	27	26	26	26	28	28	29
Telecommunicators	5	5	6	6	6	6	6	6	6	6
Other	3	3	3	3	3	3	3	3	3	3
Refuse Collection										
Residential Sanitation	14	14	13	13	12	13	13	14	14	14
Commercial Sanitation	2	2	2	2	2	2	2	2	2	2
Other Public Works										
Streets	6	6	6	6	5	5	5	5	6	6
Public Works Administration	2	3	3	3	3	3	3	3	3	3
Equipment Services	2	2	2	2	2	2	2	2	2	2
Engineering	3	3	2	2	2	2	2	2	3	3
Other										
Recreation	6	6	7	7	8	7	7	7	7	7
Water	7	7	8	8	7	7	7	7	7	7
Utility Billing Administration	5	5	5	7	7	7	7	7	7	7
Wastewater Collection	7	7	7	7	7	7	7	7	6	6
Wastewater Treatment	4	4	4	6	4	4	4	4	4	4
Transit Administration	4	6	6	6	6	6	6	6	6	6
Transit Operations	9	12	13	11	11	13	13	13	13	13
Horticulture	2	3	3	3	3	3	3	3	2	2
Total	134	140	146	147	140	142	142	145	144	147

Source : The City's Office of Human Resources

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

<u>Function/Program</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>FY 12-13</u>	<u>FY 13-14</u>	<u>FY 14-15</u>
General Government										
Building Permits Issued	557	616	512	410	195	465	594	1,224	902	1,029
Building Inspections Conducted	3,232	2,084	1,246	786	967	1,053	1,716	2,843	3,059	2,800
Police										
Parking Violations	2,932	2,201	4,207	3,113	3,970	3,612	4,586	5,010	6,135	6,566
Traffic Violations	3,800	4,833	5,430	4,687	8,173	7,267	6,075	5,175	8,096	8,799
Fire										
Inspections	5,535	2,769	2,126	2,106	2,932	3,207	2,134	1,415	1,128	1,197
Refuse Collection										
Refuse Collected (lbs)	11,331,260	10,983,442	11,599,320	11,348,554	58,494,982	9,997,000	9,789,537	5,379,355	5,427,081	5,741,730
Recyclables Collected (lbs)	1,002,000	1,369,296	1,427,760	1,521,644	1,662,024	1,424,360	1,463,920	818,448	1,403,343	1,376,040
Other Public Works										
Street Resurfacing (miles)	4.43	4.62	4.45	0.00	2.10	2.90	3.30	3.28	0.71	0.71
Water										
New Taps	78	79	97	49	79	208	147	260	117	102
Water Main Breaks	188	170	179	161	229	200	193	207	207	207
Average Daily Consumption	1,705,000	1,736,000	1,892,000	1,829,000	1,869,000	1,910,000	1,932,000	1,599,000	1,805,000	1,876,000
Peak Daily Consumption	2,197,000	2,880,000	2,581,000	2,480,000	2,480,000	2,481,111	2,381,000	2,260,000	2,707,000	2,604,000
Wastewater										
Average Daily Sewage Treatment	1,110,000	1,140,000	1,440,000	1,450,000	1,450,000	1,450,000	1,440,000	1,910,000	1,810,000	1,750,000
Transit										
Total Route Miles	623,562	831,996	852,930	727,946	725,487	676,374	517,056	699,790	665,555	582,678
Passengers	1,513,134	1,771,346	1,877,448	1,613,403	1,609,349	1,622,498	1,504,570	1,849,064	1,824,053	1,742,463

Source : Various City Departments



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

<u>Function/Program</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>FY 12-13</u>	<u>FY 13-14</u>	<u>FY 14-15</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Uniform Patrol Units	18	18	18	18	18	18	18	19	20	20
Refuse Collection										
Collection Trucks	4	4	5	5	5	5	5	5	5	5
Other Public Works										
Streets (miles)	64	64	64	64	64	64	64	64	64	64
Streetlights	696	696	696	696	696	696	696	696	696	732
Traffic Signals	1	1	1	1	1	1	1	1	1	1
Parks and Recreation										
Acreage	85	100	100	100	100	100	100	100	102	102
Playgrounds	6	7	7	7	7	7	7	7	7	7
Soccer Fields	1	1	6	6	6	6	6	6	6	6
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	98.5	100	101.5	101.5	108	109.2	109.5	111.4	112	112.8
Fire Hydrants	392	412	439	439	479	480	480	496	500	508
Wastewater										
Sewer Mains Gravity (miles)	60	64	64	65	65.3	65.3	103.7	105.1	105.6	106.2
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)	7	7	7	7	7	7	7	7.25	7.25	7.25
Transit										
Buses	20	26	26	26	26	26	23	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, 2015

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, Office of Public Transit Formula Grants for Other Than Urbanized Areas: Public Transportation Assistance...Transit Fund	20.509	PT-3A111-18	\$ 544,117
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507	SC-90-X290-00	978,822
Total Federal Assistance Expended			\$ 1,522,939

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 Program



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**INDEPENDENT AUDITOR'S 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, in accordance with the 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, the 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, 2015, and the related notes to the financial statements, which collectively comprise the City of Clemson, South Carolina's basic financial statements, and have issued our report thereon dated December 29, 2015.*

***Internal Control Over Financial Reporting***

*In planning and performing our audit of the financial statements, we considered the City of Clemson, South Carolina's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Clemson, South Carolina's internal control.*

*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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.*

*Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during*



*our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.*

### **Compliance and Other Matters**

*As part of obtaining reasonable assurance about whether the City of Clemson, South Carolina's financial statements are free from 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.*

### **Purpose of this Report**

*The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.*

### **Stancil Cooley Estep & Stamey, LLP**

*Clemson, South Carolina  
December 29, 2015*





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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

To the City Council  
City of Clemson, South Carolina

**Report on Compliance for Each Major Federal Program**

We have audited the City of Clemson, South Carolina'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, South Carolina's major federal programs for the year ended June 30, 2015. The City of Clemson, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Clemson, South Carolina's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the City of Clemson, South Carolina'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Clemson, South Carolina's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City of Clemson, South Carolina, complied, in all material respects, with the types of 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, 2015.



## **Report on Internal Control Over Compliance**

Management of the City of Clemson, South Carolina, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Clemson, South Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 the City of Clemson, South Carolina's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Stancil Cooley Estep & Stamey, LLP**

Clemson, South Carolina  
December 29, 2015



## **CITY OF CLEMSON**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** **Fiscal Year Ended June 30, 2015**

#### **A. SUMMARY OF AUDIT RESULTS**

*The auditors' report expresses an unmodified 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 "Independent Auditor's 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 "Independent Auditor's Report on Compliance for Each Major Program and Internal Control over Compliance in Required by OMB Circular A-133".*

*The auditors' report on compliance for the major federal award programs for the City of Clemson expresses an unmodified 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 program was tested as a major program:*

- *Federal Transit- Formula Grant (Urbanized Area Formula Program), Grant # SC-90-X290-00, CFDA # 20.507*

*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, 2015***

***No Prior Year Audit Findings***