

**CITY OF CLINTON,  
CLINTON, SOUTH CAROLINA**

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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Submitted By:  
Finance Department**

**CITY OF CLINTON  
CLINTON, SOUTH CAROLINA**

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## INTRODUCTORY SECTION

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# CLINTON

*South Carolina*

October 15, 2013

Robert T. McLean  
Mayor

Frank N. Stovall  
City Manager

Mary J. Byrd  
City Council Member

Daniel O. Cook, Jr.  
City Council Member

John H. Dowdle  
City Council Member

Shirley Y. Jenkins  
City Council Member

Eddie L. McGee  
City Council Member

Joey Meadors  
Director  
Dept. of Administrative Services

Robin E. Morse  
Director  
Dept. of Public Safety

Mike Reddeck, P.E.  
Director  
Dept. of Public Works

Stephen Taylor  
Director  
Dept. of Community & Economic  
Development

To the Honorable Mayor, Members of City Council,  
and Citizens of the City of Clinton:

South Carolina law requires that all municipal governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Clinton for the fiscal year ended June 30, 2013.

This report consists of management's representation concerning the finances of the City of Clinton. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent certified public accounting firm of McKinley, Cooper & Co., LLC, has audited the City of Clinton's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Clinton for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering unmodified opinion that the City of Clinton's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP in all material respects. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Clinton's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The City of Clinton was established in 1852 and incorporated in 1890 and is the second largest municipality in Laurens County. The City lies in the upstate region of South Carolina approximately 40 miles south of Greenville. The City has a population of approximately 8,900 and presently covers a land area of 10 square miles. The City of Clinton is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically. The City has a council/manager form of government. The City Council (“Council”) is the policy making and legislative body of city government and includes a mayor and six council members. The Mayor is elected at large with the Council elected by districts on a non-partisan basis. The Council members serve staggered four-year terms. Elections are held in March of odd numbered years. The City Manager, the chief administrative officer, is appointed by and serves at the pleasure of the Council and is responsible for carrying out the policies and ordinances of the Council and administering the daily operations and programs of the City through appointed department directors and staff members.

The City provides a wide range of services for its citizens, including law enforcement, fire protection, public safety, planning and developmental services, sanitation, street maintenance, cemeteries, cultural and recreational activities, general administration, and community development. In addition to these general government activities, the City provides and maintains water, sewer, and electric utilities for the benefit of its citizens. The City also jointly owns the Clinton Newberry Natural Gas Authority with the City of Newberry. This report includes all of the City’s fiscal activities in maintaining these services. The City also extends financial support to certain boards, agencies and commissions to assist their efforts in serving citizens. Among these are the Laurens County Library, Laurens County Chamber of Commerce, Clinton Business Association, Clinton YMCA, and the Clinton Economic Development Corporation.

The annual budget serves as the foundation for the City of Clinton’s financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager who is also the City’s Budget Officer. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review. The Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30, the close of the City’s fiscal year. The City Manager is authorized to make transfers of appropriations within a department as necessary. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Clinton operates.

### **Local economy**

Located in the southern half of Laurens County, the City is situated between two of the largest metropolitan areas in South Carolina - the Columbia Metro region and the Greenville/Spartanburg region. Interstates 26 and 385 converge in Clinton as do US Highways 72, 76 and SC Highway 56. These roadways provide direct access to Greenville, Spartanburg, Columbia, Greenwood, Charleston, and Asheville, NC. The City’s proximity to the interstates and these roadways makes it an ideal location to take advantage of the Upstate region’s strong commercial, financial, automotive, manufacturing and distribution markets. The County has a diverse job base with no dependence on any one industry. Much of the local economy revolves around a

number of public and private institutions. These include the Laurens County School District 56, the Presbyterian Home, Presbyterian College, and the Whitten Center. All of these institutions are inside the City limits and are full service customers of the City's utility system. Several of the City's large industrial customers include Asten Johnson, Renfro Distribution, Shaw, Avery Dennison, and Aaron Industries. All of these industries are served by at least one of the City's utilities. The City is served by Laurens County Memorial Hospital for health and emergency care. The availability of an educated work force is always a concern to any new business or industry desiring to locate within the County. Vocational education programs are offered through the public schools and Piedmont Technical College.

The City once had a traditional textile-manufacturing base, but has been hit especially hard by the loss of textile jobs. The economic down turn that began in 2008 has also hurt the other industries in Clinton and Laurens County, as numerous other facilities have continued to downsize their operations. The City continues to take steps to improve the local economy with the marketing of its multi-phased corporate/industrial parks located in close proximity to I-26. As the national economy rebounds, so will our local economy as we continue to aggressively market our community and assets.

The local economy has benefited over the past four years from the growth and development of the Presbyterian College School of Pharmacy in the central business district of the city. The graduate school has resulted in an infusion of investment and people that continues to drive the development of construction jobs, real estate sales, and creation of new service industries in downtown Clinton. During the previous year, investment in construction in our city increased to nearly \$4.7 million.

### **Long-term financial planning**

The City of Clinton operates within a five-year strategic plan, incorporating input from the Mayor, City Council, staff, and the general public. The strategic plan focuses on improving the quality of life for the citizens of Clinton, primarily in the arenas of economic development, housing, marketing, technology, parks, and recreational opportunities. In addition to the five year strategic plan, the City completed their required ten-year Comprehensive Plan in 2011. The next round of long range planning is set to begin in 2015.

In conjunction with this strategic plan, the City of Clinton continues to aggressively market the City and land owned by the City and the Clinton Economic Development Corporation for potential development. Future investment into infrastructure to serve these properties will be a priority for the City in the future years. Immediate infrastructure improvements, required by industrial projects, are currently funded by direct allocations from state and federal agencies.

Downtown redevelopment will continue to be a priority for the City. This will include continued streetscape improvements, downtown business recruitment and retention, and development of downtown living spaces. The primary source of funding for this redevelopment has been and will continue to be state and federal grants, requiring a minimal investment of the City.

### **Internal Controls**

Management of the City of Clinton is responsible for establishing and maintaining a system of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the readability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that: (1) the cost of internal control should not exceed the benefits likely to be delivered; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The City's internal accounting controls are considered to be adequate to safeguard the assets and provide reasonable assurance of proper financial transactions.

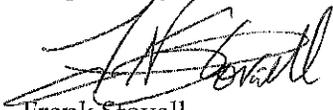
### Awards and Acknowledgments

The Governmental Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clinton for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the 24th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

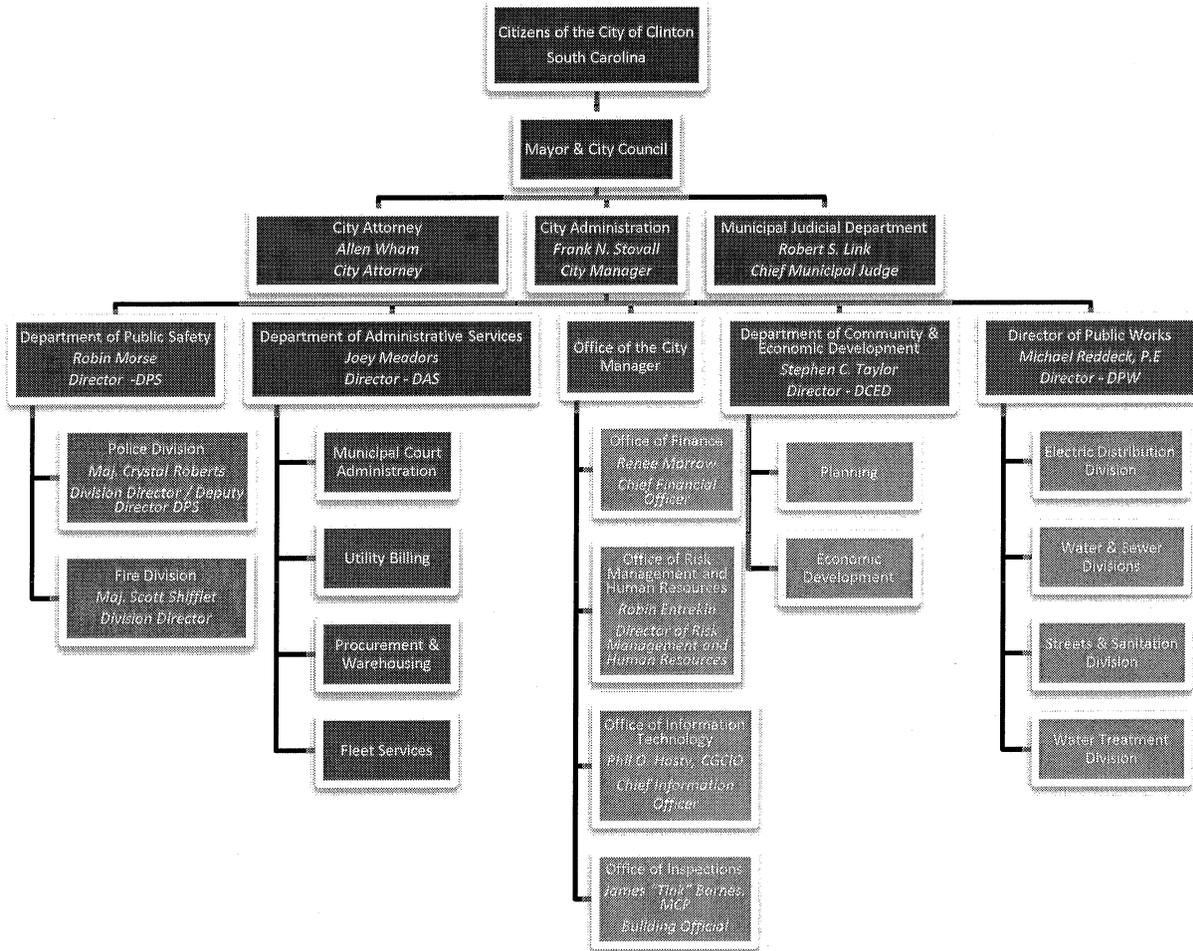
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We wish to thank the Mayor and members of City Council for their support and interest in planning and conducting the financial operations of the City in a responsible and progressive manner. We also thank them for the trust they have given City administration. The preparation of this report has been accomplished through the dedicated efforts of the City Clerk and Finance Director with the guidance of the independent auditors, McKinley Cooper. We would like to express our appreciation to all personnel who assisted and contributed to the preparation of this report.

Respectfully submitted,



Frank Stovall  
City Manager



Principal Officers

Randy Randall, Mayor  
 Daniel O. Cook, Jr., Mayor Pro-Tem  
 Mary J. Byrd, Council Member  
 John Dowdle, Council Member  
 Shirley Jenkins, Council Member  
 Edward L. McGee, Council Member  
 Robert McLean, Council Member

Frank N. Stovall, City Manager  
 Renee Morrow, Chief Financial Office  
 Tammy Templeton, City Clerk/Treasurer



Government Finance Officers Association

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

Presented to

**City of Clinton  
South Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

## FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council  
City of Clinton  
Clinton, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Clinton, South Carolina, as of and for the year ended June 30, 2013, 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 an opinion 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. 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 opinion.

Members  
American Institute of Certified Public Accountants  
S.C. Association of Certified Public Accountants



To the Honorable Mayor and City Council  
City of Clinton  
October 15, 2013

## **Opinion**

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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Clinton, South Carolina as of June 30, 2013, 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.

## **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 and schedule of funding progress for retiree health plan, as listed in the table of contents, 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.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Clinton, South Carolina's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information consisting of the General Fund Schedule of Expenditures by Department – Budget and Actual, and the Schedule of Fines and Assessments Collected, 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Mayor and City Council  
City of Clinton  
October 15, 2013

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.

***McKinley, Cooper & Co., LLC***

October 15, 2013

## Management's Discussion and Analysis

As management of the City of Clinton, we offer readers of the City of Clinton's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

### Financial Highlights

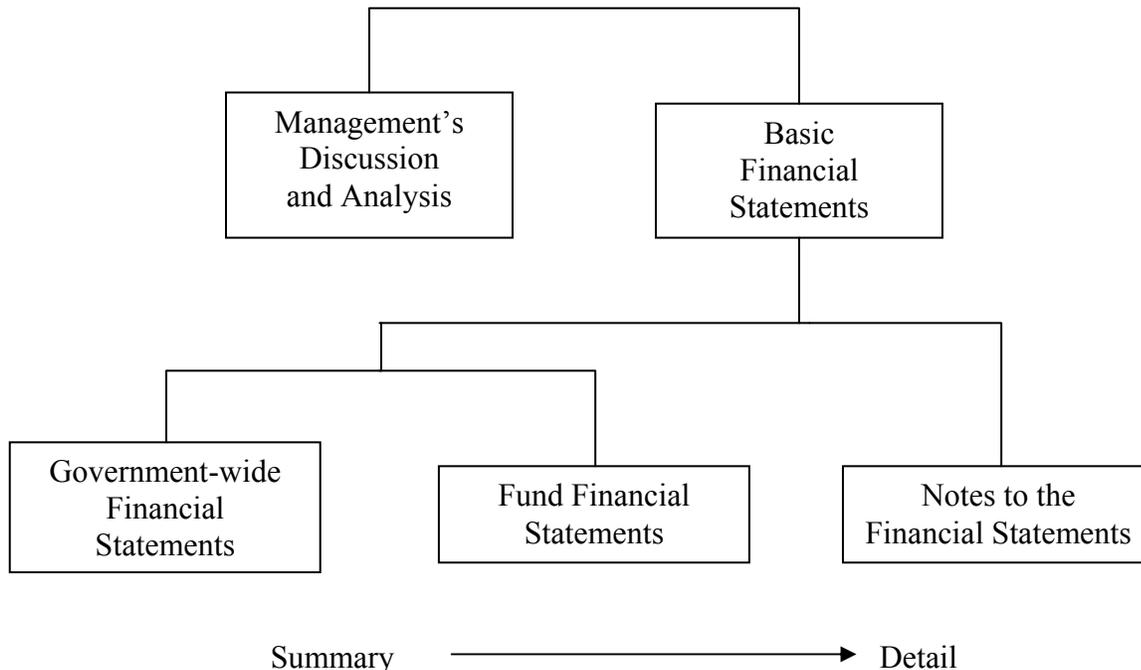
- The assets of the City of Clinton exceeded its liabilities at the close of the fiscal year by \$21,226,688.
- The government's total net position increased by \$3,615,035 primarily due to increases in the Business-Type activities.
- As of the close of the current fiscal year, the City's governmental fund reported an ending fund balance of \$3,402,831, an increase of \$1,181,986 from the prior year. The City's unassigned fund balance is \$618,048.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to City of Clinton's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Clinton.

### Required Components of Annual Financial Report

Figure 1



## Basic Financial Statements

The first two statements (pages 19 and 20) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (pages 21 - 28) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, the required supplementary information and other **supplementary information** are provided to show details about the City's individual funds. Budgetary information required by state statutes also can be found in this part of the statements.

## Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The government-wide financial statements include two statements:

The statement of net position presents information on 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 is improving or deteriorating, respectively. To assess the overall health of the City, the reader should consider additional non-financial factors such as the City's tax base.

The statement of activities presents information that shows how the government's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event that gives rise to the change occurs, regardless of the timing of related cash flows. This statement also presents a comparison between direct expenses and program revenues for each function of the City.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the City's basic services such as, general government, public safety, streets and sanitation, and parks and recreation. Property taxes, licenses and permits, intergovernmental revenues, charges for services and contributions finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the water, sewer and electric services offered by the City of Clinton. In addition to the City of Clinton (known as the primary government), the government-wide financial statements also include information for the Economic

Development Corporation (EDC). The EDC is a legally separate entity for which the City is financially accountable and is thus reported as a component unit of the City.

## **Fund Financial Statements**

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Clinton, like all other governmental entities in South Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the state statutes or the City's budget ordinance. All of the funds of City of Clinton can be divided into two categories: governmental funds and proprietary funds.

### **Governmental Funds**

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Clinton adopts an annual budget for its General Fund, as required by South Carolina State Law. The budget is a legally adopted document that incorporates input from the management of the City, the City Council and the citizens of the City, about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the City Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

### **Proprietary Funds**

The City of Clinton Combined Utility Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Clinton uses the enterprise fund to account for its water, sewer and electric operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 29 - 48 of this report.

### Government-Wide Financial Analysis

City of Clinton  
Summary Statement of Net Position

Figure 2

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 3,659,958	\$ 2,574,124	\$ 12,352,585	\$ 11,730,988	\$ 16,012,543	\$ 14,305,112
Capital Assets	5,984,694	6,138,769	9,733,851	8,746,074	15,718,545	14,884,843
Intangible Assets	-	-	75,308	129,506	75,308	129,506
<b>Total Assets</b>	<b>\$ 9,644,652</b>	<b>\$ 8,712,893</b>	<b>\$ 22,161,744</b>	<b>\$ 20,606,568</b>	<b>\$ 31,806,396</b>	<b>\$ 29,319,461</b>
Long-term Liabilities						
Outstanding	\$ 868,974	\$ 1,050,193	\$ 8,030,653	\$ 8,942,521	\$ 8,899,627	\$ 9,992,714
Other Liabilities	215,604	302,680	1,464,477	1,412,414	1,680,081	1,715,094
<b>Total Liabilities</b>	<b>1,084,578</b>	<b>1,352,873</b>	<b>9,495,130</b>	<b>10,354,935</b>	<b>10,579,708</b>	<b>11,707,808</b>
Net Position						
Invested in capital						
assets, net of related debt	5,427,510	5,380,407	5,667,030	3,782,879	11,094,540	9,163,286
Restricted	2,687,316	2,192,390	4,152,646	4,275,228	6,839,962	6,467,618
Unrestricted	445,248	(212,777)	2,846,938	2,193,526	3,292,186	1,980,749
<b>Total Net Position</b>	<b>\$ 8,560,074</b>	<b>\$ 7,360,020</b>	<b>\$ 12,666,614</b>	<b>\$ 10,251,633</b>	<b>\$ 21,226,688</b>	<b>\$ 17,611,653</b>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the City of \$31,806,396 exceeded liabilities by \$21,226,688 as of June 30, 2013. The City's net position increased by \$3,615,035 for the fiscal year ended June 30, 2013. However, the largest portion of net position (52%) reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The City of Clinton uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Clinton's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The net position balance of \$3,292,186 is unrestricted.

Total unrestricted governmental net position increased due to the City's conservative approach during the budget process for fiscal year 2012-2013 and adherence to that budget. As a whole, revenues reported for the City's governmental area were favorable.

City of Clinton  
Changes in Net Position

Figure 3

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 1,947,539	\$ 1,714,534	\$ 19,341,295	\$ 18,723,174	\$ 21,288,834	\$ 20,437,708
Operating grants and contributions	663,171	553,166	-	-	663,171	553,166
Capital grants and contributions	-	-	1,223,963	439,363	1,223,963	439,363
General revenues:						
Property taxes	506,758	493,609	-	-	506,758	493,609
Other taxes	1,179,634	1,149,176	-	-	1,179,634	1,149,176
Grants and contributions not restricted to specific programs	183,461	157,962	-	-	183,461	157,962
Other	60,860	120,774	283,361	227,145	344,221	347,919
<b>Total revenues</b>	<b>4,541,423</b>	<b>4,189,221</b>	<b>20,848,619</b>	<b>19,389,682</b>	<b>25,390,042</b>	<b>23,578,903</b>
Expenses:						
General government	1,437,169	1,300,773	-	-	1,437,169	1,300,773
Public safety	2,711,603	2,693,083	-	-	2,711,603	2,693,083
Streets and sanitation	828,410	919,878	-	-	828,410	919,878
Museum	29,405	28,201	-	-	29,405	28,201
Cultural and recreation	341,133	371,595	-	-	341,133	371,595
General public	-	-	-	-	-	-
Interest on						
Long-term debt	19,810	21,626	-	-	19,810	21,626
Public works	-	-	1,110,509	1,096,479	1,110,509	1,096,479
Water and sewer	-	-	3,421,807	3,412,646	3,421,807	3,412,646
Electric	-	-	11,875,161	11,807,148	11,875,161	11,807,148
<b>Total expenses</b>	<b>5,367,530</b>	<b>5,335,156</b>	<b>16,407,477</b>	<b>16,316,273</b>	<b>21,775,007</b>	<b>21,651,429</b>
Changes in net position before transfers	(826,107)	(1,145,935)	4,441,142	3,073,409	3,615,035	1,927,474
Transfers	2,026,161	1,800,200	(2,026,161)	(1,800,200)	-	-
Change in net position	1,200,054	654,265	2,414,981	1,273,209	3,615,035	1,927,474
Net Position, Beginning	7,360,020	6,705,755	10,251,633	8,978,424	17,611,653	15,684,179
<b>Net Position, Ending</b>	<b>\$ 8,560,074</b>	<b>\$ 7,360,020</b>	<b>\$ 12,666,614</b>	<b>\$ 10,251,633</b>	<b>\$ 21,226,688</b>	<b>\$ 17,611,653</b>

**Governmental activities.**

Governmental activities increased the City's net position by \$1,200,054. Key elements of this increase are as follows:

- The City kept expenditures down due to economic restraints and forecasts, while revenues were maintained. No major changes are noted when compared to the previous year.
- Contributions and grants were received totaling \$663,171. The main portion of these receipts were from private contributions of \$498,000.

### **Business-type activities**

Business-type activities increased the City of Clinton's net position by \$2,414,981. The key elements of this increase are:

- The increase in utility revenue is partially due to an increase in electric revenues of \$440,000 due to a rate increase imposed by the electric provider and passed through to the customer. The rate increase should have increased revenues more, but the mild summer and winter offset the rate increase to the City and its customers. The City implemented rate increases of 6.7% electric, 4% sewer and 2% to water customers outside the City limits.
- The Utility Fund received contributed capital in the amount of \$967,516 from the South Carolina Department of Special Needs in the form of electrical installations at the Special Needs facility in Clinton.
- The City also received a grant for the construction of Water Lines in Lydia Mill and Clinton Mill Neighborhoods from the CDBG for \$256,447.
- As with the Governmental fund, the Utility employees worked diligently and frugally to keep costs down while the actual costs of supplies increased due to the economy. While the revenue increased by 7%, expenses increased by approximately 2%.

### **Financial Analysis of the City's Funds**

As noted earlier, the City of Clinton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds.**

The focus of the City of Clinton's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Clinton's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Clinton. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$618,048 while total fund balance was \$3,402,831. The General Fund is able to meet its cash flow needs by borrowing from the Proprietary Fund.

During the current fiscal year, the fund balance of the City of Clinton's general fund increased by \$1,181,986. Key factors in this increase are as follows:

- Funds from other financing sources totaling \$2,026,161 were received which consisted of the transfer from the Utility Fund.
- Collections from Hospitality and Local Accommodations taxes totaled \$464,968. Since these funds have restrictions imposed on them, none was spent.
- A grant was received from the Department of Justice to reimburse funds spent on public safety equipment for \$155,185.

### **General Fund Budgetary Highlights**

Revenues were greater than the budgeted amounts primarily because the amount of revenue received from miscellaneous sources exceeded the budget projections. The main revenue that exceeded budgeted amounts was Business License fees. Business license fees were over budget by \$234,000 mainly due to collections by South Carolina Municipal Association on behalf of the city for Broker's and Insurance agents whose sales were higher than in the past.

Expenditures for the General Fund were all within budget other than the museum and capital outlay that exceeded the budgeted amounts by \$218,469 mainly due to purchases of property for the economic development purposes. The General Government Department was under budget because money budgeted for hospitality funds was not spent. The Public Safety Department was under budget due to personnel vacancies and turnovers.

### **Proprietary Funds.**

The City of Clinton's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Combined Utility System Enterprise Fund at the end of the fiscal year amounted to \$2,846,938. The total increase in net position for the fund was \$2,414,981. Other factors concerning the finances of the fund have already been addressed in the discussion of the City of Clinton's business-type activities.

## **Capital Asset and Debt Administration**

### **Capital assets**

The City of Clinton's investment in capital assets for its governmental and business-type activities as of June 30, 2013, totals \$15,718,545, (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

The City's major capital asset transactions during the year included the following:

- The City purchased equipment for the Public Safety Department that included extrication equipment for \$26,866, narcotics equipment and cameras for \$31,000, and a new public safety vehicle for \$33,000.
- The City of Clinton purchased buildings and property in the downtown area for \$211,000 for economic development purposes.
- The City continued to replace Water Lines and Meters in the Lydia Mill and Clinton Mill Communities located in the City through a Community Block Development Grant with additions totaling \$593,000. Additionally, Utility work was completed for the Whitten Center Special Needs complex for over \$950,000.
- The Public Works Department purchased various equipment for approximately \$203,000 including a bucket truck and two utility trucks.
- The City removed used equipment during FY 2012-13 that totaled approximately \$70,000. This equipment was sold on govdeals.com.

City of Clinton  
Capital Assets

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 1,105,526	\$ 1,105,526	\$ 11,983	\$ 11,983	\$ 1,117,509	\$ 1,117,509
Building	2,513,413	2,418,114	125,329	137,451	2,638,742	2,555,565
Improvements Other than Buildings	1,735,119	1,845,601	8,538,031	7,386,166	10,273,150	9,231,767
Vehicles and Other Equipment	629,099	769,528	316,355	260,454	945,454	1,029,982
Construction in Progress	1,537	-	742,153	950,020	743,690	950,020
	<u>\$ 5,984,694</u>	<u>\$ 6,138,769</u>	<u>\$ 9,733,851</u>	<u>\$ 8,746,074</u>	<u>\$ 15,718,545</u>	<u>\$ 14,884,843</u>

Additional information on the City's capital assets can be found in note 2 of the basic financial statements.

**Long-term Debt**

As of June 30, 2013, the City of Clinton had total bonded debt outstanding of \$8,416,702. Of this, \$403,013 is debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

City of Clinton  
Outstanding Debt - General Obligation and Revenue Bonds  
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ 403,013	\$ 520,752	\$ -	\$ -	\$ 403,013	\$ 520,752
Revenue Bonds	-	-	8,013,689	8,744,696	8,013,689	8,744,696
	<u>\$ 403,013</u>	<u>\$ 520,752</u>	<u>\$ 8,013,689</u>	<u>\$ 8,744,696</u>	<u>\$ 8,416,702</u>	<u>\$ 9,265,448</u>

South Carolina State Law limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for City of Clinton is \$405,980. The City has \$403,013 in general obligation bonds outstanding at June 30, 2013. Additional information regarding the City of Clinton's long-term debt can be found in note 2 of the basic financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the challenges the City faces with the local economy:

- **New Manufacturing Jobs.** The City continues to try to replace the 2,000 jobs lost over the past 5 years.
- **Utility Revenues.** The City continues to try to replace the utility revenues lost with the closing of the local textile mills.

- Corporate Park. The City's creation of a multi-phased business/industrial park is expected to improve each of the above economic factors.
- The construction of a frontage road along Interstate 26 and the location of varied retail and other commercial entities will also improve the above-mentioned economic factors.

### **Budget Highlights for the Fiscal Year Ending June 30, 2014**

#### **Governmental Activities**

The City of Clinton did not increase Property taxes for 2013. The City did not increase any of the cost of services to the citizens of Clinton that are provided by the governmental sector. Budgeted expenditures in the General Fund are expected to rise only as necessary to meet the fixed cost of City operations.

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

Electric rates will increase approximately 5.7% to cover increased cost of wholesale power from Piedmont Municipal Power Agency. Water rates increased 1.5% to customers. Sewer rates increased by 4.2% to cover a rate increase implemented by Laurens County Water and Sewer Commission, the Agency that treats the City of Clinton's sewer.

### **Requests for Information**

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Frank N. Stovall, City Manager, City of Clinton, P. O. Box 748, Clinton, SC 29325.

## **BASIC FINANCIAL STATEMENTS**

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CITY OF CLINTON, SOUTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
<b>ASSETS</b>				
Cash and cash investments	\$ 3,970,124	\$ 2,141,731	\$ 6,111,855	\$ 606,134
Restricted cash	-	4,152,646	4,152,646	-
Taxes receivable - net	51,723	-	51,723	-
Other receivables - net	124,337	4,323,763	4,448,100	-
Due from component unit	-	670,414	670,414	-
Internal balances	(493,142)	493,142	-	-
Inventories	6,916	570,889	577,805	-
Land held for resale	-	-	-	1,303,726
Capital assets				
Land and construction in progress	1,107,063	754,136	1,861,199	-
Other capital assets - net of depreciation	4,877,631	8,979,715	13,857,346	676,659
Bond issue costs, net of accumulated amortization	-	75,308	75,308	-
<b>Total assets</b>	<b>\$ 9,644,652</b>	<b>\$ 22,161,744</b>	<b>\$ 31,806,396</b>	<b>\$ 2,586,519</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 207,900	\$ 1,214,271	\$ 1,422,171	\$ -
Customer deposits	-	231,351	231,351	-
Unearned revenue	3,604	-	3,604	240,000
Accrued interest payable	4,100	18,855	22,955	15,589
Due to primary government	-	-	-	670,414
Long-term liabilities				
Net OPEB obligation	88,649	172,351	261,000	-
Due within one year	281,387	752,768	1,034,155	96,741
Due in more than one year	498,938	7,105,534	7,604,472	444,734
<b>Total liabilities</b>	<b>1,084,578</b>	<b>9,495,130</b>	<b>10,579,708</b>	<b>1,467,478</b>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	5,427,510	5,667,030	11,094,540	676,659
Restricted for				
Debt service	40,208	79,053	119,261	-
Tourism	2,600,934	-	2,600,934	-
Public safety	46,174	-	46,174	-
Capital projects	-	4,073,593	4,073,593	-
Unrestricted	445,248	2,846,938	3,292,186	442,382
<b>Total net position</b>	<b>\$ 8,560,074</b>	<b>\$ 12,666,614</b>	<b>\$ 21,226,688</b>	<b>\$ 1,119,041</b>

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

CITY OF CLINTON, SOUTH CAROLINA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Economic Development Corporation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
Governmental activities								
General government	\$ 1,437,169	\$ 945,883	\$ 487,320	\$ -	\$ (3,966)	\$ -	\$ (3,966)	\$ -
Public safety	2,711,603	267,866	155,186	-	(2,288,551)	-	(2,288,551)	-
Streets and sanitation	828,410	733,790	-	-	(94,620)	-	(94,620)	-
Museum	29,405	-	7,304	-	(22,101)	-	(22,101)	-
Cultural and recreational	341,133	-	13,361	-	(327,772)	-	(327,772)	-
Interest on long-term debt	19,810	-	-	-	(19,810)	-	(19,810)	-
<b>Total governmental activities</b>	<b>5,367,530</b>	<b>1,947,539</b>	<b>663,171</b>	<b>-</b>	<b>(2,756,820)</b>	<b>-</b>	<b>(2,756,820)</b>	<b>-</b>
Business-type activities								
Public works	1,110,509	631,277	-	-	-	(479,232)	(479,232)	-
Water and sewer	3,421,807	4,142,288	-	256,447	-	976,928	976,928	-
Electric	11,875,161	14,567,730	-	967,516	-	3,660,085	3,660,085	-
<b>Total business-type activities</b>	<b>16,407,477</b>	<b>19,341,295</b>	<b>-</b>	<b>1,223,963</b>	<b>-</b>	<b>4,157,781</b>	<b>4,157,781</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 21,775,007</b>	<b>\$ 21,288,834</b>	<b>\$ 663,171</b>	<b>\$ 1,223,963</b>	<b>(2,756,820)</b>	<b>4,157,781</b>	<b>1,400,961</b>	<b>-</b>
<b>Component unit</b>								
Economic Development Corporation	\$ 62,254	\$ -	\$ -	\$ 357,077	\$ -	\$ -	\$ -	\$ 294,823
	<u>\$ 62,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,823</u>
<b>General revenues</b>								
Taxes								
Property taxes, levied for general purposes					\$ 506,758	\$ -	\$ 506,758	\$ -
Local option sales tax					639,096	-	639,096	-
Other taxes					540,538	-	540,538	-
Grants and contributions not restricted to specific programs					183,461	-	183,461	-
Miscellaneous					60,860	283,361	344,221	40,323
Transfers					2,026,161	(2,026,161)	-	-
<b>Total general revenues and transfers</b>					<b>3,956,874</b>	<b>(1,742,800)</b>	<b>2,214,074</b>	<b>40,323</b>
<b>Change in net position</b>					<b>1,200,054</b>	<b>2,414,981</b>	<b>3,615,035</b>	<b>335,146</b>
<b>Net position, beginning</b>					<b>7,360,020</b>	<b>10,251,633</b>	<b>17,611,653</b>	<b>783,895</b>
<b>Net position, ending</b>					<b>\$ 8,560,074</b>	<b>\$ 12,666,614</b>	<b>\$ 21,226,688</b>	<b>\$ 1,119,041</b>

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

CITY OF CLINTON, SOUTH CAROLINA

BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2013

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash investments	\$ 3,970,124
Receivables - net	
Taxes	51,723
Accounts and other	124,337
Inventories	6,916
<b>Total assets</b>	<u><u>\$ 4,153,100</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Accounts payable and accrued liabilities	\$ 207,900
Due to other funds	493,142
Deferred revenue	49,227
<b>Total liabilities</b>	<u>750,269</u>
Fund Balances	
Nonspendable	97,467
Restricted	2,687,316
Unassigned	618,048
<b>Total fund balances</b>	<u>3,402,831</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 4,153,100</u></u>

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

**CITY OF CLINTON, SOUTH CAROLINA**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
YEAR ENDED JUNE 30, 2013**

Total Fund Balance, Governmental Fund	\$ 3,402,831
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	5,984,694
Certain other long-term liabilities are not available to pay current period expenditures and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	(88,649)
Property taxes receivable are not considered available and are, therefore, deferred in the funds.	45,623
Some liabilities (such as Notes Payable, Accrued Interest Payable, Capital Leases Payable, Long-term Compensated Absences, and Bonds Payable) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	
General obligation bonds	(403,013)
Capital Leases	(154,171)
Compensated absences	(223,141)
Accrued interest payable	(4,100)
	<u>(784,425)</u>
Net Assets of Governmental Activities in the Statement of Net Position	<u>\$ 8,560,074</u>

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

**CITY OF CLINTON, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
YEAR ENDED JUNE 30, 2013**

	<b>General Fund</b>
<b>REVENUES</b>	
Taxes	\$ 518,687
Licenses and permits	945,883
Intergovernmental revenues	885,574
Fines and forfeitures	207,495
Accommodations tax	180,009
Hospitality tax	360,529
Charges for services	733,790
Contributions and grants	663,171
Interest revenue	10,177
Miscellaneous	48,037
	<u>4,553,352</u>
<b>Total revenues</b>	
<b>EXPENDITURES</b>	
Current	
General government	1,279,074
Public safety	2,562,079
Streets and sanitation	636,656
Museum	29,405
Cultural and recreational	341,133
Capital outlay	325,339
Debt service	
Principal retirement	201,178
Interest	22,663
	<u>5,397,527</u>
<b>Total expenditures</b>	
<b>Excess of revenues (under) expenditures</b>	<u>(844,175)</u>
<b>OTHER FINANCING SOURCES</b>	
Transfers in	
Overhead allocation transfer	386,267
Contributions transfer	1,639,894
	<u>2,026,161</u>
<b>Total other financing sources</b>	
<b>Net change in fund balance</b>	1,181,986
<b>Fund Balance, beginning of year</b>	<u>2,220,845</u>
<b>Fund Balance, end of year</b>	<u>\$ 3,402,831</u>

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

**CITY OF CLINTON, SOUTH CAROLINA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013**

Net Change in Fund Balance - Total Governmental Fund	\$ 1,181,986
Amounts reported for governmental activities in the statement of activities are different because:	
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>	
Capital outlay	325,339
Depreciation expense	(479,414)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Changes in deferred revenue for tax revenues	(11,929)
<p>Governmental funds report bond proceeds and capital lease issuances as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.</p>	
Repayment of long-term debt	201,178
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest payable	2,853
Net OPEB obligation	(37,282)
Compensated absences	17,323
	17,323
Change in Net Position of Governmental Activities	\$ 1,200,054

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

**CITY OF CLINTON, SOUTH CAROLINA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2013**

**ASSETS**

Current Assets

Cash and cash investments	\$	2,141,731
Restricted cash		4,152,646
Accounts receivable - net		3,221,647
Unbilled revenue		1,102,116
Due from the general fund		493,142
Due from component unit		670,414
Inventories		570,889

<b>Total current assets</b>		12,352,585
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Noncurrent Assets

Capital assets - net of accumulated depreciation		9,733,851
Bond issue costs - net of amortization		75,308

<b>Total noncurrent assets</b>		9,809,159
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<b>Total assets</b>		\$ 22,161,744
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**LIABILITIES AND NET POSITION**

Current Liabilities

Accounts payable and accrued liabilities	\$	1,214,271
Customer deposits		231,351
Accrued interest payable		18,855
Compensated absences - current portion		11,136
Obligations under capital leases - current portion		59,022
Revenue bonds payable - current portion		742,201
Deferred amount on refunding - current portion		(59,591)

<b>Total current liabilities</b>		2,217,245
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Noncurrent Liabilities

Net OPEB obligation		172,351
Compensated absences - net of current portion		63,104
Obligations under capital leases - net of current portion		67,703
Revenue bonds payable - net of current portion		7,271,488
Deferred amount on refunding - net of current portion		(296,761)

<b>Total noncurrent liabilities</b>		7,277,885
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<b>Total liabilities</b>		9,495,130
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Net Position

Invested in capital assets, net of related debt		5,667,030
Restricted for capital projects		4,073,593
Restricted for debt service		79,053
Unrestricted		2,846,938

<b>Total net position</b>		12,666,614
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<b>Total liabilities and net position</b>		\$ 22,161,744
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*The accompanying notes are an integral part of these financial statements.*

CITY OF CLINTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUND  
 YEAR ENDED JUNE 30, 2013**

	<u>Combined Utility System Enterprise Fund</u>
<b>OPERATING REVENUES</b>	
Utility sales	\$ 18,455,973
Interdepartmental utility sales	601,677
Hookup fees	38,731
Penalties	219,166
Miscellaneous	303,128
	19,618,675
<b>OPERATING EXPENSES</b>	
Public works administration department	384,363
Information technology department	89,832
Utility billing department	443,964
Electric distribution department	11,305,445
Sanitary sewer department	1,509,427
Water distribution department	303,405
Water plant department	963,577
Storm sewer department	98,364
Maintenance department	66,546
Risk management department	112,978
Depreciation	846,524
	16,124,425
Operating income	3,494,250
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest revenue	5,981
Interest expense	(247,119)
Bond issue cost amortization	(35,933)
	(277,071)
Income before contributions and transfers	3,217,179
Capital contributions - state funding	967,516
Capital contributions - federal grants	256,447
Transfers to/from other funds	
Transfers out	(2,026,161)
<b>Net income</b>	2,414,981
<b>Net position, beginning of year</b>	10,251,633
<b>Net position, end of year</b>	\$ 12,666,614

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

**CITY OF CLINTON, SOUTH CAROLINA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Combined Utility System Enterprise Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 19,466,018
Cash paid for goods and services	(14,179,030)
Cash paid to employees	(1,505,630)
	3,781,358
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers to other funds	(1,652,136)
	(1,652,136)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(1,834,301)
Principal payments on capital leases	(94,024)
Principal payments on revenue bonds	(5,411,987)
Bond proceeds	4,680,980
Interest and other fees paid	(349,034)
Bond issue costs paid	(52,845)
Subsidy from federal grants	256,447
Capital contributions	967,516
	(1,837,248)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	5,981
	5,981
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	297,955
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	5,996,422
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 6,294,377

(continued)

**CITY OF CLINTON, SOUTH CAROLINA**

**STATEMENT OF CASH FLOWS - CONTINUED  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2013**

	<u><b>Combined Utility System Enterprise Fund</b></u>
Reconciliation of Operating Income to Net	
Cash Provided by Operating Activities:	
Operating income	\$ 3,494,250
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	846,524
(Increase) decrease in assets	
Accounts receivable	(304,232)
Unbilled receivables	33,875
Inventories	26,333
Due from component unit	(453,643)
Increase (decrease) in liabilities	
Accounts payable and accrued liabilities	(46,474)
Deferred amount on refunding	29,796
Net OPEB obligation	41,816
Compensated absences	(4,587)
Customer deposits	117,700
<b>Net cash provided by operating activities</b>	<u><u>\$ 3,781,358</u></u>
Noncash Investing, Capital and Financing Activities	
Transfers to other funds	\$ (374,025)
Bond cost amortization	\$ (35,933)
Amortization included in interest expense	\$ (11,203)
Reconciliation of Cash and Investments as Shown on the Statement of Net Assets and Cash Flow Statement	
Statement of net assets classification	
Current assets	
Cash	\$ 2,141,731
Restricted cash	4,152,646
Total cash and cash equivalents	<u><u>\$ 6,294,377</u></u>

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

## CITY OF CLINTON, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Reporting Entity**

The City of Clinton (the “City”) was incorporated as a city in May of 1957. Prior to 1957, the entity was called the Town of Clinton. The City operates under a council-manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services. The City also owns and operates a utility system which provides electric, water and sewer services. The financial statements of the City include all of the above operations.

The accounting policies of the City of Clinton conform to U.S. generally accepted accounting principles as applicable to governments. As required by U.S. generally accepted accounting principles, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City has one discretely presented component unit which is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The following entity is presented as a discretely presented component unit:

**Clinton Economic Development Corporation (EDC)** – The EDC was established to support economic development in and around the City and is governed by a board of not less than 25 nor more than 35 members appointed by the EDC executive committee. The EDC holds land for sale to entities that intend to develop the land for new business in the City. The government is financially accountable for the EDC.

The City adopted the following new Governmental Accounting Standards Board (GASB) pronouncements for the year ended June 30, 2013:

In December 2010, GASB issued GASB Statement No. 62, *“Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”*. The objective of this statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued before November 30, 1989, which does not conflict with or contradict GASB pronouncements: 1) Financial Accounting Standards Board (FASB) Statements and Interpretations, 2) Accounting Principles Board Opinions, and 3) Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure. The City implemented Statement No. 62, effective for the year ending June 30, 2013, with retroactive application for the year ended June 30, 2012.

GASB Statement No. 63, *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”*. Statement No. 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government’s net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The financial reporting impact resulting from the implementation of GASB Statement No 63 is primarily the change in terminology from Net Assets to Net Position. The City implemented Statement No. 63, effective for the year ended June 30, 2013, with retroactive application for the year ended June 30, 2012.

## CITY OF CLINTON, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS - CONTINUED JUNE 30, 2013

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

##### **Basis of Presentation**

###### **Government-wide Statements**

The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule are charges for sales and purchases of goods and services between various functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities and for the discretely presented component unit. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include fees and charges paid by the recipient of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

###### **Fund Financial Statements**

The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental fund:

**General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for and reported in another fund.

The City reports the following major enterprise fund:

**Combined Utility System Enterprise Fund** – The Combined Utility System Enterprise Fund is the only Proprietary Fund of the City of Clinton. The City, in compliance with the revenue bond ordinances, accounts for the financial activity of this enterprise fund using three separate sub-funds. The purpose of

## CITY OF CLINTON, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS - CONTINUED JUNE 30, 2013

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

the fund is to account for the collection of the gross revenues of the system and to provide for the payment of all expenses incurred in connection with the administration and operation of the system.

#### **Measurement Focus and Basis of Accounting**

##### **Government-wide and Proprietary Fund Financial Statements**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been satisfied.

##### **Governmental Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, 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 City considers revenues to be available if they are collected within sixty (60) days after yearend. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales tax, grants from other governments and interest on investments are susceptible to accrual. Revenues from fines, forfeits, penalties and franchise fees become measurable and available when cash is received by the City and are recognized as revenue at that time.

#### **Budgets and Budgetary Accounting**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During the month of June, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Municipal Center to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through council approval for the General Fund.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of control for each budget is maintained at the department level.
5. The budget for the General Fund is adopted on a basis consistent with U.S. generally accepted accounting principles. Budgeted amounts are as originally adopted.

CITY OF CLINTON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. The City Council adopts a budget ordinance at the outset of each fiscal year, establishing revenue anticipated on a line item basis and appropriations on a departmental basis. The City Council has authority to amend the approved budget during the fiscal year as necessary as recommended by management.
7. The City Manager is authorized to transfer budgeted amounts within a department within any fund; however, any revisions that alter the total budget of any department of any fund or the total expenditures of any fund must be approved by the City Council.
8. The City Council may authorize supplemental appropriations during the year. Appropriations lapse at the end of each fiscal year. No supplemental appropriations were made during fiscal year 2011.

The following departments in the general fund had an excess of actual expenditures over budget for the year ended June 30, 2013:

<u>Fund/Function/Department</u>	<u>Excess Amount</u>
General Fund:	
Municipal Court	\$ 38,994
Museum	8,110

**Assets, Liabilities, and Fund Equity**

**Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**Cash and Investments**

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, cash and investments (including restricted assets) include cash on hand, demand deposits, short-term investments with a maturity of three months or less when purchased, and long-term investments with a maturity of greater than three months when purchased. Cash on hand, demand deposits and highly liquid investments with a maturity of three months or less when purchased are considered to be cash and cash equivalents. Investments are reported at fair value. The calculation of realized gains and losses is independent of the calculation of changes in the fair value of investments. During the year ended June 30, 2013, the City did not experience any significant changes in the fair value of its investments.

**Inventory**

Inventory is valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventory in the General Fund consists of gasoline held for consumption. The cost is recorded as an expenditure at the time individual inventory items are used. Reported inventories in the General Fund are equally offset by a fund balance reserve which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

CITY OF CLINTON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure, 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 (amount not rounded) 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Capital assets are depreciated on the straight-line basis over the estimated useful lives of the assets as follows:

	<u>Useful Life</u>
Buildings and other improvements	30 to 50 years
Machinery and equipment	7 to 10 years
Vehicles	6 years

**Long-term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund. Material bond premiums and discounts, as well as material issuance costs are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**Compensated Absences**

The vacation policies of the City provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. The City has assumed a last-in, first-out method of using accumulated compensated time. The entire compensated absences liability and expense is reported on the government-wide and proprietary fund financial statements and are payable with expendable available resources. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The City's sick leave policies provide for the accumulation of earned sick leave up to 720 hours. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the City has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**Net Position/Fund Balances**

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. Unrestricted net position represents all other net position not meeting the definition of restricted or net investment in capital assets.

CITY OF CLINTON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Fund balance in the governmental fund financial statements is classified in five categories as follows:

*Nonspendable*

Nonspendable fund balances include amounts that are not in spendable form or are legally required to remain intact.

*Restricted*

Restricted fund balances include amounts that have external restrictions by either grantors, debt covenants, laws, or other governments.

*Committed*

Committed fund balances include amounts that are committed to a specific purpose by council ordinance, as approved by the City Council.

*Assigned*

Assigned fund balances include amounts that are constrained by limitations resulting from intended uses as established by City Council or by the City Manager.

*Unassigned*

Unassigned fund balance includes amounts that have not been assigned to any purpose.

Unless specifically designated otherwise, fund expenditures and encumbrances are from restricted fund balance to the extent of restricted fund balance revenue, followed by committed fund balance, assigned fund balance, and unassigned fund balance, respectively.

**Minimum Fund Balance Policy**

The City has adopted a policy to maintain the fund balance of the General Fund such that the unassigned portion of fund balance is equal to a minimum of 17% of the total audited General Fund expenditures for the previous fiscal year. The City has set the goal of reaching the minimum unassigned fund balance target within three to five years.

Below are the fund balance classifications for the governmental fund at June 30, 2013:

	General Fund
Fund Balances	
Nonspendable	
Inventory	\$ 6,916
Long-term receivable	90,551
Restricted	
Debt service	40,208
Public safety	46,174
Accomodations tax	410,412
Hospitality tax	2,190,522
Unassigned	618,048
Total Fund Balances	\$ 3,402,831

CITY OF CLINTON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Comparative Data/Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's classification.

**NOTE 2 – DETAILED NOTES ON ALL FUNDS**

**Assets**

**Deposits and Investments**

South Carolina statutes authorize the City to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposit collaterally secured, repurchase agreements secured by the foregoing obligations, and the State Treasurer's Investment Pool. The State Treasurer's investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission (SEC), but has a policy that it will operate in a manner consistent with the SEC's

Rule 2a7 of the Investment Company Act of 1940. The pool is included as an investment trust fund of the State of South Carolina Comprehensive Annual Financial Report and is subject to the audit procedures of the State Auditor. The investments in the State Treasurer's investment pool are determined by the pool's share price which is the same as the value of the pool. The City has not adopted a formal deposit or investment policy.

*Interest rate risk* – the City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

The City had the following investments as of June 30, 2013:

Investment Type	Maturity	Governmental Activities	Business-type Activities	Total	Credit Quality
State Treasurer's investment pool	Daily	\$ 1,124,918	\$ 1,295,988	\$ 2,420,906	Unrated
		<u>\$ 1,124,918</u>	<u>\$ 1,295,988</u>	<u>\$ 2,420,906</u>	

**Receivables and Allowances for Doubtful Accounts**

Receivables presented in the Statement of Net Position are net of allowances for doubtful accounts of \$155,885 for business-type activities. The governmental and business-type activities' receivables consist of the following:

	Governmental Activities	Business-type Activities	Total
Mortgages receivable	\$ 90,551	\$ -	\$ 90,551
Customers	-	4,323,763	4,323,763
Other receivables	33,786	-	33,786
	<u>\$ 124,337</u>	<u>\$ 4,323,763</u>	<u>\$ 4,448,100</u>

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS - CONTINUED**

**Property Taxes**

Property taxes are levied based on a calendar year (January 1 – December 31). The property tax assessment for taxes, other than vehicle taxes, is formally levied in October on property values assessed as of the same date. The property tax bills are mailed in October and are payable between November 1 and January 15. Liens attach to the property at the time taxes are levied. A three percent penalty is assessed on taxes unpaid at January 16. All property taxes are billed and collected by Laurens County, and these collections are remitted to the City. Property tax revenues are recognized when they become available, including those property tax receivables expected to be collected within sixty days after yearend.

The millage rate was 97.5 for the 2012 tax year and the assessed valuation of real property was \$8,991,160. The purpose of the levies was for current expenditures and to defray public expenditures of the City as well as to meet current indebtedness contracted by the City for general corporate purposes.

**Taxes receivable – net** presented on the Balance Sheet (of the Governmental Funds) and the Statement of Net Position represent unpaid real and personal property taxes and delinquent tax receivables, less an allowance for uncollectible taxes, and consist of the following:

Unpaid real and personal property taxes	\$	6,100
Delinquent tax receivables		57,404
Allowance for uncollectibles		(11,781)
		\$ 51,723

**Capital Assets**

Capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balances
Government Activities:				
Nondepreciable capital assets				
Land	\$ 1,105,526	\$ -	\$ -	\$ 1,105,526
Construction in progress	-	1,537	-	1,537
	1,105,526	1,537	-	1,107,063
Depreciable capital assets				
Buildings	3,486,684	175,474	-	3,662,158
Other improvements	6,316,597	46,315	-	6,362,912
Vehicles and other equipment	6,860,840	102,013	-	6,962,853
	16,664,121	323,802	-	16,987,923
Less accumulated depreciation				
Buildings	1,068,570	80,175	-	1,148,745
Other improvements	4,470,996	156,797	-	4,627,793
Vehicles and other equipment	6,091,312	242,442	-	6,333,754
Total accumulated depreciation	11,630,878	479,414	-	12,110,292
Total depreciable capital assets - net	5,033,243	(155,612)	-	4,877,631
Governmental Activities Capital Assets - Net	\$ 6,138,769	\$ (154,075)	\$ -	\$ 5,984,694

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balances</u>
<b>Business-type Activities:</b>				
Nondepreciable capital assets				
Land	\$ 11,983	\$ -	\$ -	\$ 11,983
Construction in progress	950,020	425,883	(633,750)	742,153
	<u>962,003</u>	<u>425,883</u>	<u>(633,750)</u>	<u>754,136</u>
Depreciable capital assets				
Buildings	967,492	13,769	-	981,261
Other improvements	26,586,633	1,824,650	-	28,411,283
Vehicles and other equipment	3,052,516	203,749	(72,902)	3,183,363
	<u>30,606,641</u>	<u>2,042,168</u>	<u>(72,902)</u>	<u>32,575,907</u>
Less accumulated depreciation				
Buildings	830,041	25,891	-	855,932
Other improvements	19,200,467	672,785	-	19,873,252
Vehicles and other equipment	2,792,062	147,848	(72,902)	2,867,008
Total accumulated depreciation	<u>22,822,570</u>	<u>846,524</u>	<u>(72,902)</u>	<u>23,596,192</u>
Total depreciable capital assets - net	<u>7,784,071</u>	<u>1,195,644</u>	<u>-</u>	<u>8,979,715</u>
Business-type Activities Capital Assets - Net	<u>\$ 8,746,074</u>	<u>\$ 1,621,527</u>	<u>\$ (633,750)</u>	<u>\$ 9,733,851</u>
<b>Component Unit Activities:</b>				
Depreciable capital assets				
Buildings	\$ 773,324	\$ -	\$ -	\$ 773,324
Less accumulated depreciation	(77,332)	(19,333)	-	(96,665)
Component Unit Activities - Capital Assets - Net	<u>\$ 695,992</u>	<u>\$ (19,333)</u>	<u>\$ -</u>	<u>\$ 676,659</u>

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

<b>Government Activities</b>		
General government		\$ 138,136
Public safety		149,524
Streets and sanitation		191,754
Total depreciation expense		<u>\$ 479,414</u>
<b>Business-type Activities</b>		
Public works		\$ 173,738
Water and sewer		436,043
Electric		236,743
Total depreciation expense		<u>\$ 846,524</u>

**Liabilities**

**Long-term Liabilities**

The following is a summary of long-term obligations of the primary government for the year ended June 30, 2013:

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Net OPEB obligation	\$ 51,367	\$ 37,282	\$ -	\$ 88,649	\$ -
General obligation bonds	520,752	-	(117,739)	403,013	121,013
Capitalized lease obligations	237,610	-	(83,439)	154,171	71,118
Compensated absences	240,464	90,402	(107,725)	223,141	89,256
Total governmental activities	<u>\$ 1,050,193</u>	<u>\$ 127,684</u>	<u>\$ (308,903)</u>	<u>\$ 868,974</u>	<u>\$ 281,387</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type Activities:					
Net OPEB obligation	\$ 130,535	\$ 41,816	\$ -	\$ 172,351	\$ -
Revenue bonds	8,744,696	4,680,980	(5,411,987)	8,013,689	742,201
Deferred amount on refunding	(232,286)	(386,148)	262,082	(356,352)	(59,591)
Capital lease obligations	220,749	-	(94,024)	126,725	59,022
Compensated absences	78,827	67,641	(72,228)	74,240	11,136
Total business-type activities	<u>\$ 8,942,521</u>	<u>\$ 4,404,289</u>	<u>\$ (5,316,157)</u>	<u>\$ 8,030,653</u>	<u>\$ 752,768</u>

The following is a summary of the long-term obligations of the discretely presented component unit for the year ended June 30, 2013:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Component Unit Activities					
Note payable	\$ 638,216	\$ -	\$ (96,741)	\$ 541,475	\$ 96,741
Total component unit activities	<u>\$ 638,216</u>	<u>\$ -</u>	<u>\$ (96,741)</u>	<u>\$ 541,475</u>	<u>\$ 96,741</u>

**Compensated Absences**

The City reports a liability for compensated absences representing paid time off made available to employees in connection with vacation leave, sick leave and similar benefits. The general fund is used to liquidate compensated absences incurred in governmental activities.

**Net OPEB Obligation**

Retired employees are allowed to participate in the health, dental and life insurance programs. The general fund is used to liquidate the net OPEB obligation of the governmental activities.

**Governmental Fund Debt**

**General Obligation Bonds**

Bonds payable at June 30, 2013 were comprised of the following issues:

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

\$700,000 General Obligation Bonds of the City of Clinton, South Carolina, dated August 12, 2003. Annual maturities of \$65,212 to \$78,850 and an annual interest rate of 2.75%.	\$ 79,013
\$450,000 General Obligation Bonds of the City of Clinton, South Carolina, dated September 8, 2010. Annual maturities of \$40,000 to \$51,000 and an annual interest rate of 3.02%.	324,000
	403,013
Less current maturities	(121,013)
Long-term liabilities	\$ 282,000

Annual debt requirements for the City’s general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 121,013	\$ 11,953	\$ 132,966
2015	44,000	8,516	52,516
2016	45,000	7,188	52,188
2017	46,000	5,829	51,829
2018	47,000	4,439	51,439
2019-2020	100,000	4,560	104,560
	\$ 403,013	\$ 42,485	\$ 445,498

**Capital Lease Obligations**

Capital leases payable at June 30, 2013 were comprised of the following:

\$176,927 Fire truck capital lease for 5 years, beginning January 15, 2009. Annual payments of \$40,645, including interest of 4.537%.	\$ 38,887
\$84,900 Leaf vacuum truck capital lease for 5 years, beginning November, 2011. Annual payments of \$18,217, including interest of 2.39%.	52,138
\$78,157 Grapple truck capital lease for 5 years, beginning November, 2012. Annual payments of \$16,670, including interest at 2.24%.	63,146
	\$ 154,171

The future minimum lease obligations as of June 30, 2013, were as follows:

Year Ending June 30,	
2014	\$ 75,557
2015	34,907
2016	34,906
2017	16,689
Total Minimum Lease Obligation	162,059
Less Amount Representing Interest	(7,888)
Present Value of Minimum Lease Payments	\$ 154,171

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**Proprietary Fund Debt**

**Revenue Bonds**

Bonds payable at June 30, 2013 were comprised of the following issues:

\$4,224,434 Combined Utility System Refunding and Improvement Revenue Bonds, Series 2012A, of the City of Clinton, South Carolina, dated November 15, 2012. Annual principal maturities of \$294,258 to \$692,856 and a semi-annual interest rate of 1.88% maturing in 2020.	\$ 3,931,176
\$460,547 Combined Utility System Refunding Revenue Bonds, Series 2012B, of the City of Clinton, South Carolina, dated November 15, 2012. Annual principal maturities of \$150,034 to \$310,513 and a semi-annual interest rate of 1.65% maturing in 2014.	310,513
\$4,000,000 Combined Utility System Refunding and Improvement Revenue Bonds of the City of Clinton, South Carolina, dated June 7, 2011. Annual maturities of \$114,000 to \$951,000 and semi-annual interest at 3.32% maturing in 2023.	<u>3,772,000</u> 8,013,689
Less current maturities	<u>(742,201)</u>
Long-term liabilities	<u><u>\$ 7,271,488</u></u>

Debt service requirements to maturity including interest on all outstanding revenue bonds at June 30, 2013 are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 742,201	\$ 202,106	\$ 944,307
2015	462,818	189,336	652,154
2016	758,650	178,879	937,529
2017	796,337	162,801	959,138
2018	813,421	145,915	959,336
Thereafter	4,440,262	425,372	4,865,634
	\$ 8,013,689	\$ 1,304,409	\$ 9,318,098

During the year ended June 30, 2013, the City issued \$4,224,433 in Series 2012A Combined Utility System Refunding and Improvement Revenue Bonds with an interest rate of 1.88%. The proceeds were used to refund \$3,775,000 of outstanding 2005 Series A Refunding and Revenue Bonds which had an interest rate of 3.68% and \$174,652 of outstanding 2008 Revenues Bonds which had interest rates of 3.5%. The City refunded the 2005 Series A and 2008 Bonds to reduce its total debt service payments over 8 years by \$438,019 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$227,659.

During the year ended June 30, 2013, the City issued \$460,547 in Series 2012B Combined Utility System Refunding Revenue Bonds with an interest rate of 1.65%. The proceeds were used to partially refund \$890,000 of outstanding 2005 Series B Revenue Bonds which had an interest rate of 5.5%. The City

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

refunded the 2005 Series B Revenue Bonds to reduce its total debt service payments over 4 years by \$521,964 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$39,288.

The 2005 Series A Refunding and Revenue Bonds carried a deferred loss on the refunding with a net book value of \$232,286 at June 30, 2012, which was written off during the current year due to the refunding of the 2005 bonds.

The Series 2012 A and B Refunding and Revenue Bonds resulted in a book loss of \$386,148 that is being amortized over the original remaining life of the old bonds that were defeased. The unamortized loss for the refundings is grouped with the related bond liability on the statement of net position. Amortization has been included in interest expense and was \$29,796 for the year ended June 30, 2013.

There are a number of limitations and restrictions contained in the revenue bond ordinances. The City believes it is in compliance with all significant limitations and restrictions.

**Capital Lease Obligations**

Capital leases payable at June 30, 2013 were comprised of the following:

\$109,568 Bucket truck capital lease for 6 years, beginning September, 2008. Annual payments of \$24,356, including interest of 3.65%.	\$ 23,918
\$88,331 Bucket truck capital lease for 5 years, beginning November, 2011. Annual payments of \$19,029, including interest of 2.51%.	54,337
\$72,155 Bucket truck capital lease for 5 years, beginning March, 2013. Annual payments of \$15,417, including interest at 2.3%.	48,469
	\$ 126,724

The future minimum lease obligations as of June 30, 2013, were as follows:

Year Ending June 30,		
2014		\$ 58,673
2015		34,446
2016		34,446
2017		5,608
Total Minimum Lease Obligation		133,173
Less Amount Representing Interest		(6,448)
Present Value of Minimum Lease Payments		\$ 126,725

**Discretely Presented Component Unit Debt**

**Note Payable**

On April 15, 2010, the Economic Development Corporation refinanced the \$717,405 outstanding notes payable balance, that was used for the purchase of land held for resale, for a new note payable of \$967,405. The new note matures May 2019 with annual installments of \$96,741 beginning May 2011 with an interest rate of 4.75% payable for the first five years.

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

Annual debt requirements for the City’s note payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 96,741	\$ 26,807	\$ 123,548
2015	96,741	22,111	118,852
2016	96,741	17,414	114,155
2017	96,741	12,716	109,457
2018	96,741	8,021	104,762
2019-2020	57,770	6,812	64,582
	<u>\$ 541,475</u>	<u>\$ 93,881</u>	<u>\$ 635,356</u>

**Deferred/Unearned Revenue**

The balance in deferred/unearned revenue on the fund statements and the government-wide statements at yearend is composed of the following elements:

	Fund Statements	Accrual Adjustment	Government- wide
Taxes receivable	\$ 45,623	\$ (45,623)	\$ -
Other	3,604	-	3,604
	<u>\$ 49,227</u>	<u>\$ (45,623)</u>	<u>\$ 3,604</u>

Unearned revenue of the discretely presented component unit of \$240,000 represents deferred rental income.

**Interfund Receivables, Payables and Transfers**

On June 30, 2013, the Enterprise Fund was due \$493,142 from the General Fund for utility services incurred by the General Fund. The Enterprise Fund was due \$670,414 from the Economic Development Corporation for expenditures relating to economic development.

The composition of interfund transfers during the year was as follows:

	Transfer to General Fund
Transfer from	
Combined Utility Fund for contributions	\$ 1,639,894
Combined Utility Fund for overhead allocations	386,267
	<u>\$ 2,026,161</u>

Transfers were made to help cover operating and overhead expenses of the General Fund.

**Employee Retirement Systems**

The City maintains two cost-sharing, multiple-employer, defined benefit pension plans for its employees. The South Carolina Retirement System (SCRS) covers substantially all of the City’s general employees, and the South Carolina Police Officers’ Retirement System (SCPORS) covers all of the City’s public safety employees. These plans are administered by the Retirement Division of the SC Public Employee Benefit Authority (SC PEBA).

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

Both the SCRS and SCPORS offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The Plan’s provisions are established under Title 9 of the SC Code of Laws. Any amendments would necessitate an amendment to the law.

A Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the SCRS and SCPORS is issued and publicly available on the South Carolina Retirement System’s website at [www.retirement.sc.gov](http://www.retirement.sc.gov), or a copy may be obtained by submitting a request to the South Carolina Retirement Systems, P.O. Box 11960, Columbia, SC 29211-1960.

Both employees and employers are required to contribute to the Plans under the authority of Title 9 of the SC Code of Laws. The employees contribute the following:

- South Carolina Retirement System – 7.0% of salary
- South Carolina Police Officers Retirement System – 7.0% of salary

The City’s contribution on behalf of employees is at the following actuarially determined rates:

- South Carolina Retirement System – 10.45% of salary
- South Carolina Police Officers Retirement System – 11.90% of salary

In addition to the above rates, the City, as a participating employer with the South Carolina Retirement System, contributes .15% of payroll to provide a group life insurance benefit for its participants. The City, as a participating employer under the Police Officers Retirement System, also contributes .2% of payroll to provide a group life insurance benefit and .2% of payroll to provide an accidental death benefit for its participants.

All employers contribute at the actuarially required contribution rates.

The total required contributions for both plans and the percentage of that amount contributed for the current year and each of the two preceding years are as follows:

	<u>South Carolina Retirement System</u>		<u>South Carolina Police Officers Retirement System</u>	
	<u>Amount</u>	<u>Percentage Contributed</u>	<u>Amount</u>	<u>Percentage Contributed</u>
Year Ended June 30, 2013				
Employer	\$ 268,323	100%	\$ 158,567	100%
Employees	176,935	100%	90,129	100%
Year Ended June 30, 2012				
Employer	\$ 227,713	100%	\$ 147,299	100%
Employees	155,232	100%	81,394	100%
Year Ended June 30, 2011				
Employer	\$ 228,115	100%	\$ 170,641	100%
Employees	157,907	100%	96,198	100%

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**Post Retirement Health Care Benefits**

**Description**

Effective July 1, 2008, the City adopted the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions (GASB 45). The City, through a substantive commitment to provide certain postretirement healthcare maintains a single employer defined benefit plan to provide certain postretirement healthcare benefits. For all participants that have a minimum of 25 years of uninterrupted service with the City and are eligible to retire under SCRS/SCPORS, the City explicitly provides the entire cost of coverage for retirees and 50% of the cost of coverage for their spouses prior to the age of 65 that is not paid for by retiree contributions. The cost of coverage for pre-65 retirees and spouses is also implicitly subsidized by the City through the development of an average premium rate. After age 65, the City will pay for up to 50% of a Medicare supplement for retirees, not to exceed \$85 per month per retiree. Spouses receive no benefit after age 65. Because the Plan consists solely of the City’s firm commitment to provide OPEB through the payment premiums to the State of South Carolina Insurance Benefits Program, no stand-alone financial report is either available or generated.

**Funding Policy**

As of June 30, 2013, there were 26 employee retirees receiving benefits. The Plan is financed on a pay-as-you-go basis and through separate contributions to the South Carolina Other Retirement Benefits Employer Trust (SCORBET), a tax-exempt governmental trust under Internal Revenue Code 115. SCORBET allows each member to choose a contribution amount into the trust based on the actuarially determined annual required contribution. Each member continues to contract with its current health provider for retiree health care coverage and the SCORBET pays the benefits chosen by the employer directly to the employer or provider. Each member also shares in the SCORBET’s administrative and investment related expenses.

**Annual OPEB Cost and Net OPEB Obligation (Asset)**

The City’s OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities or funding excess over a period not to exceed thirty years. The following table presents the OPEB cost for the year, the amount actually contributed and changes in the OPEB Plan for the year ended June 30, 2013:

	Net OPEB Obligation (Asset)		
	Governmental Activities	Business-type Activities	Total
Annual required contribution (ARC)	\$ 103,966	\$ 73,755	\$ 177,721
Interest on net OPEB obligation	2,054	2,950	5,004
Adjustment to ARC	<u>(3,025)</u>	<u>(7,688)</u>	<u>(10,713)</u>
Annual OPEB cost	102,995	69,017	172,012
Contributions made	<u>(65,713)</u>	<u>(27,201)</u>	<u>(92,914)</u>
Increase in net OPEB (asset) obligation	37,282	41,816	79,098
Net OPEB obligation (assets), beginning of year	<u>51,367</u>	<u>130,535</u>	<u>181,902</u>
Net OPEB obligation (assets), end of year	<u>\$ 88,649</u>	<u>\$ 172,351</u>	<u>\$ 261,000</u>

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2013**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation (asset) for the five latest years were as follows:

Governmental Activities			
Year Ended	Annual OPEB Cost	% of OPEB Contributed	Net OPEB Obligation (Asset)
June 30, 2013	\$ 102,995	63.80%	\$ 88,649
June 30, 2012	102,642	84.18%	51,367
June 30, 2011	102,017	91.83%	35,128
June 30, 2010	101,588	73.00%	26,796
June 30, 2009	101,549	100.62%	(628)
Business-type Activities			
Year Ended	Annual OPEB Cost	% of OPEB Contributed	Net OPEB Obligation (Asset)
June 30, 2013	\$ 69,017	39.41%	\$ 172,351
June 30, 2012	72,797	38.42%	130,535
June 30, 2011	63,760	46.35%	85,707
June 30, 2010	51,472	49.62%	51,504
June 30, 2009	51,451	50.84%	25,574
Total			
Year Ended	Annual OPEB Cost	% of OPEB Contributed	Net OPEB Obligation (Asset)
June 30, 2013	\$ 172,012	54.01%	\$ 261,000
June 30, 2012	175,439	65.19%	181,902
June 30, 2011	165,777	74.34%	120,835
June 30, 2010	153,060	65.14%	78,300
June 30, 2009	153,000	83.70%	24,946

**Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the Plan had not been funded. The actuarial accrued liability for benefits was \$1,772,600, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,772,600. The covered payroll (annual payroll of active employees covered by the plan) was \$3,251,800, and the ratio of the UAAL to the covered payroll was 54.51%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress for retiree health plan, presented as RSI following the notes to financial statements, will present multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF CLINTON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs by the employer to a point. The actuarial and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table summarizes actuarial methods and assumptions used:

Valuation Date	July 1, 2011
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar Amount, Closed
Amortization Period	27 years from July 1, 2011
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.00% annual returns net of both administrative and investment related expenses
Medical Cost Trend Rate	
Pre-Medicare Trend Rate	10.50% - 5.00%
Post-Medicare Trend Rate	Yes
Ultimate Trend Rate	5.00%
Year of Ultimate Trend Rate	2018
Payroll Growth Rate	3.00%
Inflation Rate	3.00%

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City's risk management has purchased insurance policies divided into coverage for comprehensive general liability, including all property and liability, workers' compensation and crime insurance. The City contracts with brokers, BB&T-CIC, for coverage with St. Paul Travelers Insurance Company. The City pays quarterly premiums for its insurance coverage and has various deductibles with a maximum of \$1,000,000 insurance coverage per occurrence.

The City contracts with the Ferguson Employee Benefit Agency for employee health insurance coverage through Blue Choice of South Carolina. The City pays monthly premiums for its insurance coverage and has no further responsibilities beyond the premium amounts.

CITY OF CLINTON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2013

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

There have been no significant reductions in insurance coverage by major category of risk in recent years. Settled claims resulting from risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 3 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS**

**Piedmont Municipal Power Agency**

The City of Clinton is a charter member of the Piedmont Municipal Power Agency (PMPA) that was formed in 1979. PMPA is a public body corporate and politic of the State of South Carolina consisting of ten municipalities in South Carolina, which purchase electric power from PMPA. PMPA owns a 25% undivided interest in Unit 2 of Duke Power's Catawba Nuclear Station in York County, South Carolina.

The City has agreed pursuant to the Catawba Nuclear Project Power Sales Agreement, in exchange for a share of the power and energy from the Catawba Nuclear Station, to take or pay for a cost of its share (7.84%) of the Catawba Project output whether or not the Project is operable or operating. Such costs are all of PMPA's costs resulting from or attributable to the ownership, operation, maintenance, termination, retirement from service, decommissioning of, necessary repairs and additions, and amounts required to be deposited to debt service funds. In addition, if any other party to the agreement defaults, the City's share of the Project output would increase prorata by a maximum of 25% of the nondefaulting participant's Catawba share prior to any such increases. The Sales Agreement is in effect until the later of January 1, 2022 or the completion of payment and satisfaction of bon obligations under the agreement. In no case may the agreement extend beyond August 1, 2035.

The purpose of the contract is to purchase power from PMPA at rates lower than Duke Power Company would charge. If future power rates of PMPA become greater than expected, the City of Clinton would be committed to buy from PMPA at the higher rates. The amount of this commitment cannot be estimated as of June 30, 2013.

For the year ended June 30, 2013, the City's purchased power expense from PMPA was \$10,243,617. Also, the amount included in accounts payable and accrued liabilities for accrued purchased power from PMPA at June 30, 2013 is \$926,586.

**Arbitrage Rebate Liabilities**

Arbitrage represents the difference of "spread" between lower interest rates on tax-exempt government securities and the higher interest on taxable investment securities. The Internal Revenue Code requires local governments to rebate arbitrage earnings to the federal government every five years for as long as the local government has tax-exempt bonds outstanding. No estimate of potential liability, if any, has been made on the accompanying financial statements.

**Federal Grants**

The City has participated in a number of federally assisted grant programs. Grantor agencies reserve the right to perform certain audit work in addition to the work performed by the City's independent auditors. Disallowed costs, if any, resulting from such additional work, would have to be incurred by the City. Management does not believe that any significant costs will be incurred by the City if such additional work should occur.

CITY OF CLINTON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2013

**NOTE 3 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS – CONTINUED**

**Construction and Other Purchase Commitments**

At yearend, the City has a commitment with an outside contractor for the construction of water plant upgrades totaling approximately \$98,000. In September 2013, the City entered into a commitment to purchase a utility billing system which includes equipment, software, and implementation/training for approximately \$395,000. The purchase and implementation is expected to be made in increments over the next 4 years.

**NOTE 4 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 15, 2013, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF CLINTON, SOUTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2013**

	<b>General Fund</b>			<b>Variance With Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$ 547,000	\$ 547,000	\$ 518,687	\$ (28,313)
Licenses and permits	690,000	690,000	945,883	255,883
Intergovernmental revenues	719,000	719,000	885,574	166,574
Fines and forfeitures	209,000	209,000	207,495	(1,505)
Accommodations tax	128,000	128,000	180,009	52,009
Hospitality tax	250,000	250,000	360,529	110,529
Charges for services	743,136	743,136	733,790	(9,346)
Contributions and grants	558,000	558,000	663,171	105,171
Interest	970	970	10,177	9,207
Miscellaneous	25,500	25,500	48,037	22,537
<b>Total revenues</b>	<b>3,870,606</b>	<b>3,870,606</b>	<b>4,553,352</b>	<b>682,746</b>
<b>EXPENDITURES</b>				
Current				
General government	1,568,615	1,568,615	1,279,074	289,541
Public safety	2,865,014	2,865,014	2,562,079	302,935
Streets and sanitation	677,188	677,188	636,656	40,532
Museum	21,295	21,295	29,405	(8,110)
Culture and recreation	352,218	352,218	341,133	11,085
Accommodations	70,000	70,000	-	70,000
Capital outlay	106,870	106,870	325,339	(218,469)
Debt service				
Principal retirement	297,920	297,920	201,178	96,742
Interest	54,362	54,362	22,663	31,699
<b>Total expenditures</b>	<b>6,013,482</b>	<b>6,013,482</b>	<b>5,397,527</b>	<b>615,955</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(2,142,876)</b>	<b>(2,142,876)</b>	<b>(844,175)</b>	<b>1,298,701</b>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	5,000	5,000	-	(5,000)
Operating transfers in				
Overhead allocation transfer	386,267	386,267	386,267	-
Contributions transfer	1,751,609	1,751,609	1,639,894	(111,715)
<b>Total other financing sources</b>	<b>2,142,876</b>	<b>2,142,876</b>	<b>2,026,161</b>	<b>(116,715)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,181,986</b>	<b>\$ 1,181,986</b>
<b>Fund Balance, beginning</b>			<b>2,220,845</b>	
<b>Fund Balance, ending</b>			<b>\$ 3,402,831</b>	

Note: The budget is prepared and monitored on a U.S. generally accepted accounting principles (GAAP) basis of accounting.

CITY OF CLINTON, SOUTH CAROLINA

SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN  
JUNE 30, 2013

<u>Actuarial Valuation Date July 1,</u>	<u>Actuarial Value of Assets ( A )</u>	<u>Actuarial Accrued Liability ( AAL ) ( B )</u>	<u>Unfunded Actuarial Accrued Liability ( UAAL ) ( B-A )</u>	<u>Ratio of Funded Obligation ( A/B )</u>	<u>Covered Payroll ( C )</u>	<u>UAAL as a % of Covered Payroll (( B-A )/C )</u>
2007	\$ -	\$ 1,440,000	\$ 1,440,000	0.00%	\$ 3,724,000	38.67%
2009	\$ -	\$ 1,448,300	\$ 1,448,300	0.00%	\$ 3,430,100	42.22%
2011	\$ -	\$ 1,772,600	\$ 1,772,600	0.00%	\$ 3,251,800	54.51%

**OTHER SUPPLEMENTARY INFORMATION**

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**CITY OF CLINTON, SOUTH CAROLINA**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
<b>General Government</b>			
<b>Mayor and City Council</b>			
Salaries and employee benefits	\$ 62,446	\$ 58,988	\$ 3,458
Operating	52,225	33,224	19,001
	<u>114,671</u>	<u>92,212</u>	<u>22,459</u>
<b>Administration</b>			
Salaries and employee benefits	195,171	274,126	(78,955)
Operating	466,677	170,212	296,465
Capital outlay	5,000	221,789	(216,789)
Debt service	261,494	133,041	128,453
	<u>928,342</u>	<u>799,168</u>	<u>129,174</u>
<b>Economic Development</b>			
Salaries	63,426	49,862	13,564
Operating	75,300	78,741	(3,441)
Capital outlay	4,000	3,829	171
	<u>142,726</u>	<u>132,432</u>	<u>10,294</u>
<b>Municipal Court</b>			
Salaries and employee benefits	65,787	72,371	(6,584)
Operating	76,400	108,810	(32,410)
	<u>142,187</u>	<u>181,181</u>	<u>(38,994)</u>
<b>Legal Services</b>			
Operating	26,100	27,270	(1,170)
	<u>26,100</u>	<u>27,270</u>	<u>(1,170)</u>
<b>Finance Department</b>			
Salaries and employee benefits	221,537	221,312	225
Operating	263,546	184,158	79,388
	<u>485,083</u>	<u>405,470</u>	<u>79,613</u>
<b>Total General Government</b>	<u>1,839,109</u>	<u>1,637,733</u>	<u>201,376</u>
<b>Public Safety</b>			
<b>Police Department</b>			
Salaries and employee benefits	2,164,172	1,938,415	225,757
Operating	434,881	466,585	(31,704)
Capital outlay	76,370	91,866	(15,496)
Debt service	40,645	40,645	-
	<u>2,716,068</u>	<u>2,537,511</u>	<u>178,557</u>
<b>Planning and Inspections</b>			
Salaries and employee benefits	221,836	126,081	95,755
Operating	44,125	30,998	13,127
Capital outlay	500	-	500
	<u>266,461</u>	<u>157,079</u>	<u>109,382</u>
<b>Total Public Safety</b>	<u>2,982,529</u>	<u>2,694,590</u>	<u>287,939</u>

(Continued)

**CITY OF CLINTON, SOUTH CAROLINA**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
<b>Streets and Sanitation</b>			
<b>Streets</b>			
Salaries and employee benefits	\$ 213,128	\$ 190,633	\$ 22,495
Operating	71,425	98,091	(26,666)
Debt service	18,217	18,217	-
	<u>302,770</u>	<u>306,941</u>	<u>(4,171)</u>
<b>Sanitation</b>			
Salaries and employee benefits	239,485	251,552	(12,067)
Operating	153,150	96,380	56,770
Capital outlay	13,000	-	13,000
Debt service	31,926	31,938	(12)
	<u>437,561</u>	<u>379,870</u>	<u>57,691</u>
<b>Total Streets and Sanitation</b>	<u>740,331</u>	<u>686,811</u>	<u>53,520</u>
<b>Museum</b>			
Salaries and employee benefits	15,120	13,768	1,352
Operating	6,175	15,637	(9,462)
<b>Total Museum</b>	<u>21,295</u>	<u>29,405</u>	<u>(8,110)</u>
<b>Cultural and Recreational</b>			
Salaries and employee benefits	117,268	94,873	22,395
Operating	234,950	246,260	(11,310)
Capital outlay	8,000	7,855	145
<b>Total Cultural and Recreational</b>	<u>360,218</u>	<u>348,988</u>	<u>11,230</u>
<b>Accomodations</b>			
Operating	70,000	-	70,000
<b>TotalAccomodations</b>	<u>70,000</u>	<u>-</u>	<u>70,000</u>
<b>Total General Fund Expenditures</b>	<u>\$ 6,013,482</u>	<u>\$ 5,397,527</u>	<u>\$ 615,955</u>

CITY OF CLINTON, SOUTH CAROLINA

SCHEDULE OF FINES AND ASSESSMENTS COLLECTED

GENERAL FUND

YEAR ENDED JUNE 30, 2013

Municipal Court Assessments and Court Surcharges

Retained for victim's assistance	\$	13,851
Municipal court fines remitted to the state		<u>116,446</u>
Total Fines and Assessments Collected	\$	<u><u>130,297</u></u>

## Statistical Section

This part of the 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 government's overall financial health.

### CONTENTS

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain trend information to help the reader assess the government's most significant local revenue sources.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the City's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

*Sources:* Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The government implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Clinton, South Carolina  
Net Position by Component  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

	Fiscal Years									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 5,427,510	\$ 5,380,407	\$ 5,305,973	\$ 6,245,735	\$ 6,240,831	\$ 5,215,823	\$ 2,522,698	\$ 2,461,642	\$ 2,534,996	\$ 2,172,808
Restricted	2,687,316	2,192,390	1,930,725	120,951	60,000	25,073	-	-	-	-
Unrestricted	445,248	(212,777)	(530,943)	200,610	(664,830)	(481,829)	229,640	(471,974)	(176,259)	(496,224)
Total Governmental Activities Net Position	<u>8,560,074</u>	<u>7,360,020</u>	<u>6,705,755</u>	<u>6,567,296</u>	<u>5,636,001</u>	<u>4,759,067</u>	<u>2,752,338</u>	<u>1,989,668</u>	<u>2,358,737</u>	<u>1,676,584</u>
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt	5,667,030	3,782,879	3,963,898	3,987,388	4,055,002	4,576,566	4,606,805	5,653,939	6,283,999	6,021,601
Restricted	4,152,646	4,275,228	4,532,590	-	-	-	-	-	-	-
Unrestricted (Deficit)	2,846,938	2,193,526	893,495	3,970,723	3,459,117	3,784,152	4,271,333	3,672,367	3,071,846	3,592,474
Total Business-type Activities Net Position	<u>12,666,614</u>	<u>10,251,633</u>	<u>9,389,983</u>	<u>7,958,111</u>	<u>7,514,119</u>	<u>8,360,718</u>	<u>8,878,138</u>	<u>9,326,306</u>	<u>9,355,845</u>	<u>9,614,075</u>
<b>Primary Government</b>										
Invested in capital assets, net of related debt	11,094,540	9,163,286	9,269,871	10,233,123	10,295,833	9,792,389	7,129,503	8,115,581	8,818,995	8,194,409
Restricted	6,839,962	6,467,618	6,463,315	120,951	60,000	25,073	-	-	-	-
Unrestricted	3,292,186	1,980,749	362,552	4,171,333	2,794,287	3,302,323	4,500,973	3,200,393	2,895,587	3,096,250
Total Primary Government Net Position	<u>\$ 21,226,688</u>	<u>\$ 17,611,653</u>	16,095,738	<u>\$ 14,525,407</u>	<u>\$ 13,150,120</u>	<u>\$ 13,119,785</u>	<u>\$ 11,630,476</u>	<u>\$ 11,315,974</u>	<u>\$ 11,714,582</u>	<u>\$ 11,290,659</u>
Prior Period Adjustment			(411,559)							
Total Primary Government Net Position, as restated			<u>\$ 15,684,179</u>							

Note: The government began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

In addition, the government removed the blended component unit called the Economic Development Corporation as of 2011.

City of Clinton, South Carolina  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>										
<u>Governmental Activities:</u>										
General government	\$ 1,437,169	\$ 1,300,773	\$ 1,295,582	\$ 1,220,943	\$ 1,372,530	\$ 1,216,241	\$ 1,785,710	\$ 1,082,973	\$ 814,568	\$ 844,815
Public safety	2,711,603	2,693,083	3,296,784	3,371,542	3,706,146	3,478,603	3,379,432	3,285,175	3,079,613	2,906,301
Streets and sanitation	828,410	919,878	1,152,525	823,845	860,665	803,276	932,856	1,050,878	1,002,933	859,123
Museum	29,405	28,201	39,020	36,519	30,757	14,414	24,402	23,197	51,343	56,051
Cultural and recreation	341,133	371,595	344,306	414,612	380,733	487,729	423,428	347,284	431,827	345,322
General public	-	-	-	-	-	-	-	-	-	217,686
Interest on long-term debt	19,810	21,626	36,322	46,892	45,375	51,595	53,871	38,607	20,691	17,548
Total Governmental Activities Expenses	<u>5,367,530</u>	<u>5,335,156</u>	<u>6,164,539</u>	<u>5,914,353</u>	<u>6,396,206</u>	<u>6,051,858</u>	<u>6,599,699</u>	<u>5,828,114</u>	<u>5,400,975</u>	<u>5,246,846</u>
<u>Business-type Activities:</u>										
Public works	1,110,509	1,096,479	971,533	896,709	1,102,250	1,002,794	964,756	953,155	810,439	620,857
Water and sewer	3,421,807	3,412,646	3,314,660	3,540,149	3,543,150	3,412,184	3,710,374	3,097,398	2,874,736	3,077,335
Electric	11,875,161	11,807,148	11,075,488	10,177,208	9,901,610	9,717,295	9,021,313	9,215,461	8,851,717	8,665,982
Total Business-type Activities Expenses	<u>16,407,477</u>	<u>16,316,273</u>	<u>15,361,681</u>	<u>14,614,066</u>	<u>14,547,010</u>	<u>14,132,273</u>	<u>13,696,443</u>	<u>13,266,014</u>	<u>12,536,892</u>	<u>12,364,174</u>
Total Primary Government Expenses	<u>21,775,007</u>	<u>21,651,429</u>	<u>21,526,220</u>	<u>20,528,419</u>	<u>20,943,216</u>	<u>20,184,131</u>	<u>20,296,142</u>	<u>19,094,128</u>	<u>17,937,867</u>	<u>17,611,020</u>
<u>Governmental Activities:</u>										
Charges for services										
General government	945,883	700,768	728,486	726,281	784,473	-	-	-	-	4,100
Public safety	267,866	261,484	609,697	602,499	574,395	1,505,245	1,257,787	1,204,143	1,245,292	1,322,915
Streets and sanitation	733,790	752,282	353,313	370,654	369,226	373,479	358,592	321,559	288,109	-
Operating grants and contributions	663,171	553,166	1,088,829	1,116,663	1,318,142	615,355	1,168,980	-	-	705,827
Capital grants and contributions	-	-	358,835	31,761	557,642	811,434	1,000,000	697,809	1,198,155	-
Total Governmental Activities Program Revenues	<u>2,610,710</u>	<u>2,267,700</u>	<u>3,139,160</u>	<u>2,847,858</u>	<u>3,603,878</u>	<u>3,305,513</u>	<u>3,785,359</u>	<u>2,223,511</u>	<u>2,731,556</u>	<u>2,032,842</u>
<u>Business-type Activities:</u>										
Utility Sales	19,083,398	18,301,660	17,910,853	16,348,768	14,855,640	15,256,635	14,430,222	14,376,677	13,493,046	13,333,924
Hook up fees	38,731	38,450	42,771	41,400	38,965	40,180	42,250	40,353	46,050	47,996
Penalties	219,166	383,064	211,313	239,276	200,520	193,431	201,377	212,080	204,158	179,216
Operating grants and contributions	-	-	-	-	-	42,008	-	-	-	445,863
Capital grants and contributions	1,223,963	439,363	236,960	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	<u>20,565,258</u>	<u>19,162,537</u>	<u>18,401,897</u>	<u>16,629,444</u>	<u>15,095,125</u>	<u>15,532,254</u>	<u>14,673,849</u>	<u>14,629,110</u>	<u>13,743,254</u>	<u>14,006,999</u>
Total Primary Government Program Revenues	<u>23,175,968</u>	<u>21,430,237</u>	<u>21,541,057</u>	<u>19,477,302</u>	<u>18,699,003</u>	<u>18,837,767</u>	<u>18,459,208</u>	<u>16,852,621</u>	<u>16,474,810</u>	<u>16,039,841</u>
<b>Net (Expense) Revenue</b>										
Governmental Activities	(2,756,820)	(3,067,456)	(3,025,379)	(3,066,495)	(2,792,328)	(2,746,345)	(2,814,340)	(3,604,603)	(2,669,419)	(3,214,004)
Business-type Activities	<u>4,157,781</u>	<u>2,846,264</u>	<u>3,040,216</u>	<u>2,015,378</u>	<u>548,115</u>	<u>1,399,981</u>	<u>977,406</u>	<u>1,363,096</u>	<u>1,206,362</u>	<u>1,642,825</u>
Total Primary Government	<u>1,400,961</u>	<u>(221,192)</u>	<u>14,837</u>	<u>(1,051,117)</u>	<u>(2,244,213)</u>	<u>(1,346,364)</u>	<u>(1,836,934)</u>	<u>(2,241,507)</u>	<u>(1,463,057)</u>	<u>(1,571,179)</u>

(continued)

City of Clinton, South Carolina  
Changes in Net Position  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Revenues and Other Changes in Net Position</b>										
<u>Governmental Activities:</u>										
Taxes	\$ 1,686,392	\$ 1,642,785	\$ 1,666,738	\$ 1,748,808	\$ 1,682,231	\$ 1,504,992	\$ 1,326,390	\$ 1,231,373	\$ 1,134,890	\$ 1,234,423
Grants and contributions not restricted to specific programs	183,461	157,962	192,346	235,149	274,252	274,252	245,746	230,320	229,147	218,862
Miscellaneous	60,860	120,774	299,367	239,567	180,669	763,579	540,935	195,981	477,481	307,259
Transfers	2,026,161	1,800,200	1,740,045	1,679,446	1,587,583	1,688,105	1,609,055	1,577,860	1,624,220	1,256,922
<b>Total Governmental Activities</b>	<u>3,956,874</u>	<u>3,721,721</u>	<u>3,898,496</u>	<u>3,902,970</u>	<u>3,724,735</u>	<u>4,230,928</u>	<u>3,722,126</u>	<u>3,235,534</u>	<u>3,465,738</u>	<u>3,017,466</u>
<u>Business-type Activities:</u>										
Miscellaneous	283,361	227,145	131,701	108,060	192,870	158,682	183,451	185,225	159,628	257,973
Transfers	(2,026,161)	(1,800,200)	(1,740,045)	(1,679,446)	(1,587,583)	(1,688,105)	(1,609,055)	(1,577,860)	(1,624,220)	(1,256,922)
<b>Total Business-type Activities</b>	<u>(1,742,800)</u>	<u>(1,573,055)</u>	<u>(1,608,344)</u>	<u>(1,571,386)</u>	<u>(1,394,713)</u>	<u>(1,529,423)</u>	<u>(1,425,604)</u>	<u>(1,392,635)</u>	<u>(1,464,592)</u>	<u>(998,949)</u>
<b>Total Primary Government</b>	<u>2,214,074</u>	<u>2,148,666</u>	<u>2,290,152</u>	<u>2,331,584</u>	<u>2,330,022</u>	<u>2,701,505</u>	<u>2,296,522</u>	<u>1,842,899</u>	<u>2,001,146</u>	<u>2,018,517</u>
<b>Change in Net Position</b>										
Governmental Activities	1,200,054	654,265	873,117	836,475	932,407	1,484,583	907,786	(369,069)	796,319	(196,538)
Prior Period Adjustment	-	-	-	94,820	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<u>1,200,054</u>	<u>654,265</u>	<u>873,117</u>	<u>931,295</u>	<u>932,407</u>	<u>1,484,583</u>	<u>907,786</u>	<u>(369,069)</u>	<u>796,319</u>	<u>(196,538)</u>
Business-type Activities	2,414,981	1,273,209	1,431,872	443,992	(846,598)	(129,442)	(448,198)	(29,539)	(258,230)	643,876
Prior Period Adjustment	-	-	(411,559)	-	-	-	-	-	-	-
<b>Total Primary Government</b>	<u>\$ 3,615,035</u>	<u>\$ 1,927,474</u>	<u>\$ 1,893,430</u>	<u>\$ 1,375,287</u>	<u>\$ 85,809</u>	<u>\$ 1,355,141</u>	<u>\$ 459,588</u>	<u>\$ (398,608)</u>	<u>\$ 538,089</u>	<u>\$ 447,338</u>

Note: The government began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. In addition, the government removed the blended component unit called the Economic Development Corporation as of 2011.

City of Clinton, South Carolina  
Program Revenues by Function/Program  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

Function/Program	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities</b>										
General government	\$ 1,433,203	\$ 1,209,152	\$ 1,576,622	\$ 1,578,526	\$ 1,996,856	\$ 1,307,122	\$ 1,952,269	\$ 595,439	\$ 1,024,842	\$ 506,055
Public safety	423,052	282,809	689,669	735,989	1,080,858	1,550,448	1,377,674	1,306,513	1,418,605	1,526,787
Streets and sanitation	733,790	752,282	712,148	370,654	409,226	373,479	358,592	321,559	288,109	-
Museum	7,304	8,868	114,687	-	-	-	-	-	-	-
Cultural and recreation	13,361	14,589	46,034	143,439	116,938	74,464	96,823	-	-	-
Subtotal Governmental Activities	<u>2,610,710</u>	<u>2,267,700</u>	<u>3,139,160</u>	<u>2,828,608</u>	<u>3,603,878</u>	<u>3,305,513</u>	<u>3,785,358</u>	<u>2,223,511</u>	<u>2,731,556</u>	<u>2,032,842</u>
<b>Business-type Activities:</b>										
Public works	631,277	366,118	299,046	280,676	239,485	233,611	243,627	252,433	250,208	227,212
Water and sewer	4,398,735	4,588,589	4,323,426	4,059,056	3,854,730	4,246,996	3,881,204	3,742,092	3,461,221	3,964,182
Electric	15,535,246	14,207,830	13,560,212	12,289,712	11,000,910	11,051,647	10,549,018	10,634,595	10,031,825	9,815,605
Subtotal Business-type Activities	<u>20,565,258</u>	<u>19,162,537</u>	<u>18,182,684</u>	<u>16,629,444</u>	<u>15,095,125</u>	<u>15,532,254</u>	<u>14,673,849</u>	<u>14,629,120</u>	<u>13,743,254</u>	<u>14,006,999</u>
Total Primary Government	23,175,968	21,430,237	21,321,844	19,458,052	18,699,003	18,837,767	18,459,207	16,852,631	16,474,810	16,039,841
Prior Period Adjustment	-	-	(411,559)	-	-	-	-	-	-	-
Total Primary Government	<u>\$ 23,175,968</u>	<u>\$ 21,430,237</u>	<u>\$ 20,910,285</u>	<u>\$ 19,458,052</u>	<u>\$ 18,699,003</u>	<u>\$ 18,837,767</u>	<u>\$ 18,459,207</u>	<u>\$ 16,852,631</u>	<u>\$ 16,474,810</u>	<u>\$ 16,039,841</u>

Note: The government removed the blended component unit called the Economic Development Corporation as of 2011.

City of Clinton, South Carolina  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Fund</b>										
Nonspendable	\$ 97,467	\$ 96,025	\$ 96,879	\$ 93,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	-	-	-	-	382,055	355,255	307,948	231,854	111,111	109,921
Restricted	2,687,316	2,192,390	1,930,725	1,284,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	(818,360)	(956,070)	(1,512,940)	(1,080,667)	(658,269)	(493,947)
Unrestricted:										
Committed	-	444,530	394,775	138,984	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	618,048	(512,100)	(769,688)	(980,315)	-	-	-	-	-	-
<b>Total General Fund</b>	<u>3,402,831</u>	<u>2,220,845</u>	<u>1,652,691</u>	<u>536,613</u>	<u>(436,305)</u>	<u>(600,815)</u>	<u>(1,204,992)</u>	<u>(848,813)</u>	<u>(547,158)</u>	<u>(384,026)</u>
<b>All Other Governmental Funds</b>										
Nonspendable	-	-	1,101,588	1,101,588	-	-	-	-	-	-
Reserved	-	-	-	-	1,062,588	1,148,810	1,148,810	1,448,778	837,498	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	(303,173)	(173,388)	155,854	191,415	214,072	-
Unrestricted:										
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(386,787)	(238,437)	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>-</u>	<u>-</u>	<u>714,801</u>	<u>863,151</u>	<u>759,415</u>	<u>975,422</u>	<u>1,304,664</u>	<u>1,640,193</u>	<u>1,051,570</u>	<u>-</u>
<b>Total Governmental Fund Balance</b>	<u>\$ 3,402,831</u>	<u>\$ 2,220,845</u>	<u>\$ 2,367,492</u>	<u>\$ 1,399,764</u>	<u>\$ 323,110</u>	<u>\$ 374,607</u>	<u>\$ 99,672</u>	<u>\$ 791,380</u>	<u>\$ 504,412</u>	<u>\$ (384,026)</u>

Note: In 2010 GASB 54 was implemented which eliminated the reserved and unreserved classifications and replaced them with Nonspendable, Restricted and Unrestricted. Within the Unrestricted category three classifications of fund balance were created. They are Committed, Assigned and Unassigned.

Note: The blended component unit for the Economic Development Corporation was not included in 2012, but was included for the Prior years.

City of Clinton, South Carolina  
Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues</b>										
Taxes	\$ 518,687	\$ 482,014	\$ 591,042	\$ 651,227	\$ 662,479	\$ 613,895	\$ 646,308	\$ 629,118	\$ 569,738	\$ 612,311
Fees, licenses and permits	945,883	700,768	728,486	726,090	784,473	837,851	711,586	721,869	658,879	1,035,116
Intergovernmental	885,574	902,738	1,328,628	1,038,369	1,690,632	1,758,264	1,411,905	995,366	943,139	604,216
Fines and forfeitures	207,495	200,185	269,953	253,903	225,799	268,449	230,880	204,925	284,370	167,396
Accommodations tax	180,009	138,781	147,865	137,474	107,220	66,374	45,987	35,582	26,376	27,310
Hospitality tax	360,529	366,000	328,197	321,362	305,224	247,182	-	-	-	-
Charges for services	733,790	752,282	755,222	807,928	813,595	852,342	701,074	598,909	590,152	551,303
Contributions	663,171	514,966	991,159	964,005	1,290,153	1,081,773	709,547	489,985	1,014,842	501,955
Investment income	10,177	6,866	4,670	17,796	10,605	18,210	2,549	2,146	474	7,454
Miscellaneous	48,037	113,026	172,532	133,434	(151,790)	151,324	436,225	192,480	477,011	294,235
<b>Total Revenues</b>	<b>4,553,352</b>	<b>4,177,626</b>	<b>5,317,754</b>	<b>5,051,588</b>	<b>5,738,390</b>	<b>5,895,664</b>	<b>4,896,061</b>	<b>3,870,380</b>	<b>4,564,981</b>	<b>3,801,296</b>
<b>Expenditures</b>										
General government	1,279,074	1,182,040	1,191,967	1,098,197	1,235,251	1,089,052	1,676,950	997,309	754,796	818,298
Public safety	2,562,079	2,556,863	3,046,848	3,066,580	3,417,130	3,329,282	3,199,801	3,157,865	2,886,851	2,781,574
Streets and sanitation	636,656	685,314	1,009,491	684,463	718,471	776,723	833,831	930,179	877,360	823,641
Museum	29,405	28,201	39,020	36,519	30,757	14,415	24,403	22,401	50,449	56,051
Culture and recreation	341,133	365,832	338,353	407,862	374,258	472,873	410,236	332,852	359,339	345,322
Other	-	-	-	-	-	-	-	-	-	-
Capital outlay	325,339	463,461	634,859	319,008	1,617,592	1,448,925	1,562,234	240,756	852,004	736,445
Debt service										
Principal	201,178	180,569	298,351	339,572	204,236	302,037	437,930	128,853	620,261	112,342
Interest	22,663	25,549	66,082	46,999	40,959	59,084	51,439	37,872	20,691	17,548
<b>Total Expenditures</b>	<b>5,397,527</b>	<b>5,487,829</b>	<b>6,624,971</b>	<b>5,999,200</b>	<b>7,638,654</b>	<b>7,492,391</b>	<b>8,196,824</b>	<b>5,848,087</b>	<b>6,421,751</b>	<b>5,691,221</b>
Excess of Revenues Over (Under) Expenditures	(844,175)	(1,310,203)	(1,307,217)	(947,612)	(1,900,264)	(1,596,727)	(3,300,763)	(1,977,707)	(1,856,770)	(1,889,925)
<b>Other Financing Sources (Uses)</b>										
Contributions	-	-	-	-	-	-	1,000,000	-	-	-
Issuance of long-term debt	-	-	450,000	250,000	-	-	-	611,280	1,000,000	-
Proceeds from capital leases	-	78,157	84,900	-	176,927	-	-	74,180	-	133,764
Proceeds from bond issuance	-	-	-	-	-	-	-	-	-	700,000
Sale of capital assets	-	-	-	-	-	-	-	1,355	-	5,570
Transfers in (out)	2,026,161	1,800,200	1,740,045	1,679,446	1,587,583	1,912,757	1,609,055	1,577,860	1,624,220	1,256,922
<b>Total Other Financing Sources (Uses)</b>	<b>2,026,161</b>	<b>1,878,357</b>	<b>2,274,945</b>	<b>1,929,446</b>	<b>1,764,510</b>	<b>1,912,757</b>	<b>2,609,055</b>	<b>2,264,675</b>	<b>2,624,220</b>	<b>2,096,256</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,181,986</b>	<b>\$ 568,154</b>	<b>\$ 967,728</b>	<b>\$ 981,834</b>	<b>\$ (135,754)</b>	<b>\$ 316,030</b>	<b>\$ (691,708)</b>	<b>\$ 286,968</b>	<b>\$ 767,450</b>	<b>\$ 206,331</b>
Debt Service as a percentage of noncapital expenditures	4.41%	4.10%	6.08%	6.81%	4.07%	5.98%	7.38%	2.97%	11.51%	2.62%

Note: The blended component unit for the Economic Development Corporation was not included in 2012, but was included for the Prior years.

City of Clinton, South Carolina  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Calendar Years

Calendar Year	Tax Year	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2003	2003	7,675,091	4,112,159	11,787,250	9.05	201,073,915	5.9%
2004	2004	7,655,161	3,957,436	11,612,597	9.05	201,270,016	5.8%
2005	2005	7,681,321	3,909,031	11,590,352	9.05	204,168,749	5.7%
2006	2006	7,985,181	3,824,823	11,810,004	9.85	214,900,518	5.5%
2007	2007	7,807,600	3,684,127	11,491,727	9.85	211,137,532	5.4%
2008	2008	8,679,500	3,499,199	12,178,699	9.75	226,705,700	5.4%
2009	2009	8,718,720	3,225,845	11,944,565	9.75	222,968,991	5.4%
2010	2010	8,858,150	2,990,625	11,848,775	9.75	218,885,476	5.4%
2011	2011	9,061,950	2,979,578	12,041,528	9.75	222,797,962	5.4%
2012	2012	8,991,160	1,121,250	10,112,410	9.75	191,605,582	5.3%

Source: Laurens County Auditor's Office

Notes: Property Taxes are levied in October of each year and are payable between November 1 and January 15, excluding vehicle taxes. The Laurens County Auditor assesses property at 4% of market value for legal residence and 6% of market value for rental and other real property. Assessed values for motor vehicles are at 9% of market value while all other personal property is assessed at 10.5% of market value. These percentages are set by the South Carolina Department of Revenue.

City of Clinton, South Carolina  
 Direct and Overlapping Property Tax Rates (1)  
 Last Ten Calendar Years  
 (rate per \$1,000 of assessed value)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Property Tax Rates	9.75	9.75	9.75	9.75	9.75	9.75	9.85	9.85	9.85	9.05
<b>City Direct Rates (2)</b>	<u>9.75</u>	<u>9.75</u>	<u>9.75</u>	<u>9.75</u>	<u>9.75</u>	<u>9.75</u>	<u>9.85</u>	<u>9.85</u>	<u>9.85</u>	<u>9.05</u>

Source: City of Clinton Annual Budget

Notes: (1) No overlapping governments in the last ten fiscal years.

(2) The City's direct rate consists only of the basic property tax rate.

(3) The only limitations on the City's ability to raise property tax rates are those set by state law.

City of Clinton, South Carolina  
Principal Property Taxpayers  
Current Fiscal Year and Nine Fiscal Years Ago

Taxpayer	2013			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
The Clinton Hotel Group	\$ 294,770	1	2.91%	\$ -		-
National Health Care	215,070	2	2.13%	188,690	2	13.05%
Comfort Inn	196,660	3	1.94%	68,410		4.73%
BellSouth	191,030	4	1.89%	414,760	1	28.69%
ReHold Clinton, LLC	132,590	5	1.31%	155,200	4	10.74%
Ingles	190,990	6	1.89%	119,640	3	8.28%
McDonalds	98,200	7	0.97%	-		-
Westchase	95,100	8	0.94%	71,670		4.96%
Highland Park	89,430	9	0.88%	-		-
MLD Delaware Trust(Langston house)	84,040	10	0.83%	116,990	7	8.09%
M S Bailey & Son Bankers	73,890		0.73%	143,380	5	9.92%
Charter Communication	81,960		0.81%	104,210	6	7.21%
Clinton Mills (CMI)	16,260		0.16%	89,710	8	-
Trinton PCS Holdings	3,460		0.03%	62,490	9	4.32%
Centennial Apts	-		-	71,870	10	-
	<u>\$ 1,763,450</u>		<u>17.24%</u>	<u>\$ 1,607,020</u>		<u>100.0%</u>

Source: Laurens County Treasurer's Office

City of Clinton, South Carolina  
City Property Tax Levy 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		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	334,701	303,019	90.5%	21,749	324,768	97.0%
2005	530,679	423,096	80.0%	26,553	449,649	84.7%
2006	592,427	459,789	78.0%	29,852	489,641	82.7%
2007	531,559	487,557	91.7%	21,466	509,023	95.8%
2008	531,287	491,411	92.5%	27,564	518,975	97.7%
2009	532,686	483,412	90.7%	47,927	531,339	99.7%
2010	559,594	487,542	87.1%	60,628	548,170	98.0%
2011	553,011	480,089	86.8%	31,193	511,282	92.5%
2012	530,004	455,854	86.0%	51,865	507,719	95.8%
2013	498,539	463,419	86.0%	-	463,419	86.0%

Source: Laurens County Treasurer's Office

Total Collected during FY 2011-12 includes \$4,655.72 of penalties and interest.

City of Clinton, South Carolina  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Population	Per Capita (1)
	General Obligation Bonds	Total			
2004	871,868	871,868	0.43%	9,129	95.51
2005	781,828	781,828	0.39%	9,129	85.64
2006	689,934	689,934	0.34%	9,129	75.58
2007	596,158	596,158	0.28%	9,129	65.30
2008	500,582	500,582	0.24%	9,129	54.83
2009	404,720	404,720	0.18%	9,129	44.33
2010	303,123	303,123	0.14%	8,490	35.70
2011	635,437	635,437	0.29%	8,490	74.85
2012	520,752	520,752	0.23%	8,490	61.34
2013	403,013	403,013	0.21%	8,491	47.47

(1) See the "Demographic and Economic Statistics" table for personal income

City of Clinton, South Carolina  
Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities					
	General	Capital		Total	Percentage of	
	Obligation	Leases	Line of	Governmental	Personal	
	Bonds		Credit	Activities	Income (2)	Per Capita (2)
2004	871,868	179,985	-	1,051,853	0.87%	115
2005	781,828	116,892	198,531	898,720	0.73%	98
2006	689,934	153,968	-	843,902	0.67%	92
2007	596,158	114,685	-	710,843	0.55%	78
2008	500,582	257,875	-	758,457	0.57%	83
2009	404,720	328,428	448,092	733,148	0.54%	80
2010	303,123	213,624	-	516,747	0.40%	61
2011	635,437	225,337	-	860,774	0.65%	101
2012	520,752	237,610	-	758,362	0.55%	89
2013	403,013	154,171	-	557,184	0.40%	66

Fiscal Year Ended June 30	Business-type Activities					
	Revenue	Capital	Line of	Total	Percentage of	
	Bonds	Leases	Credit	Business	Personal	Per
				Activities	Income (2)	Capita (2)
2004	5,395,000	49,387	-	5,444,387	4.51%	596
2005	4,895,827	110,767	198,531	5,205,125	4.21%	570
2006	7,660,050	200,830	-	7,860,880	6.20%	861
2007	7,112,612	152,668	-	7,265,280	5.59%	796
2008	6,623,450	244,008	-	6,867,458	5.15%	752
2009	6,512,506	289,482	448,092	7,250,080	5.31%	794
2010	5,920,915	202,251	-	6,123,166	4.70%	721
2011	9,371,568	216,036	-	9,587,604	7.19%	1,129
2012	8,744,696	220,749	-	8,965,445	6.56%	1,056
2013	8,013,689	126,724	-	8,140,413	5.81%	959

Fiscal Year Ended June 30	Total Primary Government					
	Revenue	Capital	Line of	Total	Percentage of	
	Bonds	Leases	Credit	Government	Personal	Per
				Activities	Income (2)	Capita (2)
2004	6,266,868	229,372	-	6,496,240	5.38%	712
2005	5,677,655	227,659	198,531	6,103,845	4.93%	669
2006	8,349,984	354,798	-	8,704,782	6.86%	954
2007	7,708,770	267,353	-	7,976,123	6.14%	874
2008	7,124,032	501,883	-	7,625,915	5.72%	835
2009	6,917,226	617,910	448,092	7,983,228	5.85%	874
2010	6,224,038	415,875	-	6,639,913	5.10%	782
2011	10,007,005	441,373	-	10,448,378	7.83%	1,231
2012	9,265,448	458,359	-	9,723,807	7.11%	1,145
2013	8,416,702	280,895	-	8,697,597	6.21%	1,024

Notes: (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See the "Demographic and Economic Statistics" table for personal income and population data.

City of Clinton, South Carolina  
 Computation of Legal Debt Margin  
 Last Ten Fiscal Years

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value	<u>\$ 10,112,410</u>
Debt limit (8% of total assessed value)	<u>808,993</u>
Debt applicable to limit:	
General obligation bonds	403,013
Less: Amount set aside for repayment	-
Total net debt applicable to limit	<u>403,013</u>
Legal debt margin	<u>\$ 405,980</u>

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt Limit	\$ 808,993	\$ 963,322	\$ 947,902	\$ 955,565	\$ 974,296	\$ 919,338	\$ 944,800	\$ 927,228	\$ 929,008	\$ 942,980
Total Net Debt Applicable to Limit	<u>403,013</u>	<u>520,752</u>	<u>635,437</u>	<u>303,123</u>	<u>404,720</u>	<u>500,582</u>	<u>596,158</u>	<u>689,934</u>	<u>781,828</u>	<u>871,868</u>
Legal Debt Margin	<u>\$ 405,980</u>	<u>\$ 442,570</u>	<u>\$ 312,465</u>	<u>\$ 652,442</u>	<u>\$ 569,576</u>	<u>\$ 418,756</u>	<u>\$ 348,642</u>	<u>\$ 237,294</u>	<u>\$ 147,180</u>	<u>\$ 71,112</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	49.82%	54.06%	67.04%	31.72%	41.54%	54.45%	63.10%	74.41%	84.16%	92.46%
Total General Bonded Debt as a Percentage of Actual Taxable Value	0.24%	0.24%	0.29%	0.14%	0.13%	0.19%	0.23%	0.29%	0.34%	0.39%
Total Net General Bonded Debt per Capita	\$ 47	\$ 61	\$ 70	\$ 33	\$ 44	\$ 55	\$ 65	\$ 76	\$ 86	\$ 96

Notes: (1) Property value data can be found in the "Assessed Value of Taxable Property and Actual Value of Property Schedule."

(2) The legal debt limit is 8 % of total assessed value.

(3) The legal debt margin is the government's available borrowing under SC Code of Laws and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

City of Clinton, South Carolina  
 Schedule of Direct and Overlapping Debt  
 As of June 30, 2013

City of Clinton	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Direct and Overlapping Debt
Total direct debt	557,184	100%	557,184
Total direct and overlapping debt	557,184	100%	557,184

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments. Presently, the City does not have any overlapping debt.

City of Clinton, South Carolina  
Pledged Revenue Coverage  
Last Ten Fiscal Years

Fiscal Year	Utilities Revenue	Operating Expenses	Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	13,764,431	12,046,410	1,718,021	435,000	271,038	2.43
2005	13,652,401	12,231,724	1,420,677	499,173	264,422	1.86
2006	14,505,825	12,903,742	1,602,083	535,777	312,123	1.89
2007	14,533,442	13,317,342	1,216,100	547,439	327,590	1.39
2008	15,341,211	13,792,893	1,548,318	489,161	303,069	1.95
2009	15,001,725	14,187,260	814,465	470,945	319,750	1.03
2010	16,464,082	14,295,918	2,168,164	591,592	276,442	2.50
2011	17,607,312	15,049,701	2,557,611	646,001	117,345	3.35
2012	18,600,365	15,907,245	2,693,120	628,023	209,082	3.22
2013	19,022,979	16,124,425	2,898,554	654,214	327,568	2.95

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

City of Clinton, South Carolina  
Demographic and Economic Statistics  
Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
2004	9,129	120,731,025	13,225	3,490	6.50%
2005	9,129	123,743,595	13,555	3,249	6.70%
2006	9,129	126,831,337	13,893	3,208	6.90%
2007	9,129	129,996,126	14,240	3,108	6.50%
2008	9,129	133,239,886	14,595	3,173	12.40%
2009	9,129	136,564,586	14,959	3,279	11.40%
2010	8,490	130,174,650	15,333	3,158	10.90%
2011	8,490	133,422,864	15,715	3,077	9.90%
2012	8,490	136,752,130	16,107	3,070	9.90%
2013	8,490	140,164,471	16,509	3,077	8.20%

**Sources:** Population and Per Capita Personal Income provided by the Bureau of Census/SC Budget & Control Board Office of Research and Statistics. School enrollment provided by the school district. Unemployment rate provided by the SC Dept of Employment and Workforce

**Notes:** The population and per capita personal income numbers are based on estimates, except the year 2000, which is based on the census. School enrollment is based on the census at the beginning of the school year. The unemployment rate is an adjusted yearly average.

City of Clinton, Laurens County, South Carolina  
Principal Employers  
Current Year and Nine Years Ago

Company or Organization	June 30, 2013			June 30, 2004		
	Number of Employees (1)	Rank	Percent of Total County Employment(2)	Number of Employees(2)	Rank(2)	Percent of Total County Employment(2)
Laurens County School District #55	930	1				
SC State Government	791	2				
Wal-Mart Associates Inc	753	3				
Sterilite	750	4				
SAI Automotive DBA Fuarencia	600	5				
SC Dept. of Disabilities and Special Needs	600	6				
Andeson Hardwood	500	7				
Dispoz-O-Products	460	8				
Laurens Health Care System	450	9				
Laurens County	444	10				
Avery Denison	400	11				
Country Fresh	400	12				
Laurens County School District #56	397	13				
Presbyterian College	343	14				
	300	15				
Goglanian Bakeries	260	16				
Jostens Inc.	250	17				
Asten Johnson	232	18				
Teknor Apex Carolina	225	19				

Source

(1) Laurens County Development Corporation

(2) Information not available

City of Clinton, South Carolina  
 Full-time Equivalent City Employees by Function  
 Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government	6	6	6	6	6	6	6	5	6	5	4
Public Safety	35	35	36	44	45	52	49	50	47	48	46
Streets and Sanitation	5	4	3	3	3	4	5	8	10	8	10
Culture and Recreation	2	4	3	2	2	3	3	3	3	3	3
Public Works	5	5	6	6	7	7	7	7	6	9	6
Building Inspector/Planning	2	2	2	3	3	3	2	3	2	3	2
Utility Employees	35	35	35	38	37	38	35	35	34	34	37
<b>Total</b>	<b>90</b>	<b>91</b>	<b>91</b>	<b>102</b>	<b>103</b>	<b>113</b>	<b>107</b>	<b>111</b>	<b>108</b>	<b>110</b>	<b>108</b>

Source: City of Clinton June 30,2013 Payroll

Notes: All full-time employees, excluding Public Safety Officers are scheduled to work 2,080 hours per year (including vacation and sick leave). Public Safety Officers are scheduled to work 2,142 hours per year.

City of Clinton, South Carolina  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government											
Building permits issued	181	179	171	157	124	120	129	133	158	243	234
Public Safety											
Police department											
Criminal/physical non-juvenile arrests	2,701	2,725	2,800	2,879	2,737	2,198	2,456	1,586	2,593	1,223	997
Fire department											
Fire calls	730	746	766	749	575	755	510	765	980	1,021	1,048
Fire inspections	300	435	124	100	88	55	42	65	75	95	120
Streets and Sanitation											
Street resurfacing (in miles)	-	-	-	-	-	-	-	-	-	-	-
Refuse collected (tons per year)	2,899	3,964	3,494	3,340	3,706	3,306	3,207	2,367	2,927	2,365	2,659
Maintenance											
Average Equipment Repairs/month	81	81	81	61	75	80	70	84	80	80	75
Cultural and Recreational											
Museum Operating Hours	168	168	168	168	168	168	168	168	160	160	156
Public Works											
Water Meters Replaced (1)	812	205	205	98	133	97	97	120	-	-	-
Water and Sewer											
Water											
Average daily consumption (in millions of gallons)	2	2	2	2	2	3	3	2	2	2	2
Number of consumers	4,251	4,260	4,377	4,411	4,334	4,388	4,378	4,283	4,356	4,362	4,362
Sewer											
Electric											
Number of consumers	4,069	4,075	4,285	4,392	4,102	4,326	4,322	4,148	4,202	4,215	4,215

Sources: Various City department records.

Notes: (1) Data not retained for years prior to 2006.

City of Clinton, South Carolina  
 Capital Asset Statistics by Function/Program  
 Last Ten Fiscal Years

Function/Program	Fiscal Years									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Public Safety</b>										
Police department										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	22	22	32	29	29	25	25	25	25
<b>Fire Department</b>										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Service units	9	9	9	9	9	9	9	9	9	9
<b>Streets and Sanitation</b>										
Recycling center	1	1	1	1	1	1	1	1	1	1
Streets (in miles)	81	81	81	81	81	63	63	63	62	61
Number of Street Lights	1,295	1,295	1,285	1,279	1,279	1,276	1,276	1,276	1,276	1,143
<b>Cultural and Recreational</b>										
Number of Parks	7	7	7	7	7	7	7	7	7	7
Museum	1	1	1	1	1	1	1	1	1	1
Acreage	21	21	21	21	21	21	21	21	21	21
<b>Public Works</b>										
Storm Sewers (in miles)	53	53	53	53	53	53	53	53	53	53
<b>Water and Sewer</b>										
Water main (in miles)	103	103	101	101	101	101	101	74	74	74
Sanitary sewers (in miles)	63	63	63	63	63	63	63	60	60	60
<b>Electric</b>										
Distribution lines (in miles)	80	80	75	75	70	70	70	70	70	70
Number of Substations	4	4	4	4	4	4	4	4	4	4

Source: Capital Asset schedules and various department records.