
CITY OF CLINTON



CLINTON, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING JUNE 30, 2008

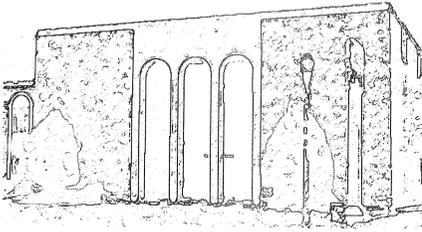
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CLINTON, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING JUNE 30, 2008

SUBMITTED BY:
FINANCE DEPARTMENT

CITY OF CLINTON, SOUTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2008
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City of Clinton

211 N. Broad Street • Phone (864) 833-7505

Randy Randall, Mayor • Joshua L. Kay, City Manager

Clinton, South Carolina 29325

January 29, 2009

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, 2008.

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 McAbee, Talbert, Halliday & Co., Certified Public Accountants, 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, 2008, 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 unqualified opinion that the City of Clinton's financial statements for the fiscal year ended June 30, 2008, 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.

(iii)

COUNCIL MEMBERS

Mary J. Byrd
Daniel O. Cook, Jr.

John H. Dowdle
Shirley Y. Jenkins

Eddie L. McGee
J. Truman Owens

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 9,100 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 heads 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 Downtown 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 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, 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 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 slow down of the last two years 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. Laurens County's economic development efforts are paying off as the County had a great year in new industrial and industrial expansion announcements, with Clinton announcing Dunkin Donuts' intention to build and operate a manufacturing facility and hire approximately 125 employees. As the national economy rebounds, so will our local economy as we continue to aggressively market our community and assets.

Fatz, a Southeastern restaurant chain, celebrated its Grand Opening in mid-December, 2006. The City is still aggressively seeking to place new corporate customers in the Park. Additionally, the City of Clinton is in the process of managing numerous downtown revitalization grants and projects. Also, the City acquired the new Municipal Building in December 2006. The Administration, Inspections, Risk Management and Treasurer's Departments relocated to the Building in March, 2007. By August 2007, this building was completely filled by the Administration, Finance, Inspections, and Utility Billing

Departments of the City of Clinton, Laurens County School District 56, and Carolina First Bank. The City is also experiencing a growth in small businesses throughout the community.

Long-term financial planning. The City of Clinton is in the process of conducting a new community wide master plan. The process will involve input from the citizens, the Council and city staff. It is expected that the master plan will identify key quality of life issues that the City will focus its efforts on over the next 5-10 years. The area of focus will include downtown redevelopment, marketing, recreation, economic development and infrastructure technology. The master plan will help the city determine budget priorities for future years.

Cash Management. The City's temporary idle cash is invested in interest-bearing demand deposits, certificates of deposit, and obligations of the U.S. Treasury. All revenues received are deposited the same day in a consolidated interest-bearing account. This bank account is drawn upon to meet all payroll and payable obligations, and the City maintains in this account only as much money as is required to meet current obligations. All other idle cash is invested in instruments authorized by the South Carolina Investment Pool. The maturities of the investments range from 1 day to 3 years, with an average maturity of less than 12 months.

The City's investment policy emphasizes safety and liquidity, while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized as required by South Carolina General Statutes. All collateral on deposits is held either by the City or its agent.

Risk Management. The City participates in three insurance pools developed by the Municipal Association of South Carolina (MASC). These pools provide coverage for property damage and general liability, workers' compensation and major medical. Major policies and their limits of coverage include the following: real and personal property (\$42,000,000), general liability (\$2,000,000), vehicle liability (\$2,000,000) and workers' compensation (\$1,000,000). As part of its overall risk management program, the City practices various risk control techniques including an employee safety program emphasizing accident prevention to minimize losses, an employee wellness program and employs a fulltime Risk Manager.

Pension and other post employment benefits. The City of Clinton provides retirement benefits to its employees through the South Carolina State Retirement System. The City has no obligation for employee's retirement benefit after retirement. It is funded during the employee's time of service to the State System.

The City provides postretirement health care benefits to retirees of the City provided they have at least twenty-five years of creditable continuous service with the City. The City pays the full cost of coverage for these benefits until the retiree reaches the qualifying age for Medicare.

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.

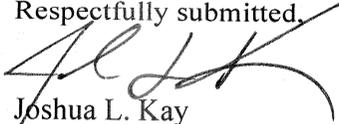
Awards and Acknowledgments

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, 2007. This was the 19th 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.

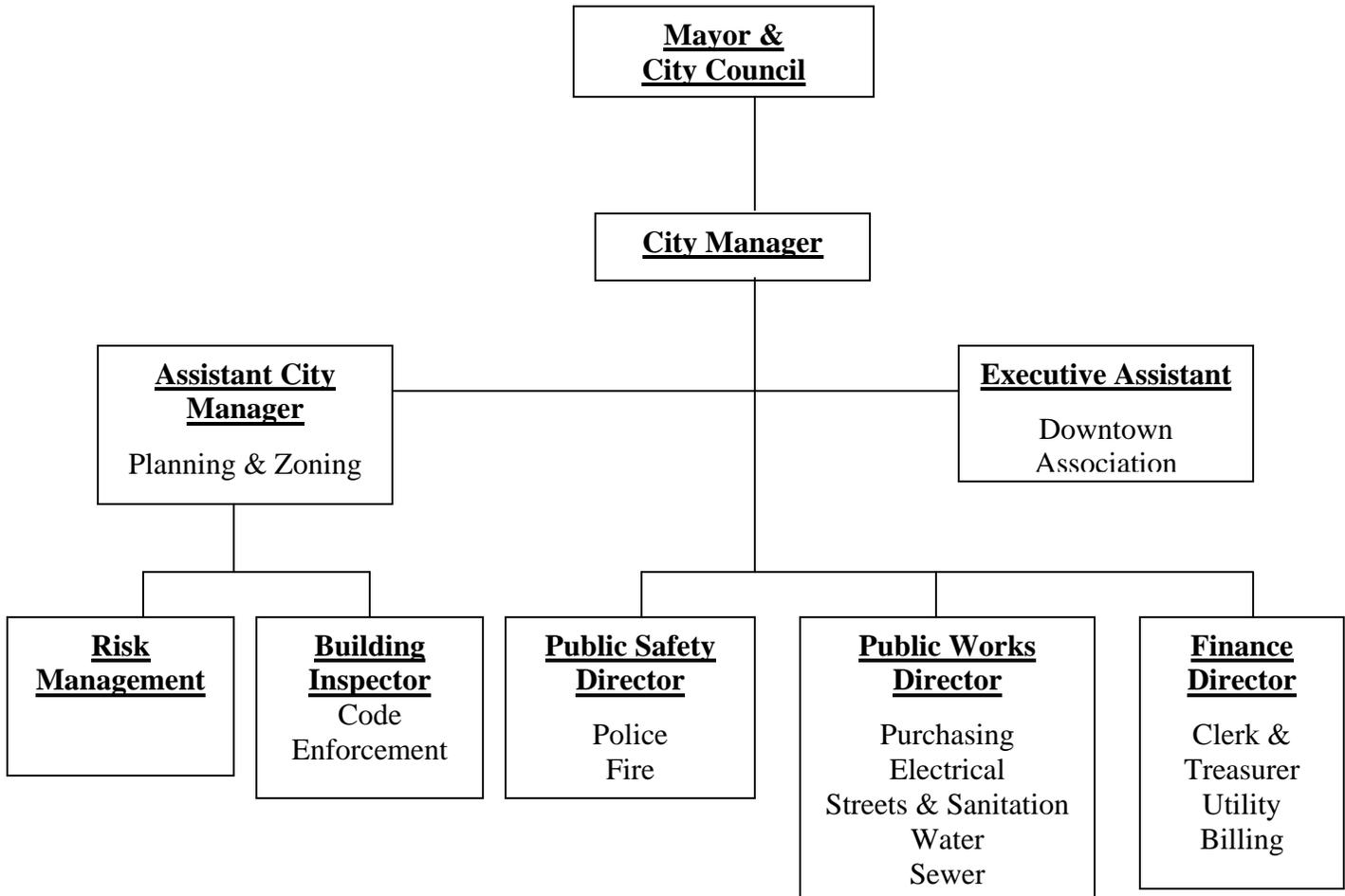
We wish to thank the Mayor and members of City Council for their support and interest in planning and conducting the financial operations of the City in a responsible and progressive manner. We also thank them for the trust they have given City administration. The preparation of this report has been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

Respectfully submitted,



Joshua L. Kay
City Manager

City of Clinton Organization Chart June 30, 2008



Principal Officers

Randy Randall, III, Mayor
 Shirley Jenkins, Mayor Pro-Tem
 Daniel O. Cook, Council Member
 Mary J. Byrd, Council Member
 John H. Dowdle, Council Member
 Edward Lee McGee, Council Member
 Truman Owens, Council Member
 Josh L. Kay, City Manager
 Frank Stovall, Assistant City Manager
 Renee W. Morrow, Finance Director
 Tammy Templeton, City Clerk/Treasurer

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, 2007

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



Oliver S. Cox

President

Jeffrey R. Emmer

Executive Director

FINANCIAL SECTION

The Honorable Mayor and
Members of the City Council
City of Clinton
Clinton, South Carolina

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Clinton, South Carolina, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Clinton's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the City of Clinton, South Carolina as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis and the budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McAbee Talbert Halliday & Co.

Spartanburg, South Carolina
January 29, 2009

(1)

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, 2008. 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

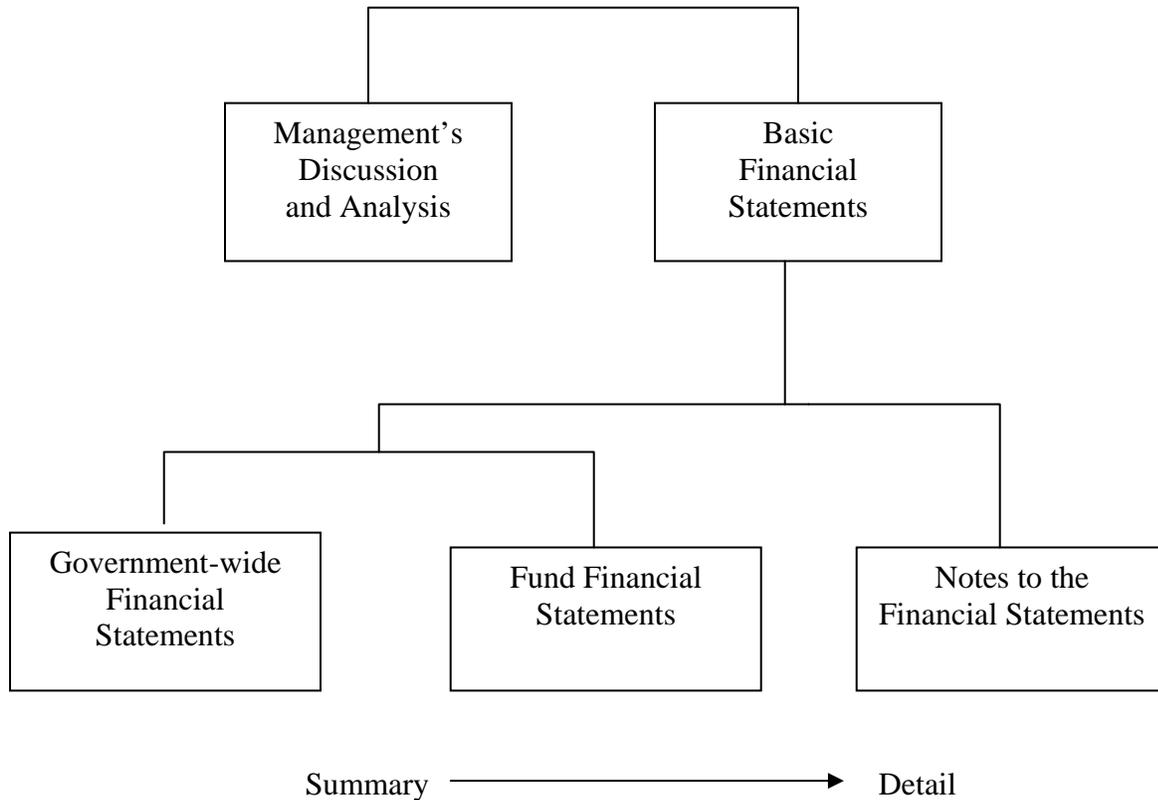
- The assets of the City of Clinton exceeded its liabilities at the close of the fiscal year by \$13,119,785.
- The government's total net assets increased by \$1,396,238 primarily due to increases in the governmental activities net assets
- As of the close of the current fiscal year, the City's governmental fund reported an ending fund balance of \$374,610, an increase of \$274,938 in comparison with the prior year. The City's unreserved fund deficit is \$1,129,455.

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 13 and 14) 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 15 through 22) 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 two government-wide statements report the City's net assets and how they have changed. Net assets are the difference between the City's total assets and total liabilities. Measuring net assets is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. 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.

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 Assets 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 Assets 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 22 through 38 of this report.

Government-Wide Financial Analysis
City of Clinton
Net Assets
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and Other Assets	\$ 1,067,865	\$ 805,249	\$ 6,392,289	\$ 6,618,746	\$ 7,460,154	\$ 7,423,995
Capital Assets	6,067,828	4,521,277	9,734,430	10,117,873	15,802,258	14,639,150
Intangible Assets	-	-	145,207	147,550	145,207	147,550
Total Assets	\$ 7,135,693	\$ 5,326,526	\$ 16,271,926	\$ 16,884,169	\$ 23,407,619	\$ 22,210,695
Long-term Liabilities						
Outstanding	\$ 1,710,368	\$ 1,749,235	\$ 6,794,161	\$ 6,966,136	\$ 8,504,529	\$ 8,715,371
Other Liabilities	666,258	679,838	1,117,047	1,039,925	1,783,305	1,719,763
Total Liabilities	2,376,626	2,429,073	7,911,208	8,006,061	10,287,834	10,435,134
Net Assets:						
Invested in capital assets, net of related debt	5,199,452	3,778,795	4,547,599	4,576,572	9,747,051	8,355,367
Restricted	25,073	-	-	-	25,073	-
Unrestricted	(465,458)	(881,342)	3,813,119	4,301,536	3,347,661	3,420,194
Total Net Assets	4,759,067	2,897,453	8,360,718	8,878,108	13,119,785	11,775,561
Total Net Assets and Liabilities	\$ 7,135,693	\$ 5,326,526	\$ 16,271,926	\$ 16,884,169	\$ 23,407,619	\$ 22,210,695

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the City of \$23,407,619 exceeded liabilities by \$13,119,785 as of June 30, 2008. The City's net assets increased by \$1,344,224, which is the combination of the total net change in net assets of \$1,396,238 and the total prior period adjustment of (\$52,014) for the fiscal year ended June 30, 2008. However, the largest portion of net assets (74%) 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 \$25,073 net asset balance that is restricted is to be used for economic development. The remaining balance of \$3,347,661 is unrestricted.

Total unrestricted governmental net assets decreased due to the City's investment in police equipment and vehicles, and downtown improvements and revitalization. As a whole, revenues reported for the City's governmental area were favorable.

City of Clinton
Changes in Net Assets

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 1,878,724	\$ 1,616,379	\$ 15,490,246	\$ 14,673,849	\$ 17,368,970	\$ 16,290,228
Operating grants and contributions	615,355	1,168,980	-	-	615,355	1,168,980
Capital grants and contributions	811,434	1,000,000	-	-	811,434	1,000,000
General revenues:						
Property taxes	607,664	648,677	-	-	607,664	648,677
Other taxes	938,423	677,713	-	-	938,423	677,713
Grants and contributions not restricted to specific programs	274,252	245,745	11,372	-	285,624	245,745
Other	763,581	540,935	158,682	183,451	922,263	724,386
Total revenues	5,889,433	5,898,429	15,660,300	14,857,300	21,549,733	20,755,729
Expenses:						
General government	1,216,241	1,785,710	-	-	1,216,241	1,785,710
Public safety	3,478,603	3,379,432	-	-	3,478,603	3,379,432
Streets and sanitation	803,276	932,856	-	-	803,276	932,856
Museum	14,414	24,402	-	-	14,414	24,402
Cultural and recreation	487,729	423,428	-	-	487,729	423,428
General public	-	-	-	-	-	-
Interest on						
Long-term debt	51,595	53,871	-	-	51,595	53,871
Public works	-	-	1,002,794	964,756	1,002,794	964,756
Water and sewer	-	-	3,412,184	3,710,374	3,412,184	3,710,374
Electric	-	-	9,717,295	9,021,313	9,717,295	9,021,313
Total expenses	6,051,858	6,599,699	14,132,273	13,696,443	20,184,131	20,296,142
Changes in net assets before transfers and capital contributions	(162,425)	(701,270)	1,528,027	1,160,857	1,365,602	459,587
Transfers	1,688,105	1,609,055	(1,688,105)	(1,609,055)	-	-
Capital Contributions	-	-	30,636	-	30,636	-
Change in net assets	1,525,680	907,785	(129,442)	(448,198)	1,396,238	459,587
Net Assets, Beginning	2,897,453	1,989,668	8,878,108	9,326,306	11,775,561	11,315,974
Prior Period Adjustment	335,934	-	(387,948)	-	(52,014)	-
Net Assets, Ending	\$ 4,759,067	\$ 2,897,453	\$ 8,360,718	\$ 8,878,108	\$ 13,119,785	\$ 11,775,561

Governmental activities. Governmental activities increased the City's net assets by \$1,525,680. Key elements of this increase are as follows:

- A new ordinance was adopted to add a 2% hospitality tax and a 3% accommodations tax for businesses within the City. These new fees added approximately \$316,000 to revenue.
- Contributions and grants were received totaling over \$1,426,000 to promote economic development and downtown revitalization and improvements. These funds were received from the Department of Commerce of SC, the SC Department of Transportation and Clinton Newberry Natural Gas Authority.

Business-type activities. Business-type activities decreased the City of Clinton's net assets by \$129,442. Key elements of this decrease are as follows:

- The write-off of debt for the governmental unit of \$75,000.
- Utility Revenues came in below budget projections by approximately \$200,000.

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 unreserved fund deficit of the General Fund was \$1,129,458 while total fund balance was \$374,610. The explanation of the changes for the General Fund Balance increases are stated below in General Fund Budgetary Highlights. The General Fund is able to meet its cash flow needs by borrowing from the Proprietary Fund.

General Fund Budgetary Highlights. Revenues were greater than the budgeted amounts primarily because the amount of revenue received from licenses and permits and miscellaneous sources exceeded the budget projections. Licenses and permits exceeded the budgeted amount by \$112,851 and contributions exceeded the budgeted amount by \$583,773. Contributions primarily consist of money received from Clinton Newberry Natural Gas Authority, a Department of Commerce Opportunity Grant and South Carolina Department of Enhancement Transportation Grants used for downtown revitalization through Streetscape projects and downtown building façade improvements.

Expenditures for the General Fund were over budget in primarily two areas. The general government and cultural and recreational departments, capital outlay and debt service were over budget by \$64,830, \$86,746, \$1,286,082 and \$133,129, respectively. The general government expenditures exceeded the budgeted amounts due to costs related to the downtown revitalization

projects that were not included in the budget, but offset by the grant revenues discussed in the preceding paragraph. Cultural and recreational expenditures exceeded budgeted amounts because a portion of the Museum and Main Street activities are not budgeted and also because of the increase in maintenance costs. Capital Outlay exceeded budgeted amounts due to construction in progress for the grants relating to the downtown revitalization. Finally, debt service expenditures exceeded budgeted amounts due to new capital leases that required payments during the fiscal year that were not budgeted.

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 assets of the Combined Utility System Enterprise Fund at the end of the fiscal year amounted to \$3,813,119. The total decrease in net assets for the fund was \$129,442. 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, 2008, totals \$15,802,258 (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 acquired a Live Scan Software system in the Public Safety Department with the assistance of Grant Funds from the South Carolina Department of Public Safety.
- The City enhanced the communications system with a Motorola communication system in the Public Safety Department. Grant funds also were received for this purchase.
- The City also purchased through a lease program 6 new police vehicles.

City of Clinton
Capital Assets
Figure 4

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 1,004,416	\$ 1,004,416	\$ 11,983	\$ 11,983	\$ 1,016,399	\$ 1,016,399
Building	2,018,050	2,037,657	228,257	267,914	2,246,307	2,305,571
Improvements Other than Buildings	1,255,162	1,138,656	9,026,040	9,524,029	10,281,202	10,662,685
Vehicles and Other Equipment	629,838	340,548	295,807	238,939	925,645	579,487
Construction in Progress	1,160,362	335,934	172,343	75,008	1,332,705	410,942
	<u>\$ 6,067,828</u>	<u>\$ 4,857,211</u>	<u>\$ 9,734,430</u>	<u>\$ 10,117,873</u>	<u>\$ 15,802,258</u>	<u>\$ 14,975,084</u>

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

Long-term Debt. As of June 30, 2008, the City of Clinton had total bonded debt outstanding of \$7,124,033. Of this, \$500,582 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	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ 500,582	\$ 596,158	\$ -	\$ -	\$ 500,582	\$ 596,158
Revenue Bonds	-	-	6,623,451	7,112,612	6,623,451	7,112,612
	<u>\$ 500,582</u>	<u>\$ 596,158</u>	<u>\$ 6,623,451</u>	<u>\$ 7,112,612</u>	<u>\$ 7,124,033</u>	<u>\$ 7,708,770</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 \$418,756. The City has \$500,582 in general obligation bonds outstanding at June 30, 2008. Additional information regarding the City of Clinton’s long-term debt can be found in note 2B 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.
- The issuance of \$360,000 System Improvement Revenue bonds by the City will be used to provide water and sewer lines within the Corporate Park.
- The Economic Development Corporation sold land held for resale for a total of \$423,975.
- The Economic Development Corporation also entered into a contract to purchase “Frampton Hall” from the Presbyterian Home of South Carolina for \$900,000.

Budget Highlights for the Fiscal Year Ending June 30, 2009

Governmental Activities: The City of Clinton did not increase Property taxes for 2009. 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 3% to cover increased cost of wholesale power from Piedmont Municipal Power Agency. Sewer rates increased by 3% to cover a rate increase of 3 % 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 Joshua L. Kay, City Manager, City of Clinton, P. O. Box 748, Clinton, SC 29325.

CITY OF CLINTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 488,609	\$ 1,053,720	\$ 1,542,329
Investments	44,920	337,930	382,850
Taxes Receivable - Net	54,032	-	54,032
Accounts Receivable - Net	355,027	3,324,681	3,679,708
Internal Balances	(1,031,803)	1,031,803	-
Inventories	8,270	644,155	652,425
Land Held for Resale	1,148,810	-	1,148,810
Capital Assets			
Land and construction in progress	2,164,778	184,326	2,349,104
Other capital assets - net of depreciation	3,903,050	9,550,104	13,453,154
Intangible Assets - Net	-	145,207	145,207
Total Assets	<u>\$ 7,135,693</u>	<u>\$ 16,271,926</u>	<u>\$ 23,407,619</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable and accrued liabilities	\$ 454,663	1,088,080	\$ 1,542,743
Unearned revenue	195,224	-	195,224
Accrued interest payable	16,371	28,967	45,338
Long-term liabilities			
Due within one year	223,388	713,142	936,530
Due in more than one year	1,486,980	6,081,019	7,567,999
Total Liabilities	<u>2,376,626</u>	<u>7,911,208</u>	<u>10,287,834</u>
Net Assets			
Invested in capital assets, net of related debt	5,199,452	4,547,599	9,747,051
Restricted	25,073	-	25,073
Unrestricted	(465,458)	3,813,119	3,347,661
Total Net Assets	<u>4,759,067</u>	<u>8,360,718</u>	<u>13,119,785</u>
Total Liabilities and Net Assets	<u>\$ 7,135,693</u>	<u>\$ 16,271,926</u>	<u>\$ 23,407,619</u>

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

CITY OF CLINTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 1,216,241	\$ -	\$ 528,099	\$ 779,023	\$ 90,881	\$ -	\$ 90,881
Public safety	3,478,603	1,505,245	12,792	32,411	(1,928,155)	-	(1,928,155)
Streets and sanitation	803,276	373,479	-	-	(429,797)	-	(429,797)
Museum	14,414	-	-	-	(14,414)	-	(14,414)
Cultural and recreation	487,729	-	74,464	-	(413,265)	-	(413,265)
Interest on long-term debt	51,595	-	-	-	(51,595)	-	(51,595)
Total Governmental Activities	<u>6,051,858</u>	<u>1,878,724</u>	<u>615,355</u>	<u>811,434</u>	<u>(2,746,345)</u>	<u>-</u>	<u>(2,746,345)</u>
Business-type Activities							
Public works	1,002,794	233,611	-	-	-	(769,183)	(769,183)
Water and sewer	3,412,184	4,204,988	-	-	-	792,804	792,804
Electric	9,717,295	11,051,647	-	-	-	1,334,352	1,334,352
Total Business-type Activities	<u>14,132,273</u>	<u>15,490,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,357,973</u>	<u>1,357,973</u>
Total Government-wide	<u>\$ 20,184,131</u>	<u>\$ 17,368,970</u>	<u>\$ 615,355</u>	<u>\$ 811,434</u>	<u>(2,746,345)</u>	<u>1,357,973</u>	<u>(1,388,372)</u>
General Revenues							
Taxes							
Property taxes, levied for general purposes					607,664	-	607,664
Local option sales tax					624,867	-	624,867
Other taxes					313,556	-	313,556
Grants and contributions not restricted to specific programs					274,252	11,372	285,624
Miscellaneous					763,581	158,682	922,263
Capital Contributions					-	30,636	30,636
Transfers					1,688,105	(1,688,105)	-
Total General Revenues, Transfers and Capital Contributions					<u>4,272,025</u>	<u>(1,487,415)</u>	<u>2,784,610</u>
Change in Net Assets					1,525,680	(129,442)	1,396,238
Net Assets - Beginning of Year					2,897,453	8,878,108	11,775,561
Prior Period Adjustment					335,934	(387,948)	(52,014)
Net Assets - End of Year					<u>\$ 4,759,067</u>	<u>\$ 8,360,718</u>	<u>\$ 13,119,785</u>

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

CITY OF CLINTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General Fund	Economic Development Corporation Fund	Total Governmental Funds
ASSETS			
Cash	\$ 488,609	\$ -	\$ 488,609
Investments	44,920	-	44,920
Receivables - Net			
Taxes	54,032	-	54,032
Accounts	355,027	-	355,027
Due from Other Funds	99,588	-	99,588
Inventories	8,270	-	8,270
Land Held for Resale	-	1,148,810	1,148,810
 Total Assets	 \$ 1,050,446	 \$ 1,148,810	 \$ 2,199,256
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable and accrued liabilities	\$ 380,863	\$ 73,800	\$ 454,663
Due to other funds	1,031,803	99,588	1,131,391
Deferred revenue	238,592	-	238,592
 Total Liabilities	 1,651,258	 173,388	 1,824,646
Fund Balance (Deficit)			
Reserved for			
Mortgage receivables	90,551	-	90,551
Inventories	8,270	-	8,270
Land held for resale	-	1,148,810	1,148,810
Public access	9,186	-	9,186
Community development	23,107	-	23,107
Museum	15,348	-	15,348
Main Street program	183,027	-	183,027
Fire safety house	693	-	693
Economic development	25,073	-	25,073
Unreserved	(956,067)	(173,388)	(1,129,455)
 Total Fund Balances (Deficits)	 (600,812)	 975,422	 374,610
 Total Liabilities and Fund Balances (Deficits)	 \$ 1,050,446	 \$ 1,148,810	 \$ 2,199,256

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

CITY OF CLINTON, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2008

Total Fund Balance, Governmental Funds	\$ 374,610
Amounts reported for governmental activities in the Statement of Net Assets 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 Assets.	6,067,828
Property taxes receivable are not considered available and are, therefore, deferred in the funds.	43,368
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 Assets.	<u>(1,726,739)</u>
Net Assets of Governmental Activities in the Statement of Net Assets	<u>\$ 4,759,067</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 BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>General Fund</u>	<u>Economic Development Corporation Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 613,895	\$ -	\$ 613,895
Licenses and permits	837,851	-	837,851
Intergovernmental revenues	1,758,264	-	1,758,264
Fines and forfeitures	268,449	-	268,449
Accomodations tax	66,374	-	66,374
Hospitality tax	247,182	-	247,182
Charges for services	852,342	-	852,342
Contributions	1,081,773	-	1,081,773
Interest revenue	18,210	-	18,210
Miscellaneous	151,324	-	151,324
Total Revenues	<u>5,895,664</u>	<u>-</u>	<u>5,895,664</u>
Expenditures			
Current			
General government	946,793	170,986	1,117,779
Public Safety	3,329,282	-	3,329,282
Streets and sanitation	776,723	-	776,723
Museum	14,414	-	14,414
Cultural and recreational	472,873	-	472,873
Capital outlay	1,461,292	-	1,461,292
Debt service			
Principal retirement	177,036	125,000	302,036
Interest	25,828	33,256	59,084
Total Expenditures	<u>7,204,241</u>	<u>329,242</u>	<u>7,533,483</u>
Revenues Under Expenditures	<u>(1,308,577)</u>	<u>(329,242)</u>	<u>(1,637,819)</u>
Other Financing Sources			
Proceeds from capital leases	224,652	-	224,652
Transfers from other funds			
Overhead allocation transfer	382,412	-	382,412
Contributions transfer	1,305,693	-	1,305,693
Total Other Financing Sources	<u>1,912,757</u>	<u>-</u>	<u>1,912,757</u>
Net Change in Fund Balances	604,180	(329,242)	274,938
Fund Balances (Deficits) - Beginning of Year	<u>(1,204,992)</u>	<u>1,304,664</u>	<u>99,672</u>
Fund Balances (Deficits) - End of Year	<u>\$ (600,812)</u>	<u>\$ 975,422</u>	<u>\$ 374,610</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 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Net Change in Fund Balances - Total Governmental Funds \$ 274,938

Amounts reported for Governmental Activities in the Statement of Activities are different because:

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.

Capital outlay	1,461,292
Depreciation expense	(250,675)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Changes in deferred revenue for tax revenues	(6,231)
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Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.

Issuance of long-term debt	(224,652)
Repayment of long-term debt	302,036

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.

Accrued interest payable	7,489
Compensated absences	(38,517)

Change in Net Assets of Governmental Activities	\$ 1,525,680
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The accompanying notes are an integral part of these financial statements.

CITY OF CLINTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2008

	Combined Utility System Enterprise Fund
ASSETS	
Current Assets	
Cash	\$ 1,053,720
Investments	337,930
Accounts receivable - net	2,244,553
Unbilled revenue	1,080,128
Due from the general fund	1,031,803
Inventories	644,155
Total Current Assets	6,392,289
Noncurrent Assets	
Capital assets - net of accumulated depreciation	9,734,430
Bond discount, issuance and refunding costs - net of amortization	145,207
Total Noncurrent Assets	9,879,637
Total Assets	\$ 16,271,926
LIABILITIES AND NET ASSETS	
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	\$ 1,088,080
Accrued interest payable	28,967
Line of credit	190,000
Compensated absences - current portion	16,953
Obligations under capital leases - current portion	64,280
Revenue bonds payable - current portion	470,945
Deferred amount on refunding - current portion	(29,036)
Total current liabilities	1,830,189
Noncurrent liabilities	
Compensated absences - net of current portion	66,781
Obligations under capital leases - net of current portion	181,126
Revenue bonds payable - net of current portion	6,152,506
Deferred amount on refunding - net of current portion	(319,394)
Total noncurrent liabilities	6,081,019
Total Liabilities	7,911,208
Net Assets	
Invested in capital assets, net of related debt	4,547,599
Unrestricted	3,813,119
Total Net Assets	8,360,718
Total Liabilities and Net Assets	\$ 16,271,926

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 ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Combined Utility System Enterprise Fund
Operating Revenues	
Utility sales	\$ 14,981,989
Interdepartmental utility sales	274,646
Hookup fees	40,180
Penalties	193,431
Miscellaneous	125,611
Total Operating Revenues	15,615,857
Operating Expenses	
Public works administration department	509,045
Utility billing department	385,328
Electric distribution department	9,467,370
Sanitary sewer department	1,205,589
Water distribution department	263,972
Water plant department	933,805
Storm sewer department	115,700
Maintenance department	63,944
Risk management department	76,499
Depreciation	771,641
Total Operating Expenses	13,792,893
Operating Income	1,822,964
Nonoperating Revenues (Expenses)	
Interest revenue	33,071
Grants	11,372
Interest expense	(337,037)
Bond issue cost amortization	(2,343)
Total Nonoperating Revenues (Expenses)	(294,937)
Income Before Capital Contributions and Transfers	1,528,027
Capital Contributions	30,636
Transfers to Other Funds	(1,688,105)
Net Loss	(129,442)
Net Assets - Beginning of Year	8,878,108
Prior Period Adjustment	(387,948)
Net Assets - End of Year	\$ 8,360,718

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

CITY OF CLINTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Combined Utility System Enterprise Fund</u>
Cash Flows Provided (Used) by Operating Activities	
Cash received from customers	\$ 15,216,205
Cash paid for goods and services	(11,020,483)
Cash paid to employees for services	(1,847,441)
	<u>2,348,281</u>
 Cash Flows Provided (Used) by Non-Capital Financing Activities	
Grants	11,372
Transfers to other funds	(1,651,642)
	<u>(1,640,270)</u>
 Cash Flows Provided (Used) by Capital and Related Financing Activities	
Acquisition and construction of capital assets	(388,198)
Capital contributions	30,636
Net activity of line of credit	190,000
Proceeds from capital leases	170,910
Principal payments on capital leases	(78,173)
Principal payments on revenue bonds	(489,161)
Interest paid on long-term obligations	(308,001)
	<u>(871,987)</u>
 Cash Flows Provided (Used) by Investing Activities	
Interest income	<u>33,071</u>
 Net Increase in Cash and Cash Equivalents	(130,905)
 Cash and Cash Equivalents - Beginning of Year	<u>1,522,555</u>
 Cash and Cash Equivalents - End of Year	<u><u>\$ 1,391,650</u></u>

CITY OF CLINTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Combined Utility System Enterprise Fund</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 1,822,964
Adjustments to reconcile operating income to net cash provided by operations	
Depreciation	771,641
(Increase) decrease in assets	
Accounts receivable	(248,795)
Unbilled receivables	(191,653)
Due from the general fund	40,796
Inventories	70,794
Increase (decrease) in liabilities	
Accounts payable and accrued liabilities	15,154
Compensated absences	68,646
Accrued interest	(1,266)
Net Cash Provided by Operating Activities	<u>\$ 2,348,281</u>
Noncash Investing, Capital and Financing Activities	
Transfers to other funds	\$ 36,463
Bond cost amortization	\$ (2,343)
Amortization included in interest expense	\$ (29,036)
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	\$ 1,053,720
Investments	337,930
Total cash and cash equivalents	<u>\$ 1,391,650</u>
Cash flow classification	
Cash deposits	\$ 1,053,720
Investments - cash equivalents	337,930
Total cash and cash equivalents	<u>\$ 1,391,650</u>

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

CITY OF CLINTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Clinton conform to U.S. generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. 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.

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 entities also provide their services entirely to the City. A blended component unit, although a legally separate entity is, in substance, part of the City's operations, and data from this unit is presented as a special revenue fund within the City's governmental activities. The blended component unit has a June 30 year end. The City has no discretely presented component units. The following entity is presented as a blended component unit:

Clinton Economic Development Corporation (EDC) – The EDC was established to further 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 is reported in the Economic Development Corporation Fund.

B. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. 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.

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. 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 (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) 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.

CITY OF CLINTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation - continued

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 funds:

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

Economic Development Corporation Fund – The Economic Development Corporation Fund is a special revenue fund established to account for financial resources received and disbursed by the Clinton Economic Development Corporation (a blended component unit) to further economic development in and around the City.

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 each sub-fund is as follows:

1. Utility System Fund – 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.
2. 1997 Debt Service (Principal and Interest) Fund – to provide for the payment of the principal and interest of the 1997 revenue bonds.
3. 2005A Capitalized Interest Fund – to provide for the payment of interest of the 2005A revenue bonds.

The revenue bond ordinances legally restrict the assets held by the Principal and Interest and the Capitalized Interest Funds to expenditures as described in the bond ordinances. The Combined Utility System Enterprise Fund is a consolidation of all of the above described sub-funds.

C. Measurement Focus and Basis of Accounting

All funds of the City are maintained during the year using the modified accrual basis of accounting.

CITY OF CLINTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
June 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus and Basis of Accounting - continued

Government-wide and Proprietary Fund Financial Statements: The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which 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 when measurable, the amount of the transaction can be identified, and available, collectible within the current period or soon enough thereafter (generally not to exceed 60 days) to be used to pay liabilities of the current period. 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 to the extent they have matured. 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.

All government-wide and proprietary funds are accounted for using the full accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. The City applied all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements, in accounting and reporting for its proprietary operations.

D. 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 City Hall 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, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Budgets and Budgetary Accounting – 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 2008.

The following departments in the general fund had an excess of actual expenditures over budget for the year ended June 30, 2008:

<u>Fund/Department</u>	<u>Excess Amount</u>
General Fund:	
Mayor and City Council	\$ 24,728
Administration	1,119,515
Municipal Court	3,628
Finance	5,741
Police	248,999
Sanitation	28,090
Cultural and Recreational	86,746

E. 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, 2008, 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, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities, and Fund Equity - 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 assets lives are not capitalized.

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

	Useful Life
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 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 portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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 Assets/Fund Balances – Net assets in the government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent 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.

CITY OF CLINTON, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities, and Fund Equity - continued

In the government fund financial statements, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Reservations include amounts for the year end balance in mortgage receivables, inventories, and land held for resale and future years expenditures for public access, community development, and the fire safety house.

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

NOTE 2 – DETAILED NOTES ON ALL FUNDS

A. Assets

Deposits and Investments

The types of deposits and investments authorized by legal and contractual provisions may include commercial paper, securities, bonds, and repurchase agreements. The funds of the City which are restricted under the terms of the bond ordinances contain additional requirements. The ordinances require that all deposits and investments in excess of the amount insured by the Federal Deposit Insurance Corporation be secured by direct obligations of the United States at a market value at least equal to the sum on deposit. The City has not adopted a formal investment policy.

The City had the following investments as of June 30, 2008:

Investment Type	Maturity	Governmental Activities	Business-Type Activities	Total	Credit Quality
State treasurer's investment pool	Daily	\$ 44,920	\$ 171,021	\$ 215,941	Unrated
U.S. Government securities	Daily	-	166,909	166,909	N/A
		<u>\$ 44,920</u>	<u>\$ 337,930</u>	<u>\$ 382,850</u>	

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.

Receivables and Allowances for Doubtful Accounts

Receivables presented in the Statement of Net Assets are net of allowances for doubtful accounts of \$2,167, for governmental and business-type activities, respectively, and consist of the following:

	Governmental Activities	Business-type Activities	Total
Mortgages receivable	\$ 90,551	-	\$ 90,551
Customers	-	3,324,681	3,324,681
Grant receivables	264,476	-	264,476
	<u>\$ 355,027</u>	<u>\$ 3,324,681</u>	<u>\$ 3,679,708</u>

CITY OF CLINTON, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2008

NOTE 2 – DETAILED NOTES ON ALL FUNDS - Continued

A. **Assets – 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 the 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 year-end.

The millage rate was 98.5 for 2007 and 2006, and the assessed valuation of real property was \$7,807,600 and \$7,985,181 for 2007 and 2006, respectively. 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 Assets 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	\$	10,664
Delinquent Tax Receivables		117,597
Allowance for uncollectibles		<u>(74,229)</u>
	<u>\$</u>	<u>54,032</u>

Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	Beginning Balances	Additions	Disposals	Ending Balances
Governmental Activities:				
Nondepreciable capital assets:				
Land	\$ 1,004,416	\$ -	\$ -	\$ 1,004,416
Construction in progress	335,934	824,428	-	1,160,362
	<u>1,340,350</u>	<u>824,428</u>	<u>-</u>	<u>2,164,778</u>
Depreciable capital assets:				
Buildings	2,712,918	48,365	-	2,761,283
Other improvements	4,894,667	180,581	-	5,075,248
Vehicles and other equipment	5,639,557	407,918	-	6,047,475
	<u>13,247,142</u>	<u>636,864</u>	<u>-</u>	<u>13,884,006</u>
Less accumulated depreciation:				
Buildings	675,261	67,972	-	743,233
Other improvements	3,756,011	64,075	-	3,820,086
Vehicles and other equipment	5,299,009	118,628	-	5,417,637
Total accumulated depreciation	<u>9,730,281</u>	<u>250,675</u>	<u>-</u>	<u>9,980,956</u>
Total depreciable capital assets - net	<u>3,516,861</u>	<u>386,189</u>	<u>-</u>	<u>3,903,050</u>
Governmental Activities Capital Assets - Net	<u>\$ 4,857,211</u>	<u>\$ 1,210,617</u>	<u>\$ -</u>	<u>\$ 6,067,828</u>

CITY OF CLINTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2008

NOTE 2 – DETAILED NOTES ON ALL FUNDS - Continued

A. **Assets - continued**

Capital Assets - continued

	Beginning Balances	Additions	Disposals	Ending Balances
Business-type Activities:				
Nondepreciable capital assets:				
Land	\$ 11,983	\$ -	\$ -	\$ 11,983
Construction in progress	75,008	117,968	20,633	172,343
Total nondepreciable capital assets	<u>86,991</u>	<u>117,968</u>	<u>20,633</u>	<u>184,326</u>
Depreciable capital assets:				
Buildings	919,076	15,493	-	934,569
Other improvements	25,721,307	94,515	-	25,815,822
Vehicles and other equipment	2,491,641	180,855	-	2,672,496
	<u>29,132,024</u>	<u>290,863</u>	<u>-</u>	<u>29,422,887</u>
Less accumulated depreciation for:				
Buildings	651,162	55,150	-	706,312
Other improvements	16,197,278	592,504	-	16,789,782
Vehicles and other equipment	2,252,702	123,987	-	2,376,689
	<u>19,101,142</u>	<u>771,641</u>	<u>-</u>	<u>19,872,783</u>
Total depreciable capital assets, net	<u>10,030,882</u>	<u>(480,778)</u>	<u>-</u>	<u>9,550,104</u>
Business-type Activities Capital Assets - Net	<u>\$ 10,117,873</u>	<u>\$ (362,810)</u>	<u>\$ 20,633</u>	<u>\$ 9,734,430</u>

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

Government activities	
General government	\$ 94,330
Public safety	119,115
Streets and sanitation	23,265
Cultural and recreational	13,964
	<u>250,674</u>
Total depreciation expense	<u>\$ 250,674</u>
Business-type activities	
Public works	\$ 10,280
Water and sewer	510,132
Electric	251,079
	<u>771,491</u>
Total depreciation expense	<u>\$ 771,491</u>

CITY OF CLINTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2008

NOTE 2 – DETAILED NOTES ON ALL FUNDS - Continued

B. Liabilities

Long-term Liabilities

The following is a summary of long-term obligations of the City for year ended June 30, 2008:

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 596,158	\$ -	\$ (95,576)	\$ 500,582	\$ 97,705
Note payable	842,405	-	(125,000)	717,405	-
Capitalized lease obligations	114,685	224,652	(81,460)	257,877	106,316
Compensated absences	195,987	38,517	-	234,504	19,366
Total governmental activities	<u>\$ 1,749,235</u>	<u>\$ 263,169</u>	<u>\$ (302,036)</u>	<u>\$ 1,710,368</u>	<u>\$ 223,387</u>
Business-type activities					
Revenue bonds	\$ 7,112,612	\$ -	\$ (489,161)	\$ 6,623,451	\$ 470,945
Deferred loss on refunding	(377,466)	-	29,036	(348,430)	-
Capital lease obligations	152,668	170,910	(78,173)	245,405	64,280
Compensated absences	78,322	5,412	-	83,734	16,953
Total business-type activities	<u>\$ 6,966,136</u>	<u>\$ 176,322</u>	<u>\$ (538,298)</u>	<u>\$ 6,604,160</u>	<u>\$ 552,178</u>

Governmental Fund Debt

General Obligation Bonds

Bonds payable at June 30, 2008 were comprised of the following issues:

\$200,000 General Obligation Bonds of the City of Clinton, South Carolina, dated September 18, 2002. Annual maturities of \$28,570 to \$29,028 and an annual interest rate of .5% maturing in 2010.	\$ 57,905
\$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%.	<u>442,677</u>
Less current maturities	<u>500,582</u> <u>(97,705)</u>
Long-term liabilities	<u>\$ 402,877</u>

CITY OF CLINTON, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2008

NOTE 2 – DETAILED NOTES ON ALL FUNDS - Continued

B. Liabilities – continued

Governmental Fund Debt - continued

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

Year Ending June 30	Principal	Interest	Total
2009	\$ 97,705	\$ 12,459	\$ 110,164
2010	99,769	10,409	110,178
2011	72,686	8,331	81,017
2012	74,685	6,333	81,018
2013-2014	<u>155,737</u>	<u>6,447</u>	<u>162,184</u>
	<u>\$ 500,582</u>	<u>\$ 43,979</u>	<u>\$ 544,561</u>

Notes Payable

The City has a note payable of \$717,405 for the purchase of land held for resale. Principal payments of \$125,000 were made during the year. Interest only of 3.25% is payable for the first five years with a partial balloon payment due March 2010 and a partial balloon payment due May 2011.

Capital Lease Obligations

Capital leases payable at June 30, 2008 were comprised of the following:

\$133,764 Pumper truck capital lease for 5 years, beginning June 2004. Annual payments of \$28,063, including interest of 2.74%.	\$ 27,316
\$74,180 Dump truck capital lease for 5 years, beginning January 2006. Annual payments of \$16,672, including interest of 3.75%.	46,424
\$156,650 6 truck capital lease for 3 years, beginning August 2007. Annual payments of \$57,558, including interest of 6.44%.	116,135
\$68,002 Garbage truck capital lease for 5 years, beginning February 2008. Annual payments of \$15,236, including interest of 3.85%.	<u>68,002</u>
	257,877
Less amount representing interest	<u>(20,870)</u>
Present value of future minimum lease payments	<u>\$ 237,007</u>

CITY OF CLINTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2008

NOTE 2 – DETAILED NOTES ON ALL FUNDS - Continued

B. Liabilities – continued

Proprietary Fund Debt

Revenue Bonds

Bonds payable at June 30, 2008 and were comprised of the following issues:

\$7,805,000 Combined Utility System Refunding and Improvement Revenue Bonds of the City of Clinton, South Carolina, dated June 10, 1997. Annual maturities of \$115,000 to \$500,000 and semi-annual interest rates from 3.6% to 5.25% maturing in 2011.	\$ 365,000
\$345,000 Combined Utility System Improvement Revenue Bonds of the City of Clinton, South Carolina, dated January 14, 2004. Annual maturities of \$47,439 to \$54,711 and an annual interest rate of 3.63% maturing in 2011.	158,450
\$4,610,000 Combined Utility System Refunding and Improvement Revenue Bonds, Series 2005A, of the City of Clinton, South Carolina, dated October 6, 2005. Annual maturities of \$10,000 to \$650,000 and a semi-annual interest rate of 3.68% maturing in 2020.	4,585,000
\$1,515,000 Combined Utility System Improvement Revenue Bonds, Series 2005B, of the City of Clinton, South Carolina, dated October 6, 2005. Annual maturities of \$20,000 to \$295,000 and a semi-annual interest rate of 5.5% maturing in 2020.	<u>1,515,001</u>
Less current maturities	<u>6,623,451</u> (470,945)
Long-term liabilities	<u><u>\$ 6,152,506</u></u>

Debt Service requirements to maturity including interest on all outstanding revenue bonds at June 30, 2008 are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 470,945	\$ 279,571	\$ 750,516
2010	492,794	258,584	751,378
2011	514,711	236,514	751,225
2012	480,000	213,863	693,863
2013	505,000	190,479	695,479
2014-2018	2,890,000	586,750	3,476,750
2019-2020	<u>1,270,001</u>	<u>70,581</u>	<u>1,340,582</u>
	<u><u>\$ 6,623,451</u></u>	<u><u>\$ 1,836,341</u></u>	<u><u>\$ 8,459,792</u></u>

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

CITY OF CLINTON, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2008

NOTE 2 – DETAILED NOTES ON ALL FUNDS - Continued

B. Liabilities – continued

Proprietary Fund Debt - continued

Capital Lease Obligations

Capital leases payable at June 30, 2008 were comprised of the following:

\$64,730 Ditchwitch trencher capital lease for 5 years, beginning August 2005. Annual payments of \$14,160, including interest of 3.21%.	\$ 27,013
\$16,848 2 Cannon copier capital leases for 5 years, beginning October 2005. Annual payments of \$4,325, including interest of 2.11%.	10,203
\$108,871 Ditchwitch boring machine and tow master capital lease for 5 years, beginning January 2006. Annual payments of \$23,874, including interest of 3.75%.	66,500
\$170,910 Sewer truck capital lease for 6 years, beginning December 2007. Annual payments of \$31,540, including interest of 3.49%.	<u>141,689</u>
	245,405
Less amount representing interest	<u>(23,140)</u>
Present value of future minimum lease payments	<u><u>\$ 222,265</u></u>

Advanced Refundings and Prior Year Defeasance of Debt

In prior years, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At June 30, 2008, all prior year defeased bonds were fully redeemed and funds disbursed.

Also in prior years, the advanced refundings resulted in book losses that are being amortized over the original remaining life of the old bonds that were defeased. The unamortized losses for the prior year refundings at June 30, 2008 are shown on the statement of net assets as a deferred loss on refunding. Amortization has been included in interest expense and was \$29,036 for the year ended June 30, 2008.

CITY OF CLINTON, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2008

NOTE 2 – DETAILED NOTES ON ALL FUNDS - Continued

B. Liabilities – continued

Other Liabilities

Payables

Payables at the fund and government-wide level at June 30, 2008, were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Accounts payable	\$ 383,392	\$ 947,465
Accrued sales and use taxes	-	28,425
Accrued payroll liabilities	<u>71,273</u>	<u>112,190</u>
Total accounts payable and accrued liabilities	<u><u>\$ 454,665</u></u>	<u><u>\$ 1,088,080</u></u>

Deferred/Unearned Revenue

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

	<u>General Fund</u>	<u>Accrual Adjustment</u>	<u>Government- Wide</u>
Taxes receivable	\$ 43,368	\$ (43,368)	\$ -
Deferred rental income	190,120	-	190,120
Deposits on pending police cases	<u>5,104</u>	<u>-</u>	<u>5,104</u>
Total	<u><u>\$ 238,592</u></u>	<u><u>\$ (43,368)</u></u>	<u><u>\$ 195,224</u></u>

Interfund Receivables, Payables and Transfers

On June 30, 2008, the Enterprise Fund was due \$1,031,803 from the General Fund for utility services incurred by the General Fund. The Economic Development Corporation Fund owed the General Fund \$99,588 for activities relating to economic development.

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

	<u>Transfer to General Fund</u>
Transfer from	
Combined Utility Fund for contributions	\$ 1,305,693
Combined Utility Fund for overhead allocations	<u>382,412</u>
	<u><u>\$ 1,688,105</u></u>

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

CITY OF CLINTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2008

NOTE 2 – DETAILED NOTES ON ALL FUNDS - Continued

B. Liabilities – continued

Short-term Debt – Proprietary Fund

The City has a \$500,000 line of credit to be used to cover expenses when the cash is not available because the revenue flows vary throughout the year. The balance as of June 30, 2008 is \$190,000. There was no balance as of June 30, 2007 and during the year, the City drew down funds of \$1,240,000 and made repayments of \$1,050,000.

Employee Retirement Systems

The City maintains two cost-sharing, multiple-employer, defined benefit pension plans for its employees. The South Carolina Retirement System covers substantially all of the City's general employees, and the South Carolina Police Officers' Retirement System covers all of the City's public safety employees. These plans are administered by the Retirement Division of the State Budget and Control Board.

Both the South Carolina Retirement System and Police Officers Retirement System 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 containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers Retirement System is issued and publicly available by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 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.

South Carolina Retirement System – 6.50% of salary
South Carolina Police Officers Retirement System – 6.50% of salary

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

South Carolina Retirement System – 9.06% of salary
South Carolina Police Officers Retirement System – 10.30% 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.

CITY OF CLINTON, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2008

NOTE 2 – DETAILED NOTES ON ALL FUNDS - Continued

B. Liabilities – continued

Employee Retirement Systems - continued

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:

	South Carolina Retirement System		South Carolina Police Officers Retirement System	
	Amount	Percentage Contributed	Amount	Percentage Contributed
Year ended June 30, 2008				
Employer	\$ 229,020	100%	\$ 176,136	100%
Employees	151,182	100%	111,154	100%
Year ended June 30, 2007				
Employer	186,917	100%	168,695	100%
Employees	150,927	100%	104,496	100%
Year ended June 30, 2006				
Employer	179,232	100%	169,806	100%
Employees	148,371	100%	107,159	100%

Post Employment Benefits

The City pays one hundred percent of the premiums of health and dental care coverage for a retired employee with twenty-five or more continuous years of service to the City, until the employee reaches age sixty-five. At age sixty-five, it is the policy of the City to pay fifty percent of the Medicare supplement premium. The Medicare supplement premium shall include coverage of prescription costs which may be provided by the South Carolina Local Governments Assurance Group.

During the year ended June 30, 2008, twelve (12) individuals were eligible and received benefits under this policy. The amount of expenditures for these benefits was \$79,541.

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 participates in three public entity risk pools sponsored by the South Carolina Municipal Association. These operate as common risk management and insurance programs for approximately seventy municipalities throughout South Carolina. The City pays annual premiums into the pools for its insurance coverage and has no further responsibilities beyond the premium amounts.

The pools are self-sustaining through member premiums and reinsure through commercial companies for claims in excess of certain amounts.

General insurance coverage, including all property and liability, is carried with the South Carolina Municipal Insurance and Risk Financing Fund. In this fund, claims in excess of \$125,000, for each insured event, are covered through reinsurance with a commercial company.

CITY OF CLINTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2008

NOTE 2 – DETAILED NOTES ON ALL FUNDS - Continued

B. Liabilities – Continued

Risk Management - continued

Workers' compensation coverage is through the South Carolina Municipal Insurance Trust in which reinsurance through a commercial company begins for claims in excess of \$250,000. Health and accident insurance for employees of the City is with the South Carolina Local Government Assurance Group. This risk pool covers claims up to \$100,000, above which commercial insurance picks up the coverage.

There have been no significant reductions in insurance coverage by major category of risk in recent years. Settled claims resulting from risks involving these three risk pools 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 bond 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, 2008.

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.

CITY OF CLINTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2008

NOTE 3 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS -
Continued

Construction Commitments

Outstanding commitments on construction contracts at June 30, 2008 were \$518,712.

NOTE 4 – PRIOR PERIOD ADJUSTMENTS

A prior period adjustment was made to the governmental activities' net assets for an understatement of capital assets in the prior year. The adjustment of \$335,934 represents construction in progress at the end of the prior year.

A prior period adjustment was also made to the proprietary fund's net assets for a \$387,948 overstatement of accounts receivable in the prior year.

NOTE 5 – SUBSEQUENT EVENT

In August 2008, the Economic Development Corporation sold 114.821 and 10 acres of land held for resale in two separate transactions for \$298,975 and \$125,000, respectively.

In September 2008, the City entered into a capital lease for a bucket truck for \$109,568 for five years with a 3.65% interest rate.

In October 2008, the Economic Development Corporation entered into a contract for the purchase of all certain lots, tracts, or parcels of land commonly known as "Frampton Hall" from Presbyterian Home of South Carolina for \$900,000.

In November 2008, the City sold 2 parcels on Enterprise Street for \$30,000.

Also in November 2008, the City issued the \$360,000 Combined Utility System Improvement Revenue Bond, Series 2008 to extend and improve the system by installing water and sewer lines to a portion of the City's industrial park facility.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLINTON, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 670,000	\$ 670,000	\$ 613,895	\$ (56,105)
Licenses and permits	725,000	725,000	837,851	112,851
Intergovernmental revenues	1,057,933	1,057,933	1,758,264	700,331
Fines and forfeitures	280,000	280,000	268,449	(11,551)
Accommodations tax	70,000	70,000	66,374	(3,626)
Hospitality tax	-	-	247,182	247,182
Charges for services	714,930	714,930	852,342	137,412
Contributions	498,000	498,000	1,081,773	583,773
Interest	5,000	5,000	18,210	13,210
Miscellaneous	346,500	346,500	151,324	(195,176)
Total Revenues	<u>4,367,363</u>	<u>4,367,363</u>	<u>5,895,664</u>	<u>1,528,301</u>
Expenditures				
Current				
General government	881,963	881,963	946,793	(64,830)
Public safety	3,369,070	3,369,070	3,329,282	39,788
Streets and sanitation	930,916	930,916	776,723	154,193
Museum	27,355	27,355	14,414	12,941
Culture and recreation	386,127	386,127	472,873	(86,746)
Capital outlay	175,210	175,210	1,461,292	(1,286,082)
Debt service				
Principal retirement	69,735	69,735	177,036	(107,301)
Interest	-	-	25,828	(25,828)
Total Expenditures	<u>5,840,376</u>	<u>5,840,376</u>	<u>7,204,241</u>	<u>(1,363,865)</u>
Revenues Under Expenditures	<u>(1,473,013)</u>	<u>(1,473,013)</u>	<u>(1,308,577)</u>	<u>164,436</u>
Other Financing Sources				
Proceeds from capital leases	-	-	224,652	224,652
Proceeds from sale of capital assets	1,000	1,000	-	(1,000)
Operating transfers in				
Overhead allocation transfer	435,367	435,367	382,412	52,955
Contributions transfer	1,249,966	1,249,966	1,305,693	55,727
Total Other Financing Sources and Uses	<u>1,686,333</u>	<u>1,686,333</u>	<u>1,912,757</u>	<u>332,334</u>
Net Change in Fund Balance	<u>\$ 213,320</u>	<u>\$ 213,320</u>	604,180	<u>\$ 390,860</u>
Fund Deficit - Beginning of Year			<u>(1,204,992)</u>	
Fund Deficit - End of Year			<u>\$ (600,812)</u>	

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF CLINTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
General Government			
Mayor and city council			
Salaries and employee benefits	\$ 72,377	\$ 76,969	\$ (4,592)
Operating	36,003	51,749	(15,746)
Capital outlay	500	4,890	(4,390)
	<u>108,880</u>	<u>133,608</u>	<u>(24,728)</u>
Administration			
Salaries and employee benefits	187,776	197,724	(9,948)
Operating	153,284	180,602	(27,318)
Capital outlay	-	972,085	(972,085)
Debt service	-	110,164	(110,164)
	<u>341,060</u>	<u>1,460,575</u>	<u>(1,119,515)</u>
Municipal Court			
Salaries and employees benefits	63,480	62,698	782
Operating	4,125	10,352	(6,227)
Capital outlay	5,000	3,183	1,817
	<u>72,605</u>	<u>76,233</u>	<u>(3,628)</u>
Legal Services			
Operating	<u>20,850</u>	<u>16,890</u>	<u>3,960</u>
Finance Department			
Salaries and employee benefits	205,348	208,873	(3,525)
Operating	138,720	140,936	(2,216)
	<u>344,068</u>	<u>349,809</u>	<u>(5,741)</u>
Total General Government	<u>887,463</u>	<u>2,037,115</u>	<u>(1,149,652)</u>
Public Safety			
Police department			
Salaries and employee benefits	2,344,849	2,380,247	(35,398)
Operating	784,408	740,498	43,910
Capital outlay	128,468	338,014	(209,546)
Debt service	28,063	76,028	(47,965)
	<u>3,285,788</u>	<u>3,534,787</u>	<u>(248,999)</u>
Inspections and zoning			
Salaries and employee benefits	197,012	173,444	23,568
Operating	42,801	35,093	7,708
Capital outlay	12,242	15,838	(3,596)
	<u>252,055</u>	<u>224,375</u>	<u>27,680</u>
Total Public Safety	<u>3,537,843</u>	<u>3,759,162</u>	<u>(221,319)</u>

CITY OF CLINTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - Continued
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Streets and Sanitation			
Streets			
Salaries and employee benefits	216,682	163,975	52,707
Operating	142,400	91,106	51,294
Capital outlay	5,000	-	5,000
	<u>364,082</u>	<u>255,081</u>	<u>109,001</u>
Sanitation			
Salaries and employee benefits	383,491	341,406	42,085
Operating	188,343	180,236	8,107
Capital outlay	24,000	127,282	(103,282)
Debt service	41,672	16,672	25,000
	<u>637,506</u>	<u>665,596</u>	<u>(28,090)</u>
Total Streets and Sanitation	<u>1,001,588</u>	<u>920,677</u>	<u>80,911</u>
Museum			
Salaries and employee benefits	22,675	11,212	11,463
Operating	4,680	3,202	1,478
Total Museum	<u>27,355</u>	<u>14,414</u>	<u>12,941</u>
Cultural and Recreational			
Salaries and employee benefits	120,477	145,874	(25,397)
Operating	265,650	326,999	(61,349)
Total Cultural and Recreational	<u>386,127</u>	<u>472,873</u>	<u>(86,746)</u>
Total General Fund Expenditures	<u>\$ 5,840,376</u>	<u>\$ 7,204,241</u>	<u>\$ (1,363,865)</u>

CITY OF CLINTON, SOUTH CAROLINA
SCHEDULE OF FINES AND ASSESSMENTS COLLECTED
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

Municipal Court Assessments and Court Surcharges

Retained for victim's assistance	\$ 18,289
Municipal court fines remitted to the state	<u>131,122</u>
Total Fines and Assessments Collected	<u><u>\$ 149,411</u></u>

STATISTICAL SECTION

Note: The following statistical tables are not applicable to the City of Clinton:

Special Assessments Collections

Computation of Overlapping Debt

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 Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
Governmental Activities					
Invested in capital assets, net of related debt	\$ 5,199,452	\$ 3,778,795	\$ 2,443,456	\$ 2,534,996	\$ 2,172,808
Restricted	25,073	-	-	-	-
Unrestricted (Deficit)	(465,458)	(881,342)	(453,788)	(176,259)	(496,224)
Total Governmental Activities Net Assets	<u>4,759,067</u>	<u>2,897,453</u>	<u>1,989,668</u>	<u>2,358,737</u>	<u>1,676,584</u>
Business-type Activities					
Invested in capital assets, net of related debt	4,547,599	4,576,572	5,620,005	6,283,999	6,021,601
Unrestricted	<u>3,813,119</u>	<u>4,301,536</u>	<u>3,706,301</u>	<u>3,071,846</u>	<u>3,592,474</u>
Total Business-type Activities Net Assets	<u>8,360,718</u>	<u>8,878,108</u>	<u>9,326,306</u>	<u>9,355,845</u>	<u>9,614,075</u>
Primary Government					
Invested in capital assets, net of related debt	9,747,051	8,355,367	8,063,461	8,818,995	8,194,409
Restricted	25,073	-	-	-	-
Unrestricted	<u>3,347,661</u>	<u>3,420,194</u>	<u>3,252,513</u>	<u>2,895,587</u>	<u>3,096,250</u>
Total Primary Government Net Assets	<u>\$ 13,119,785</u>	<u>\$ 11,775,561</u>	<u>\$ 11,315,974</u>	<u>\$ 11,714,582</u>	<u>\$ 11,290,659</u>

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

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

	Fiscal Year				
	2008	2007	2006	2005	2004
Expenses					
<u>Governmental Activities:</u>					
General government	\$ 1,216,241	\$ 1,799,678	\$ 1,082,973	\$ 814,568	\$ 844,815
Public safety	3,478,603	3,494,329	3,285,175	3,079,613	2,906,301
Streets and sanitation	803,276	939,175	1,050,878	1,002,933	859,123
Museum	14,414	24,402	23,197	51,343	56,051
Cultural and recreation	487,729	433,360	347,284	431,827	345,322
General public	-	-	-	-	217,686
Interest on long-term debt	51,595	53,871	38,607	20,691	17,548
Total Governmental Activities Expenses	<u>6,051,858</u>	<u>6,744,815</u>	<u>5,828,114</u>	<u>5,400,975</u>	<u>5,246,846</u>
<u>Business-type Activities:</u>					
Public works	1,002,794	964,756	953,155	810,439	620,857
Water and sewer	3,412,184	3,710,344	3,097,398	2,874,736	3,077,335
Electric	9,717,295	9,021,313	9,215,461	8,851,717	8,665,982
Total Business-type Activities Expense	<u>14,132,273</u>	<u>13,696,413</u>	<u>13,266,014</u>	<u>12,536,892</u>	<u>12,364,174</u>
Total Primary Government Expenses	<u>20,184,131</u>	<u>20,441,228</u>	<u>19,094,128</u>	<u>17,937,867</u>	<u>17,611,020</u>
Program Revenues					
<u>Governmental Activities:</u>					
Charges for services	1,878,724	1,616,379	1,525,702	1,533,401	1,327,015
Operating and Capital grants and contributions	1,426,789	2,168,980	697,809	1,198,155	705,827
Total Governmental Activities Program Revenues	<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>					
Charges for services	15,490,246	14,673,849	14,629,110	13,743,254	13,561,136
Operating grants and contributions	11,372	-	-	-	445,863
Total Business-type Activities Program Revenues	<u>15,501,618</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>18,807,131</u>	<u>18,459,208</u>	<u>16,852,621</u>	<u>16,474,810</u>	<u>16,039,841</u>
Net (Expense) Revenue					
Governmental Activities	(2,746,345)	(2,959,456)	(3,604,603)	(2,669,419)	(3,214,004)
Business-type Activities	1,369,345	977,436	1,363,096	1,206,362	1,642,825
Total Primary Government	<u>(1,377,000)</u>	<u>(1,982,020)</u>	<u>(2,241,507)</u>	<u>(1,463,057)</u>	<u>(1,571,179)</u>

City of Clinton, South Carolina
 Changes in Net Assets - Continued
 Last Four Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Assets					
<u>Governmental Activities:</u>					
Taxes	\$ 1,546,087	\$ 1,326,390	\$ 1,231,373	\$ 1,134,890	\$ 1,234,423
Grants and contributions not restricted to specific programs	274,252	245,746	230,320	229,147	218,862
Miscellaneous	763,581	540,935	195,981	477,481	307,259
Transfers	1,688,105	1,609,055	1,577,860	1,624,220	1,256,922
Total Governmental Activities	<u>4,272,025</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	158,682	183,451	185,225	159,628	257,973
Grants and Capital Contributions	30,636				
Transfers	(1,688,105)	(1,609,055)	(1,577,860)	(1,624,220)	(1,256,922)
Total Business-type Activities	<u>(1,498,787)</u>	<u>(1,425,604)</u>	<u>(1,392,635)</u>	<u>(1,464,592)</u>	<u>(998,949)</u>
Total Primary Government	<u>2,773,238</u>	<u>2,296,522</u>	<u>1,842,899</u>	<u>2,001,146</u>	<u>2,018,517</u>
Change in Net Assets					
Governmental Activities	1,525,680	762,670	(369,069)	796,319	(196,538)
Business-type Activities	(129,442)	(448,168)	(29,539)	(258,230)	643,876
Total Primary Government	<u>\$ 1,396,238</u>	<u>\$ 314,502</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.

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

	Fiscal Year Ended June 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund										
Reserved	\$ 355,255	\$ 307,948	\$ 231,854	\$ 111,111	\$ 109,921	\$ 112,876	\$ 117,527	\$ 123,898	\$ 110,647	\$ 133,076
Unreserved	(956,067)	(1,512,940)	(1,080,667)	(658,269)	(493,947)	(703,233)	(320,965)	(426,748)	380,778	552,717
Total General Fund	<u>(600,812)</u>	<u>(1,204,992)</u>	<u>(848,813)</u>	<u>(547,158)</u>	<u>(384,026)</u>	<u>(590,357)</u>	<u>(203,438)</u>	<u>(302,850)</u>	<u>491,425</u>	<u>685,793</u>
All Other Governmental Funds										
Reserved	1,148,810	1,148,810	1,448,778	837,498	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund	(173,388)	155,854	191,415	214,072	-	-	-	-	-	-
Total All Other Governmental Funds	<u>975,422</u>	<u>1,304,664</u>	<u>1,640,193</u>	<u>1,051,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Fund Balance	<u>\$ 374,610</u>	<u>\$ 99,672</u>	<u>\$ 791,380</u>	<u>\$ 504,412</u>	<u>\$ (384,026)</u>	<u>\$ (590,357)</u>	<u>\$ (203,438)</u>	<u>\$ (302,850)</u>	<u>\$ 491,425</u>	<u>\$ 685,793</u>

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

	Fiscal Year Ended June 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenues										
Taxes	\$ 613,895	\$ 646,308	\$ 629,118	\$ 569,738	\$ 612,311	\$ 667,990	\$ 680,869	\$ 670,146	\$ 683,409	\$ 932,184
Fees, licenses and permits	837,851	711,586	721,869	658,879	1,035,116	845,413	952,542	1,105,394	1,148,842	336,247
Intergovernmental	1,758,264	1,411,905	995,366	943,139	604,216	632,468	765,441	620,784	521,865	735,302
Charges for services	852,342	701,074	598,909	590,152	551,303	569,514	551,216	430,253	472,941	413,323
Fines and forfeitures	268,449	230,880	204,925	284,370	167,396	207,469	208,254	240,269	256,418	213,664
Accommodations tax	66,374	45,987	35,582	26,376	27,310	25,549	22,516	27,752	-	-
Hospitality tax	247,182	-	-	-	-	-	-	-	-	-
Investment income	18,210	2,549	2,146	474	7,454	4,787	6,776	28,799	60,041	48,341
Contributions	1,081,773	1,709,547	489,985	1,014,842	501,955	273,400	501,400	164,819	744,225	968,500
Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous	151,324	436,225	192,480	477,011	294,235	121,386	55,015	23,551	246,507	49,246
Total Revenues	5,895,664	5,896,061	3,870,380	4,564,981	3,801,296	3,347,976	3,744,029	3,311,767	4,134,248	3,696,807
Expenditures										
General government	1,117,779	1,676,950	997,309	754,796	818,298	656,322	461,439	599,645	464,867	452,025
Public safety	3,329,282	3,199,801	3,157,865	2,886,851	2,781,574	2,888,811	2,723,718	2,708,631	2,623,463	2,320,554
Streets and sanitation	776,723	833,831	930,179	877,360	823,641	729,662	824,670	897,125	946,815	868,032
Maintenance	14,414	24,403	22,401	50,449	56,051	49,784	5,639	30,236	33,765	-
Culture and recreation	472,873	410,236	332,852	359,339	345,322	334,217	-	-	-	-
Other	-	-	-	-	-	-	520,025	708,677	935,306	484,023
Capital outlay	1,461,292	1,562,234	240,756	852,004	736,445	346,730	107,208	406,789	842,146	401,118
Debt service										
Interest	302,036	437,930	128,853	620,261	112,342	110,788	122,440	197,960	166,471	153,643
Principal	59,084	51,439	37,872	20,691	17,548	12,905	17,585	20,389	38,186	38,501
Total Expenditures	7,533,483	8,196,824	5,848,087	6,421,751	5,691,221	5,129,219	4,782,724	5,569,452	6,051,019	4,717,896
Excess of Revenues Over (Under) Expenditures	(1,637,819)	(2,300,763)	(1,977,707)	(1,856,770)	(1,889,925)	(1,781,243)	(1,038,695)	(2,257,685)	(1,916,771)	(1,021,089)
Other Financing Sources (Uses)										
Proceeds from notes payable	-	-	611,280	1,000,000	-	-	-	-	-	-
Proceeds from capital leases	224,652	-	74,180	-	133,764	-	-	64,577	201,995	78,144
Proceeds from bond issuance	-	-	-	-	700,000	200,000	-	-	-	-
Sale of capital assets	-	-	1,355	-	5,570	6,712	7,650	4,100	8,666	-
Transfers in (out)	1,688,105	1,609,055	1,577,860	1,624,220	1,256,922	1,187,622	1,130,457	1,394,733	1,511,742	1,187,514
Total Other Financing Sources (Uses)	1,912,757	1,609,055	2,264,675	2,624,220	2,096,256	1,394,334	1,138,107	1,463,410	1,722,403	1,265,658
Net Change in Fund Balance	\$ 274,938	\$ (691,708)	\$ 286,968	\$ 767,450	\$ 206,331	\$ (386,909)	\$ 99,412	\$ (794,275)	\$ (194,368)	\$ 244,569
Debt Service as a percentage of noncapital expenditures	5.95%	7.38%	2.97%	11.51%	2.62%	2.59%	2.99%	4.23%	3.93%	4.45%

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

Fiscal Year Ended June 30	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
1999	1998	6,505,050	3,212,360	9,717,410	8.40	167,418,954	5.8%
2000	1999	6,603,890	3,496,650	10,100,540	8.40	172,536,174	5.9%
2001	2000	6,813,550	3,804,240	10,617,790	8.40	182,091,710	5.8%
2002	2001	7,561,270	3,429,550	10,990,820	8.40	224,206,621	4.9%
2003	2002	7,784,601	2,478,400	10,263,001	9.05	192,583,807	5.3%
2004	2003	7,675,091	4,112,159	11,787,250	9.05	201,073,915	5.9%
2005	2004	7,655,161	3,957,436	11,612,597	9.05	201,270,016	5.8%
2006	2005	7,681,321	3,909,031	11,590,352	9.05	204,168,749	5.7%
2007	2006	7,985,181	3,824,823	11,810,004	9.85	214,900,518	5.5%
2008	2007	7,807,600	3,684,127	11,491,727	9.85	211,137,532	5.4%

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 Fiscal Years
(rate per \$1,000 of assessed value)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
City Direct Rates (2)	9.85	9.85	9.85	9.05	9.05	9.05	9.05	8.40	8.40	8.40

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	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
The Clinton Hotel Group	\$ 390,850	1	3.40%	\$ -		-
BellSouth	389,520	2	3.39%	498,460	2	4.96%
National Health Care	173,340	3	1.51%	204,860	4	2.04%
ReHold Clinton, LLC	155,200	4	1.35%	-		-
Langston House	116,990	5	1.02%	-		-
M. S. Bailey	96,860	6	0.84%	294,150	3	2.92%
Ingles	95,860	7	0.83%	128,650	5	1.28%
Charter Communications	74,220	8	0.65%	-	-	-
Westchase	73,580	9	0.64%	69,750	7	0.69%
Comfort Inn	69,230	10	0.60%	-		-
Clinton Mills	-	-	-	2,458,910	1	24.45%
MLD Delaware	-	-	-	99,980	6	0.99%
Landau Apartments	-	-	-	61,660	8	0.61%
Glendale Manor Apartments	-	-	-	51,350	9	0.51%
Mcdonald's	-	-	-	50,970	10	0.51%
	<u>\$ 1,635,650</u>		<u>14.23%</u>	<u>\$ 3,918,740</u>		<u>38.96%</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
1999	667,509	663,324	99.4%	5,341	668,665	100.2%
2000	446,338	440,880	98.9%	5,673	446,553	100.0%
2001	451,457	433,902	96.1%	1,288	435,190	96.4%
2002	481,696	383,182	79.5%	2,000	385,182	80.0%
2003	471,822	410,361	87.0%	2,000	412,361	87.4%
2004	334,701	303,019	90.5%	2,000	305,019	91.1%
2005	530,679	423,096	80.0%	34,023	457,119	86.1%
2006	592,427	459,789	78.0%	42,676	502,465	85.0%
2007	531,559	487,557	91.7%	46,125	533,682	100.0%
2008	501,287	491,411	98.0%	43,898	535,309	100.0%

Source: Laurens County Treasurer's Office

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

Fiscal Year Ended June 30	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Capital Leases	Notes Payable	Revenue Bonds	Capital Leases	Line of Credit			
1999	-	125,273	355,281	7,065,000	152,453	-	7,698,007	5.04%	802
2000	-	265,668	250,410	6,695,000	166,757	-	7,377,835	3.95%	768
2001	-	246,778	135,917	6,305,000	140,011	-	6,827,706	4.34%	844
2002	-	188,981	71,274	5,900,000	144,688	-	6,304,943	5.01%	779
2003	200,000	130,431	16,240	5,485,000	71,913	112,724	6,016,308	4.27%	744
2004	871,868	179,985	-	5,395,000	49,387	-	6,496,240	5.52%	712
2005	781,828	116,892	536,000	4,895,827	110,767	198,531	6,639,845	5.50%	727
2006	689,934	153,968	1,147,280	7,660,050	200,830	-	9,852,062	7.96%	1,079
2007	596,158	114,685	842,405	7,112,612	152,668	-	8,818,528	6.95%	966
2008	500,582	257,877	717,405	6,623,451	245,405	-	8,344,720	6.42%	914

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 2007

Assessed value	<u>\$ 11,491,727</u>
Debt limit (8% of total assessed value)	919,338
Debt applicable to limit:	
General obligation bonds	500,582
Less: Amount set aside for repayment	<u>-</u>
Total net debt applicable to limit	500,582
Legal debt margin	<u>\$ 418,756</u>

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Debt Limit	\$ 919,338	\$ 944,800	\$ 927,228	\$ 929,008	\$ 942,980	\$ 821,040	\$ 879,266	\$ 849,423	\$ 808,043	\$ 777,393
Total Net Debt Applicable to Limit	<u>500,582</u>	<u>596,158</u>	<u>689,934</u>	<u>781,828</u>	<u>871,868</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 418,756</u>	<u>\$ 348,642</u>	<u>\$ 237,294</u>	<u>\$ 147,180</u>	<u>\$ 71,112</u>	<u>\$ 621,040</u>	<u>\$ 879,266</u>	<u>\$ 849,423</u>	<u>\$ 808,043</u>	<u>\$ 777,393</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	54.45%	63.10%	74.41%	84.16%	92.46%	24.36%	0.00%	0.00%	0.00%	0.00%

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, 2008

City of Clinton	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Direct and Overlapping Debt
Total direct debt	1,475,864	100%	1,475,864
Total direct and overlapping debt	1,475,864	100%	1,475,864

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	
1999	12,425,512	10,944,890	1,480,622	387,627	352,827	2.00
2000	12,322,205	11,640,610	681,595	370,000	337,848	0.96
2001	12,787,157	12,132,306	654,851	390,000	322,678	0.92
2002	13,179,712	12,182,177	997,535	405,000	306,298	1.40
2003	13,960,453	12,152,799	1,807,654	415,000	288,882	2.57
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	558,081	293,743	1.82

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 Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
1999	9,603	152,745,318	15,906	3,198	3.50%
2000	9,603	186,903,189	19,463	3,587	3.40%
2001	8,091	157,475,133	19,463	3,219	10.30%
2002	8,091	125,895,960	15,560	3,490	10.00%
2003	8,091	140,929,038	17,418	3,490	8.90%
2004	9,129	117,791,487	12,903	3,490	9.00%
2005	9,129	120,731,025	13,225	3,490	6.50%
2006	9,129	123,743,595	13,555	3,490	6.70%
2007	9,129	126,831,337	13,893	3,490	6.90%
2008	9,129	129,996,126	14,240	3,490	6.50%

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 Employment Security Commission.

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, South Carolina
Principal Employers
Current Year and Nine Years Ago

Company or Organization	June 30, 2008		June 30, 1999			
	Number of Employees (1)	Rank	Percent of Total County Employment(1)	Number of Employees(2)	Rank(2)	Percent of Total County Employment(2)
Wal-Mart Associates Inc		1				
Laurens County School District #55		2				
The Torrington Company (Del.)		3				
S. C. Dept. of Disabilities and Special Needs		4				
Laurens County School District #56		5				
Laurens County Health Care System		6				
The Holland Group of Tennessee Inc		7				
Laurens County		8				
Sterilite Corporation of SC		9				
Marathon Staffing Inc		10				

Source: S.C. Employment Security Commission

Notes: (1) Data was not released to the City from the South Carolina Employment Security Commission.
(2) Data not accumulated in 1999.

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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Government	6	6	5	6	5	4	5	5	6	6
Public Safety	52	49	50	47	48	46	55	55	52	52
Streets and Sanitation	4	5	8	10	8	10	10	10	13	11
Culture and Recreation	3	3	3	3	3	3	3	3	4	4
Public Works	7	7	7	6	9	6	6	6	8	7
Building Inspector/Planning	3	2	3	2	3	2	3	3	3	3
Utility Employees	38	35	35	34	34	37	34	36	36	34
Total	113	107	111	108	110	108	116	118	122	117

Source: City of Clinton Annual Budget

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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Government										
Building permits issued	120	129	133	158	243	234	186	212	429	494
Public Safety										
Police department										
Criminal/physical non-juvenile arrests	2,198	2,456	1,586	2,593	1,223	997	919	286	1,058	728
Fire department										
Fire calls	755	510	765	980	1,021	1,048	324	332	324	348
Fire inspections	55	42	65	75	95	120	130	115	130	113
Streets and Sanitation										
Street resurfacing (in miles)	-	-	-	-	-	-	5	-	-	-
Refuse collected (tons per year)	3,306	3,207	2,367	2,927	2,365	2,659	3,474	3,657	3,585	3,781
Maintenance										
Average Equipment Repairs/month	80	70	84	80	80	75	65	40	40	-
Cultural and Recreational										
Museum Operating Hours	168	168	168	160	160	156	104	-	-	-
Public Works										
Water Meters Replaced (1)	97	97	120	-	-	-	-	-	-	-
Water and Sewer										
Water										
Average daily consumption (in millions of gallons)	3	3	2	2	2	2	2	3	3	2
Number of consumers	4,388	4,378	4,283	4,356	4,362	4,362	4,423	4,544	4,544	4,416
Sewer										
Electric										
Number of consumers	4,326	4,322	4,148	4,202	4,215	4,215	4,282	4,484	4,484	4,338

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 Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Public Safety										
Police department										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	29	25	25	25	25	23	23	NA	N/A	N/A
Fire Department										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Service units	9	9	9	9	9	9	9	9	9	9
Streets and Sanitation										
Recycling center	1	1	1	1	1	1	1	1	1	1
Streets (in miles)	63	63	63	62	61	61	58	58	58	58
Number of Street Lights	1,276	1,276	1,276	1,276	1,143	1,143	1,143	1,143	1,143	1,143
Cultural and Recreational										
Number of Parks	7	7	7	7	7	7	6	6	6	6
Museum	1	1	1	1	1	1	1	-	-	-
Acreage	21	21	21	21	21	16	11	11	11	11
Public Works										
Storm Sewers (in miles)	53	53	53	53	53	53	50	50	50	50
Water and Sewer										
Water main (in miles)	101	101	74	74	74	74	74	74	74	74
Sanitary sewers (in miles)	63	63	60	60	60	60	60	60	60	60
Electric										
Distribution lines (in miles)	70	70	70	70	70	70	70	70	70	70
Number of Substations	4	4	4	4	4	4	6	7	7	7

Source: Capital Asset schedules and various department records.