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# CITY OF CLINTON

CLINTON, SOUTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

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CLINTON  
*South Carolina*

CITY OF CLINTON  
CLINTON, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

SUBMITTED BY:  
FINANCE DEPARTMENT

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

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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Submitted By:  
Finance Department**

**CITY OF CLINTON  
CLINTON, SOUTH CAROLINA**

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## **INTRODUCTORY SECTION**

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# CLINTON

*South Carolina*

Randy Randall  
Mayor

October 18, 2012

Frank N. Stovall  
City Manager

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

Mary J. Byrd  
City Council Member

Daniel O. Cook, Jr.  
City Council Member

John H. Dowdle  
City Council Member

Shirley Y. Jenkins  
City Council Member

Eddie L. McGee  
City Council Member

Robert T. McLean  
City Council Member

Joey Meadors  
Director  
Dept. of Administrative  
Services

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

Crystal Roberts  
Interim Director  
Dept. of Public Safety

Stephen Taylor  
Director  
Dept. of Community &  
Economic Development

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, 2012.

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

The independent certified public accounting firm of McKinley Cooper., 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, 2012, 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, 2012, 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

City of Clinton, South Carolina  
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Clinton, South Carolina 29325-0748  
(864) 833-7500 • [www.cityofclintonsc.com](http://www.cityofclintonsc.com)

Clinton's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City of Clinton was established in 1852 and incorporated in 1890 and is the second largest municipality in Laurens County. The City lies in the upstate region of South Carolina approximately 40 miles south of Greenville. The City has a population of approximately 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 Business Association, Clinton YMCA, and the Clinton Economic Development Corporation.

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

### **Factors Affecting Financial Condition**

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

### **Local economy**

Located in the southern half of Laurens County, the City is situated between two of the largest metropolitan areas in South Carolina - the Columbia Metro region and the Greenville/Spartanburg region. Interstates 26 and 385 converge in Clinton as do US Highways 72, 76 and SC Highway

56. These roadways provide direct access to Greenville, Spartanburg, Columbia, Greenwood, Charleston, and Asheville, NC. The City's proximity to the interstates and these roadways makes it an ideal location to take advantage of the Upstate region's strong commercial, financial, automotive, manufacturing and distribution markets. The County has a diverse job base with no dependence on any one industry. Much of the local economy revolves around a number of public and private institutions. These include the Laurens County School District 56, The Presbyterian Home, Presbyterian College, and the Whitten Center. All of these institutions are inside the City limits and are full service customers of the City's utility system. Several of the City's large industrial customers include Asten Johnson, Renfro Distribution, Shaw, Avery Dennison, and Aaron Industries. All of these industries are served by at least one of the City's utilities. The City is served by Laurens County 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 three 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. As the national economy rebounds, so will our local economy as we continue to aggressively market our community and assets.

The most significant development to occur in the City of Clinton during the past decade is the recent announcement of the location of the Presbyterian College School of Pharmacy in downtown Clinton. This new graduate school will educate over 300 doctorate students and employ over 30 fulltime faculty. This infusion of investment and people continues to drive the development on construction jobs, real estate sales, and creation of new service industries in downtown Clinton.

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

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

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

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

## **Internal Controls**

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

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

## **Awards and Acknowledgments**

The Governmental Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clinton for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. This was the 23rd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,

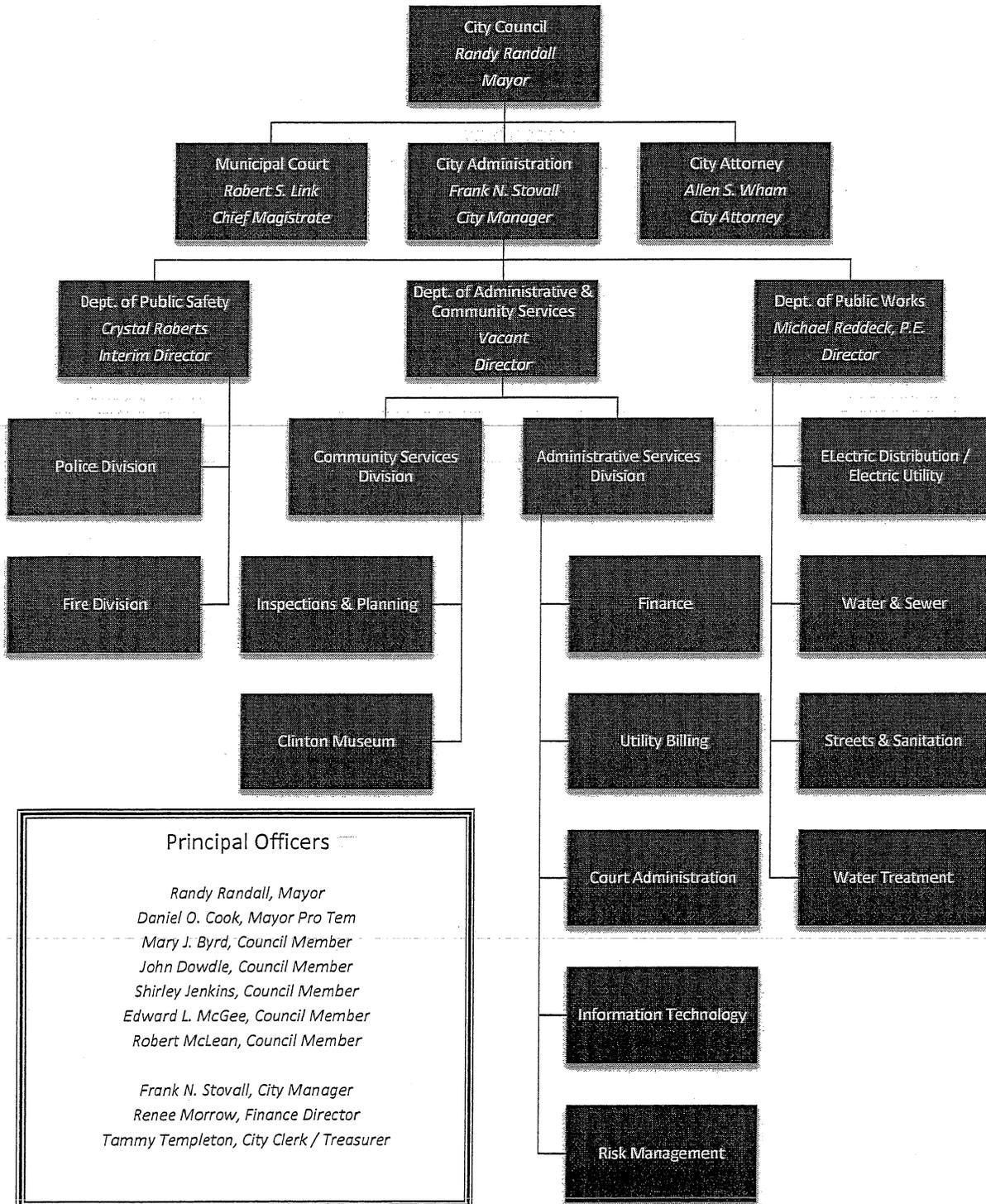


Frank Stovall  
City Manager



# CLINTON *South Carolina*

## Organization Chart June 30, 2012



**Principal Officers**

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

*Frank N. Stovall, City Manager*  
*Renee Morrow, 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, 2011

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



*Linda C. Dandson*

President

*Jeffrey R. Emery*

Executive Director

**FINANCIAL SECTION**

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# McKINLEY, COOPER & CO., LLC

CERTIFIED PUBLIC ACCOUNTANTS

Suite 225

555 North Pleasantburg Drive  
Greenville, South Carolina 29607-2191

(864) 233-1800 Fax (864) 232-6971



The CPA. Never Underestimate The Value.™

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

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Clinton, South Carolina as of and for the year ended June 30, 2012, 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, South Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Clinton, South Carolina, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

To the Honorable Mayor and City Council  
City of Clinton, South Carolina  
October 18, 2012

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Clinton, South Carolina's financial statements as a whole. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

October 18, 2012

## 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, 2012. 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

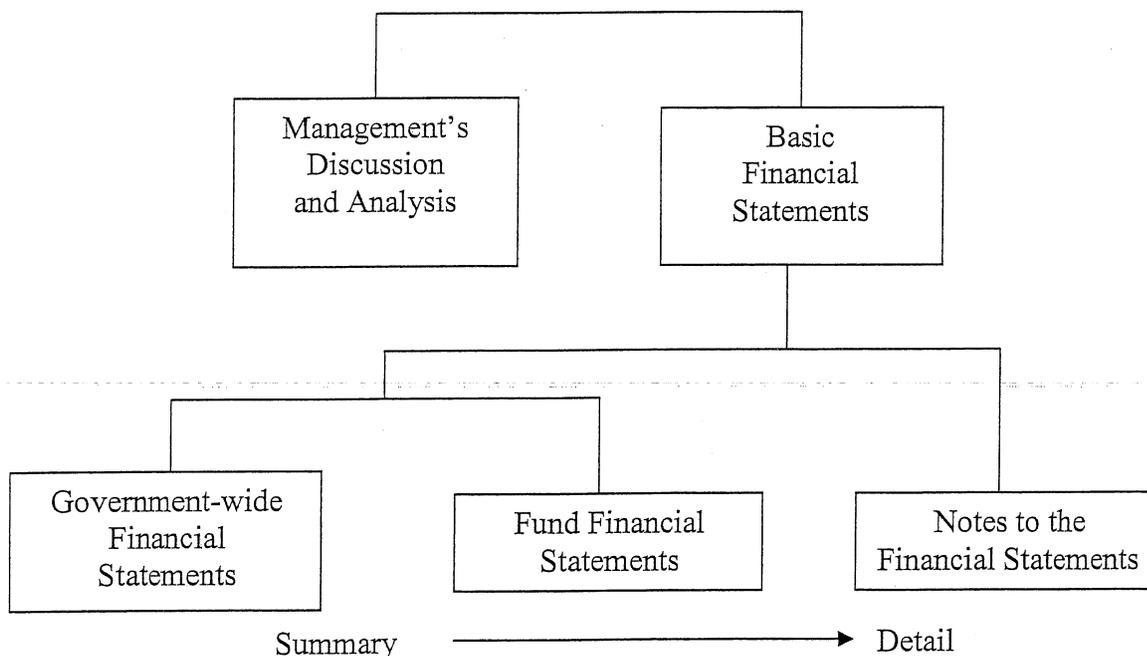
- The assets of the City of Clinton exceeded its liabilities at the close of the fiscal year by \$17,611,653.
- The government's total net assets increased by \$1,927,474 primarily due to increases in the Business-Type activities net assets
- As of the close of the current fiscal year, the City's governmental fund reported an ending fund balance of \$2,220,845, an increase of \$568,154 in comparison with the prior year. The City's unassigned fund deficit is \$512,100.

### 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 18 and 19) 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 20 - 27) 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 three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the City's basic services such as, general government, public safety, streets and sanitation, and parks and recreation. Property taxes, licenses and permits, intergovernmental revenues, charges for services and contributions finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the water, sewer and electric services offered by the City of Clinton. In addition to the City of Clinton (known as the primary government), the government-wide financial statements also include information for the Economic Development Corporation (EDC). The EDC is a legally separate entity for which the City is financially accountable and is thus reported as a component unit of the City.

### **Fund Financial Statements**

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Clinton, like all other governmental

entities in South Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the state statutes or the City's budget ordinance. All of the funds of City of Clinton can be divided into two categories: governmental funds and proprietary funds.

### **Governmental Funds**

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net 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 28 - 45 of this report.

## Government-Wide Financial Analysis

### City of Clinton Net Assets Figure 2

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 2,574,124	\$ 1,965,933	\$ 11,730,988	\$ 11,480,964	\$ 14,305,112	\$ 13,446,897
Capital Assets	6,138,769	6,166,247	8,746,074	8,757,590	14,884,843	14,924,337
Intangible Assets	-	-	129,506	135,291	129,506	135,291
	<u>8,712,893</u>	<u>8,132,180</u>	<u>20,606,568</u>	<u>20,373,845</u>	<u>29,319,461</u>	<u>28,506,525</u>
Prior period Adjustment	-	-	-	(411,559)	-	(411,559)
Total Assets	<u>\$ 8,712,893</u>	<u>\$ 8,132,180</u>	<u>\$ 20,606,568</u>	<u>\$ 19,962,286</u>	<u>\$ 29,319,461</u>	<u>\$ 28,094,966</u>
Long-term Liabilities						
Outstanding	\$ 1,050,193	\$ 1,148,764	\$ 8,942,521	\$ 9,492,349	\$ 9,992,714	\$ 10,641,113
Other Liabilities	302,680	278,161	1,412,414	1,491,513	1,715,094	1,769,674
Total Liabilities	<u>1,352,873</u>	<u>1,426,925</u>	<u>10,354,935</u>	<u>10,983,862</u>	<u>11,707,808</u>	<u>12,410,787</u>
Net Assets:						
Invested in capital						
assets, net of related debt	5,380,407	5,305,973	3,782,879	3,963,898	9,163,286	9,269,871
Restricted	2,192,390	1,930,725	4,275,228	4,532,590	6,467,618	6,463,315
Unrestricted	(212,777)	(530,943)	2,193,526	893,495	1,980,749	362,552
Total Net Assets	<u>7,360,020</u>	<u>6,705,755</u>	<u>10,251,633</u>	<u>9,389,983</u>	<u>17,611,653</u>	<u>16,095,738</u>
Prior period Adjustment	-	-	-	(411,559)	-	(411,559)
Total Net Assets	<u>7,360,020</u>	<u>6,705,755</u>	<u>10,251,633</u>	<u>8,978,424</u>	<u>17,611,653</u>	<u>15,684,179</u>
Total Net Assets and Liabilities	<u>\$ 8,712,893</u>	<u>\$ 8,132,680</u>	<u>\$ 20,606,568</u>	<u>\$ 19,962,286</u>	<u>\$ 29,319,461</u>	<u>\$ 28,094,966</u>

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 \$29,319,461 exceeded liabilities by \$17,611,653 as of June 30, 2012. The City's net assets increased by \$1,927,474 for the fiscal year ended June 30, 2012. However, the largest portion of net assets (52%) reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The City of Clinton uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Clinton's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The net asset balance of \$1,980,749 is unrestricted.

Total unrestricted governmental net assets increased due to the City's conservative approach during the budget process for fiscal year 2011-2012 and adherence to that budget. As a whole, revenues reported for the City's governmental area were favorable.

## City of Clinton Changes in Net Assets

Figure 3

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,714,534	\$ 1,691,496	\$ 18,723,174	\$ 18,182,684	\$ 20,437,708	\$ 19,874,180
Operating grants and contributions	553,166	1,088,829	-	-	553,166	1,088,829
Capital grants and contributions	-	358,835	439,363	236,960	439,363	595,795
General revenues:						
Property taxes	493,609	570,899	-	-	493,609	570,899
Other taxes	1,149,176	1,095,839	-	-	1,149,176	1,095,839
Grants and contributions not restricted to specific programs	157,962	192,346	-	-	157,962	192,346
Other	120,774	299,367	227,145	113,954	347,919	413,321
<b>Total revenues</b>	<b>4,189,221</b>	<b>5,297,611</b>	<b>19,389,682</b>	<b>18,533,598</b>	<b>23,578,903</b>	<b>23,831,209</b>
<b>Expenses:</b>						
General government	1,300,773	1,295,582	-	-	1,300,773	1,295,582
Public safety	2,693,083	3,296,784	-	-	2,693,083	3,296,784
Streets and sanitation	919,878	1,152,525	-	-	919,878	1,152,525
Museum	28,201	39,020	-	-	28,201	39,020
Cultural and recreation	371,595	344,306	-	-	371,595	344,306
General public	-	-	-	-	-	-
Interest on						
Long-term debt	21,626	36,322	-	-	21,626	36,322
Public works	-	-	1,096,479	971,533	1,096,479	971,533
Water and sewer	-	-	3,412,646	3,314,660	3,412,646	3,314,660
Electric	-	-	11,807,148	11,075,488	11,807,148	11,075,488
<b>Total expenses</b>	<b>5,335,156</b>	<b>6,164,539</b>	<b>16,316,273</b>	<b>15,361,681</b>	<b>21,651,429</b>	<b>21,526,220</b>
<b>Changes in net assets before transfers</b>	<b>(1,145,935)</b>	<b>(866,928)</b>	<b>3,073,409</b>	<b>3,171,917</b>	<b>1,927,474</b>	<b>2,304,989</b>
<b>Transfers</b>	<b>1,800,200</b>	<b>1,740,045</b>	<b>(1,800,200)</b>	<b>(1,740,045)</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>654,265</b>	<b>873,117</b>	<b>1,273,209</b>	<b>1,431,872</b>	<b>1,927,474</b>	<b>2,304,989</b>
<b>Net Assets, Beginning</b>	<b>6,705,755</b>	<b>5,832,638</b>	<b>8,978,424</b>	<b>7,958,111</b>	<b>15,684,179</b>	<b>13,790,749</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(411,559)</b>	<b>-</b>	<b>(411,559)</b>
<b>Net Assets, Ending</b>	<b>\$ 7,360,020</b>	<b>\$ 6,705,755</b>	<b>\$ 10,251,633</b>	<b>\$ 8,978,424</b>	<b>\$ 17,611,653</b>	<b>\$ 15,684,179</b>

### Governmental activities.

Governmental activities increased the City's net assets by \$654,265. Key elements of this increase are as follows:

- The City kept expenditures down due to economic restraints and forecasts, while revenues were maintained.
- Contributions and grants were received totaling over \$500,000. The main portion of these receipts were from private contributions of \$498,000.
- The major portion of capital outlay was expended through the 2010 Bond Fund, while one large piece of recycling equipment was purchased through capital leases. A used fire truck was purchased using mainly depreciation funds set aside for equipment replacement.

### **Business-type activities**

Business-type activities increased the City of Clinton's net assets by \$1,273,209. The key elements of this increase are:

- The increase in utility revenue is partially due to an increase in electric revenues of \$430,000 due to a rate increase imposed by the electric provider passed through to the customer. The rate increase should have increased revenues more, but the mild summer and winter offset the rate increase to the City and its customers. The City implemented rate increases of 13% electric, 3.5% sewer and 2.5% to water customers outside the City limits.
- Since the weather was mild during the Fiscal Year 2011-12, the city spent approximately \$480,000 less on electricity purchases from the electric provider.
- The transfer to the Governmental Fund decreased by a budgeted amount of \$59,700.
- As with the Governmental fund, the Utility employees worked diligently and frugally to keep costs down while the actual costs of supplies increased due to the economy. While the revenue increased by 6.2%, expenses increased by 4.6%.

### **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 \$512,100 while total fund balance was \$2,220,845. The General Fund is able to meet its cash flow needs by borrowing from the Proprietary Fund.

During the current fiscal year, the fund balance of the City of Clinton's general fund increased by \$568,154. Key factors in this increase are as follows:

- Capital assets through 2010 bond funds increased by \$210,000.
- Funds from other financing sources totaling \$1,878,357 were received which consisted of \$78,157 from issuance of debt and \$1,800,200 transfer from the Utility Fund.
- Collections from Hospitality and Accommodations taxes totaled \$504,781. Since these funds have restrictions imposed on them, none was spent.

### **General Fund Budgetary Highlights**

Revenues were greater than the budgeted amounts primarily because the amount of revenue received from miscellaneous sources exceeded the budget projections. Hospitality Tax revenues exceeded the budget by \$116,000 partially due to a new Hotel in operation and the economic outlook improved after the budget was set. Miscellaneous Revenue exceeded the budget by \$87,526 mainly due to reimbursements from other agencies spent during the previous years. Local Option Sales Taxes exceeded the Budget by \$44,000 because the economic outlook was a factor in setting this budget and Sales were higher than expected. Contributions primarily consist of money received from Clinton Newberry Natural Gas.

Expenditures for the General Fund were over budget due mainly to sanitation department expenditures. The sanitation capital outlay exceeded the budgeted amounts by \$118,207 due to unbudgeted purchase of a recycle vehicle whose receipt was delayed to this fiscal year while budgeted in the previous year. The General Government Department was under budget because money budgeted for hospitality funds were not spent. The Planning and Inspections Department was under budget due to personnel movement to another department and was not replaced.

### **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 \$2,193,526. The total increase in net assets for the fund was \$1,273,209. 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, 2012, totals \$14,884,843, (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 new Grapple Truck for approximately \$118,000 in the Public Works Department through a lease from BB&T for \$78,000.
- The City completed the MS Bailey and Council Chamber projects that added a total of over \$380,000 and closed the previous CIP of \$360,000.

- The City purchased a Fire Truck in the Public Safety Department for \$75,250 with the use of funds in the Depreciation Account and a new vehicle was purchased in the City Manager's Department for \$25,000.
- The City continued to replace Water Lines and Meters in the Lydia Mill Community located in the City through a Community Block Development Grant with additions to Construction in Progress of \$155,000. Additional Utility work was completed for a new Highland Park apartment complex for \$83,000.
- The Public Works Department purchased various equipment for approximately \$85,000 including a portable generator, and a utility truck.
- The City removed used equipment during FY 2011-12 that totaled approximately \$459,000. This equipment was sold on govdeals.com.

City of Clinton  
Capital Assets

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 1,105,526	\$ 1,105,526	\$ 11,983	\$ 11,983	\$ 1,117,509	\$ 1,117,509
Building	2,418,114	1,873,531	137,451	161,373	2,555,565	2,034,904
Improvements Other than Buildings	1,845,601	1,761,419	7,386,166	7,736,442	9,231,767	9,497,861
Vehicles and Other Equipment	769,528	770,046	260,454	313,946	1,029,982	1,083,992
Construction in Progress	-	656,225	950,020	533,846	950,020	1,190,071
	<u>\$ 6,138,769</u>	<u>\$ 6,166,747</u>	<u>\$ 8,746,074</u>	<u>\$ 8,757,590</u>	<u>\$ 14,884,843</u>	<u>\$ 14,924,337</u>

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

**Long-term Debt**

As of June 30, 2012, the City of Clinton had total bonded debt outstanding of \$9,265,448. Of this, \$520,752 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	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 520,752	\$ 635,437	\$ -	\$ -	\$ 520,752	\$ 635,437
Revenue Bonds	-	-	8,744,696	9,371,568	8,744,696	9,371,568
	<u>\$ 520,752</u>	<u>\$ 635,437</u>	<u>\$ 8,744,696</u>	<u>\$ 9,371,568</u>	<u>\$9,265,448</u>	<u>\$ 10,007,005</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 \$442,570. The City has \$520,752 in general obligation bonds outstanding at June 30, 2012. Additional information regarding the City of Clinton's long-term debt can be found in note 2 of the basic financial statements.

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

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

- New Manufacturing Jobs. The City continues to try to replace the 2,000 jobs lost over the past 5 years.
- Utility Revenues. The City continues to try to replace the utility revenues lost with the closing of the local textile mills.
- Corporate Park. The City's creation of a multi-phased business/industrial park is expected to improve each of the above economic factors.
- The construction of a frontage road along Interstate 26 and the location of varied retail and other commercial entities will also improve the above-mentioned economic factors.

**Budget Highlights for the Fiscal Year Ending June 30, 2013**

**Governmental Activities**

The City of Clinton did not increase Property taxes for 2012. 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 6.7% to cover increased cost of wholesale power from Piedmont Municipal Power Agency. Water rates increased 2% to customers who reside outside of the city limits. Sewer rates increased by 4% to cover a rate increase implemented by Laurens County Water and Sewer Commission, the Agency that treats the City of Clinton's sewer.

## **Requests for Information**

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

CITY OF CLINTON, SOUTH CAROLINA

STATEMENT OF NET ASSETS  
JUNE 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,897,182	\$ 856,697	\$ 3,753,879	\$ -
Restricted cash	-	4,275,228	4,275,228	-
Investments	328,120	864,497	1,192,617	-
Taxes receivable - net	63,255	-	63,255	-
Other receivables - net	147,260	4,053,406	4,200,666	-
Due from component unit	-	216,771	216,771	-
Internal balances	(867,167)	867,167	-	-
Inventories	5,474	597,222	602,696	-
Land held for resale	-	-	-	1,201,210
Capital assets				
Land and construction in progress	1,105,526	962,003	2,067,529	-
Other capital assets - net of depreciation	5,033,243	7,784,071	12,817,314	695,992
Bond issue costs, net of accumulated amortization	-	129,506	129,506	-
<b>Total assets</b>	<b>\$ 8,712,893</b>	<b>\$ 20,606,568</b>	<b>\$ 29,319,461</b>	<b>\$ 1,897,202</b>
<b>LIABILITIES AND NET ASSETS</b>				
Accounts payable and accrued liabilities	\$ 292,123	\$ 1,260,745	\$ 1,552,868	\$ -
Customer deposits	-	113,651	113,651	-
Unearned revenue	3,604	-	3,604	240,000
Accrued interest payable	6,953	38,018	44,971	18,320
Due to primary government	-	-	-	216,771
Long-term liabilities				
Net OPEB obligation	51,367	130,535	181,902	-
Due within one year	280,532	721,436	1,001,968	96,741
Due in more than one year	718,294	8,090,550	8,808,844	541,475
<b>Total liabilities</b>	<b>1,352,873</b>	<b>10,354,935</b>	<b>11,707,808</b>	<b>1,113,307</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	5,380,407	3,782,879	9,163,286	1,258,986
Restricted for				
Debt service	52,422	-	52,422	-
Tourism	2,094,074	-	2,094,074	-
Public safety	45,894	-	45,894	-
Capital projects	-	4,275,228	4,275,228	-
Unrestricted	(212,777)	2,193,526	1,980,749	(475,091)
<b>Total net assets</b>	<b>7,360,020</b>	<b>10,251,633</b>	<b>17,611,653</b>	<b>783,895</b>
<b>Total net assets and liabilities</b>	<b>\$ 8,712,893</b>	<b>\$ 20,606,568</b>	<b>\$ 29,319,461</b>	<b>\$ 1,897,202</b>

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

CITY OF CLINTON, SOUTH CAROLINA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012

Function/Programs Primary Government	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit Economic Development Corporation	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities			Total
						Governmental Activities	Business-type Activities		
Governmental activities									
General government	\$ 1,300,773	\$ 700,768	\$ 508,384	\$ -	\$ (91,621)	\$ -	\$ (91,621)	\$ -	
Public Safety	2,693,083	261,484	21,325	-	(2,410,274)	-	(2,410,274)	-	
Streets and Sanitation	919,878	752,282	-	-	(167,596)	-	(167,596)	-	
Museum	28,201	-	8,868	-	(19,333)	-	(19,333)	-	
Cultural and Recreational	371,595	-	14,589	-	(357,006)	-	(357,006)	-	
Interest on long-term debt	21,626	-	-	-	(21,626)	-	(21,626)	-	
<b>Total governmental activities</b>	<b>5,335,156</b>	<b>1,714,534</b>	<b>553,166</b>	<b>-</b>	<b>(3,067,456)</b>	<b>-</b>	<b>(3,067,456)</b>	<b>-</b>	
Business-type activities									
Public Works	1,096,479	366,118	-	-	-	(730,361)	(730,361)	-	
Water and Sewer	3,412,646	4,232,126	-	356,463	-	1,175,943	1,175,943	-	
Electric	11,807,148	14,124,930	-	82,900	-	2,400,682	2,400,682	-	
<b>Total business-type activities</b>	<b>16,316,273</b>	<b>18,723,174</b>	<b>-</b>	<b>439,363</b>	<b>-</b>	<b>2,846,264</b>	<b>2,846,264</b>	<b>-</b>	
<b>Total primary government</b>	<b>\$ 21,651,429</b>	<b>\$ 20,437,708</b>	<b>\$ 553,166</b>	<b>\$ 439,363</b>	<b>(3,067,456)</b>	<b>2,846,264</b>	<b>(221,192)</b>	<b>-</b>	
Component unit									
Economic Development Corporation	\$ 177,741	\$ -	\$ -	\$ 272,500	\$ -	\$ -	\$ -	\$ 94,759	
	\$ 177,741	\$ -	\$ -	\$ 272,500	\$ -	\$ -	\$ -	\$ 94,759	
<b>General revenues</b>									
Taxes									
Property taxes, levied for general purposes					\$ 493,609	\$ -	\$ 493,609	\$ -	
Local option sales tax					644,395	-	644,395	-	
Other Taxes					504,781	-	504,781	-	
Grants and contributions not restricted to specific programs					157,962	-	157,962	-	
Miscellaneous					120,774	227,145	347,919	-	
Transfers					1,800,200	(1,800,200)	-	-	
<b>Total general revenues and transfers</b>					<b>3,721,721</b>	<b>(1,573,055)</b>	<b>2,148,666</b>	<b>-</b>	
<b>Change in net assets</b>					<b>654,265</b>	<b>1,273,209</b>	<b>1,927,474</b>	<b>94,759</b>	
<b>Net assets, beginning</b>					<b>6,705,755</b>	<b>9,389,983</b>	<b>16,095,738</b>	<b>689,136</b>	
<b>Prior Period Adjustment</b>					<b>-</b>	<b>(411,559)</b>	<b>(411,559)</b>	<b>-</b>	
<b>Net assets, beginning of year, as restated</b>					<b>6,705,755</b>	<b>8,978,424</b>	<b>15,684,179</b>	<b>689,136</b>	
<b>Net assets, ending</b>					<b>\$ 7,360,020</b>	<b>\$ 10,251,633</b>	<b>\$ 17,611,653</b>	<b>\$ 783,895</b>	

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

**CITY OF CLINTON, SOUTH CAROLINA**

**BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2012**

	<u>General Fund</u>	
<b>ASSETS</b>		
Cash and cash equivalents	\$	2,897,182
Investments		328,120
Receivables - net		
Taxes		63,255
Accounts and other		147,260
Inventories		5,474
		<hr/>
<b>Total assets</b>	\$	<b>3,441,291</b>
		<hr/> <hr/>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts payable and accrued liabilities	\$	292,123
Due to other funds		867,167
Deferred revenue		61,156
		<hr/>
<b>Total liabilities</b>		<b>1,220,446</b>
		<hr/>
Fund Balances		
Nonspendable		96,025
Restricted		2,192,390
Committed		444,530
Unassigned		(512,100)
		<hr/>
<b>Total fund balances</b>		<b>2,220,845</b>
		<hr/>
<b>Total liabilities and fund balances</b>	\$	<b>3,441,291</b>
		<hr/> <hr/>

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

CITY OF CLINTON, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
YEAR ENDED JUNE 30, 2012

Total Fund Balance, Governmental Fund		\$	2,220,845
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.			6,138,769
Certain other long-term liabilities are not available to pay current period expenditures and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.			(51,367)
Property taxes receivable are not considered available and are, therefore, deferred in the funds.			57,552
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.			
General obligation bonds	(520,752)		
Capital Leases	(237,610)		
Compensated absences	(240,464)		
Accrued interest payable	(6,953)		
			<u>(1,005,779)</u>
Net Assets of Governmental Activities in the Statement of Net Assets		\$	<u>7,360,020</u>

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

CITY OF CLINTON, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
YEAR ENDED JUNE 30, 2012

	<b>General Fund</b>
<b>REVENUES</b>	
Taxes	\$ 482,014
Licenses and permits	700,768
Intergovernmental revenues	902,738
Fines and forfeitures	200,185
Accommodations tax	138,781
Hospitality tax	366,000
Charges for services	752,282
Contributions	514,966
Interest revenue	6,866
Miscellaneous	113,026
	<b>4,177,626</b>
 <b>EXPENDITURES</b>	
Current	
General government	1,182,040
Public safety	2,556,863
Streets and sanitation	685,314
Museum	28,201
Cultural and recreational	365,832
Capital outlay	463,461
Debt service	
Principal retirement	180,569
Interest	25,549
	<b>5,487,829</b>
<b>Excess of revenues (under) expenditures</b>	<b>(1,310,203)</b>
 <b>OTHER FINANCING SOURCES</b>	
Issuance of capital leases	78,157
Transfers in	
Overhead allocation transfer	386,267
Contributions transfer	1,413,933
	<b>1,878,357</b>
<b>Net change in fund balance</b>	<b>568,154</b>
<b>Fund Balance, beginning of year</b>	<b>1,652,691</b>
<b>Fund Balance, end of year</b>	<b>\$ 2,220,845</b>

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

CITY OF CLINTON, SOUTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012

Net Change in Fund Balance - Total Governmental Fund \$ 568,154

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	463,461
Depreciation expense	(491,439)

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	11,595
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Governmental funds report bond proceeds and capital lease issuances as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.

Repayment of long-term debt	180,569
Issuance of capital leases	(78,157)

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	3,923
Net OPEB obligation	(16,239)
Compensated absences	12,398

Change in Net Assets of Governmental Activities	<u>\$ 654,265</u>
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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, 2012

**ASSETS**

Current Assets

Cash	\$ 856,697
Restricted cash	4,275,228
Investments	864,497
Accounts receivable - net	2,917,415
Unbilled revenue	1,135,991
Due from the general fund	1,083,938
Inventories	597,222

**Total current assets** 11,730,988

Noncurrent Assets

Capital assets - net of accumulated depreciation	8,746,074
Bond issue costs - net of amortization	129,506

**Total noncurrent assets** 8,875,580

**Total assets** \$ 20,606,568

**LIABILITIES AND NET ASSETS**

Current Liabilities

Accounts payable and accrued liabilities	\$ 1,260,745
Customer deposits	113,651
Accrued interest payable	38,018
Compensated absences - current portion	11,824
Obligations under capital leases - current portion	84,434
Revenue bonds payable - current portion	654,214
Deferred amount on refunding - current portion	(29,036)

**Total current liabilities** 2,133,850

Noncurrent Liabilities

Net OPEB obligation	130,535
Compensated absences - net of current portion	67,003
Obligations under capital leases - net of current portion	136,315
Revenue bonds payable - net of current portion	8,090,482
Deferred amount on refunding - net of current portion	(203,250)

**Total noncurrent liabilities** 8,221,085

**Total liabilities** 10,354,935

Net Assets

Invested in capital assets, net of related debt	3,782,879
Restricted for capital projects	4,275,228
Unrestricted	2,193,526

**Total net assets** 10,251,633

**Total liabilities and net assets** \$ 20,606,568

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  
 YEAR ENDED JUNE 30, 2012

	Combined Utility System Enterprise Fund
<b>OPERATING REVENUES</b>	
Utility sales	\$ 17,939,201
Interdepartmental utility sales	349,954
Hookup fees	38,450
Penalties	383,064
Miscellaneous	230,902
<b>Total operating revenues</b>	<u>18,941,571</u>
<b>OPERATING EXPENSES</b>	
Public works administration department	459,773
Information technology department	78,744
Utility billing department	353,998
Electric distribution department	11,267,825
Sanitary sewer department	1,440,780
Water distribution department	297,833
Water plant department	969,123
Storm sewer department	115,769
Maintenance department	65,414
Risk management department	80,417
Depreciation	777,569
<b>Total operating expenses</b>	<u>15,907,245</u>
Operating income	<u>3,034,326</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest revenue	8,748
Interest expense	(401,391)
Bond issue cost amortization	(7,637)
<b>Total nonoperating revenues (expenses)</b>	<u>(400,280)</u>
Income before contributions and transfers	2,634,046
Capital contributions - Economic Development Corporation	82,900
Capital contributions - federal grants	356,463
Transfers to/from other funds	
Transfers out	<u>(1,800,200)</u>
<b>Net income</b>	<u>1,273,209</u>
<b>Net assets, beginning of year</b>	9,389,983
<b>Prior Period Adjustment</b>	<u>(411,559)</u>
<b>Net assets, beginning of year, as restated</b>	<u>8,978,424</u>
<b>Net assets, end of year</b>	<u><u>\$ 10,251,633</u></u>

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

CITY OF CLINTON, SOUTH CAROLINA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 YEAR ENDED JUNE 30, 2012

	Combined Utility System Enterprise Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 19,029,452
Cash paid for goods and services	(13,853,697)
Cash paid to employees	(1,417,817)
	<hr/>
Net cash provided by operating activities	3,757,938
	<hr/>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers to other funds	(1,823,966)
	<hr/>
Net cash used by non-capital financing activities	(1,823,966)
	<hr/>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(693,898)
Principal payments on capital leases	(67,443)
Principal payments on revenue bonds	(626,872)
Interest and other fees paid	(395,209)
Subsidy from federal grants	356,463
Capital contributions	82,900
	<hr/>
Net cash used by capital and related financing activities	(1,344,059)
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	8,748
	<hr/>
Net cash provided by investing activities	8,748
	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	598,661
	<hr/>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	5,397,761
	<hr/>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 5,996,422
	<hr/> <hr/>

CITY OF CLINTON, SOUTH CAROLINA

STATEMENT OF CASH FLOWS - CONTINUED  
 PROPRIETARY FUND  
 YEAR ENDED JUNE 30, 2012

	Combined Utility System Enterprise Fund
	<u>                    </u>
Reconciliation of Operating Income to Net	
Cash Provided by Operating Activities:	
Operating income	\$ 3,034,326
Adjustments to reconcile operating income to net cash	
provided by operating activities:	
Depreciation	777,569
(Increase) decrease in assets	
Accounts receivable	(121,208)
Unbilled receivables	101,863
Inventories	(19,811)
Increase (decrease) in liabilities	
Accounts payable and accrued liabilities	(194,358)
Deferred amount on refunding	29,036
Net OPEB obligation	44,828
Compensated absences	(1,533)
Customer deposits	107,226
	<u>                    </u>
Net cash provided by operating activities	<u>\$ 3,757,938</u>
 Noncash Investing, Capital and Financing Activities	
Transfers to other funds	\$ 23,766
Bond cost amortization	\$ (7,637)
Amortization included in interest expense	\$ (29,036)
Issuance of capital lease obligations	\$ 72,155
 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	\$ 856,697
Restricted cash	4,275,228
Investments	864,497
	<u>                    </u>
Total cash and cash equivalents	<u>\$ 5,996,422</u>
 Cash flow classification	
Cash deposits	\$ 5,131,925
Investments - cash equivalents	864,497
	<u>                    </u>
Total cash and cash equivalents	<u>\$ 5,996,422</u>

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

## CITY OF CLINTON, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

#### **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:

##### **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 City has one discretely presented component unit which is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The following entity is presented as a discretely presented component unit:

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

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

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

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

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities and for the discretely presented component unit. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include fees and charges paid by the recipient of goods or services offered by the

## CITY OF CLINTON, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2012

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

programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### **Fund Financial Statements**

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

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

The City reports the following major governmental fund:

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

The City reports the following major enterprise fund:

**Combined Utility System Enterprise Fund** – The Combined Utility System Enterprise Fund is the only Proprietary Fund of the City of Clinton. The City, in compliance with the revenue bond ordinances, accounts for the financial activity of this enterprise fund using three separate sub-funds. The purpose of the fund is to account for the collection of the gross revenues of the system and to provide for the payment of all expenses incurred in connection with the administration and operation of the system.

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

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

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty (60) days after yearend. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2012**

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

expenditures only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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.

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

The following departments in the general fund had an excess of actual expenditures over budget for the year ended June 30, 2012:

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2012**

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

<u>Fund/Function/Department</u>	<u>Excess Amount</u>
General Fund:	
General Government	
Mayor and Council	\$ 13,611
Municipal Court	59,536
Streets and Sanitation	
Sanitation	138,767
Museum	7,719
Cultural and Recreational	13,298

**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, 2012, 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.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

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

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

CITY OF CLINTON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2012

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

**Long-term Obligations**

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

**Compensated Absences**

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

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

**Net 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.

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

*Nonspendable*

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

*Restricted*

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

*Committed*

Committed fund balances include amounts that are committed to a specific purpose by council ordinance.

*Assigned*

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

*Unassigned*

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

CITY OF CLINTON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2012

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

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

**Minimum Fund Balance Policy**

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

Below are the fund balance classifications for the governmental fund at June 30, 2012:

	<u>General Fund</u>
Fund Balances	
Nonspendable	
Inventory	\$ 5,474
Long-term receivable	90,551
Restricted	
Debt service	52,422
Public safety	45,894
Accomodations tax	271,873
Hospitality tax	1,822,201
Committed	
Economic development	444,530
Unassigned	(512,100)
Total Fund Balances	<u>\$ 2,220,845</u>

**Estimates**

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

**Comparative Data/Reclassifications**

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

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

**Assets**

**Deposits and Investments**

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

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2012**

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

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

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

The City had the following investments as of June 30, 2012:

Investment Type	Maturity	Governmental Activities	Business-type Activities	Total	Credit Quality
State Treasurer's investment pool	Daily	\$ 328,120	\$ 864,485	\$ 1,192,605	Unrated
U.S. government securities	Daily	-	12	12	N/A
		<u>\$ 328,120</u>	<u>\$ 864,497</u>	<u>\$ 1,192,617</u>	

**Receivables and Allowances for Doubtful Accounts**

Receivables presented in the Statement of Net Assets are net of allowances for doubtful accounts of \$138,902 for business-type activities. The governmental and business-type activities’ receivables consist of the following:

	Governmental Activities	Business-type Activities	Total
Mortgages receivable	\$ 90,551	\$ -	\$ 90,551
Customers	-	4,053,406	4,053,406
Other receivables	56,709	-	56,709
	<u>\$ 147,260</u>	<u>\$ 4,053,406</u>	<u>\$ 4,200,666</u>

**Property Taxes**

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

The millage rate was 97.5 for the 2011 tax year and the assessed valuation of real property was \$9,061,950. 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	\$ 5,703
Delinquent tax receivables	69,022
Allowance for uncollectibles	(11,470)
	<u>\$ 63,255</u>

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2012**

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

**Capital Assets**

Capital asset activity for the year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balances</u>
<b>Government Activities:</b>				
Nondepreciable capital assets				
Land	\$ 1,105,526	\$ -	\$ -	\$ 1,105,526
Construction in progress	656,225	-	(656,225)	-
	<u>1,761,751</u>	<u>-</u>	<u>(656,225)</u>	<u>1,105,526</u>
Depreciable capital assets				
Buildings	2,836,232	650,452	-	3,486,684
Other improvements	6,072,174	244,423	-	6,316,597
Vehicles and other equipment	6,939,518	224,811	(303,489)	6,860,840
	<u>15,847,924</u>	<u>1,119,686</u>	<u>(303,489)</u>	<u>16,664,121</u>
Less accumulated depreciation				
Buildings	962,701	105,869	-	1,068,570
Other improvements	4,310,755	160,241	-	4,470,996
Vehicles and other equipment	6,169,472	225,329	(303,489)	6,091,312
Total accumulated depreciation	<u>11,442,928</u>	<u>491,439</u>	<u>(303,489)</u>	<u>11,630,878</u>
Total depreciable capital assets - net	<u>4,404,996</u>	<u>628,247</u>	<u>-</u>	<u>5,033,243</u>
Governmental Activities Capital Assets - Net	<u>\$ 6,166,747</u>	<u>\$ 628,247</u>	<u>\$ (656,225)</u>	<u>\$ 6,138,769</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balances</u>
<b>Business-type Activities:</b>				
Nondepreciable capital assets				
Land	\$ 11,983	\$ -	\$ -	\$ 11,983
Construction in progress	533,846	587,406	(171,232)	950,020
	<u>545,829</u>	<u>587,406</u>	<u>(171,232)</u>	<u>962,003</u>
Depreciable capital assets				
Buildings	967,492	-	-	967,492
Other improvements	26,326,551	260,082	-	26,586,633
Vehicles and other equipment	3,118,709	89,797	(155,990)	3,052,516
	<u>30,412,752</u>	<u>349,879</u>	<u>(155,990)</u>	<u>30,606,641</u>
Less accumulated depreciation				
Buildings	806,119	23,922	-	830,041
Other improvements	18,590,109	610,358	-	19,200,467
Vehicles and other equipment	2,804,763	143,289	(155,990)	2,792,062
Total accumulated depreciation	<u>22,200,991</u>	<u>777,569</u>	<u>(155,990)</u>	<u>22,822,570</u>
Total depreciable capital assets - net	<u>8,211,761</u>	<u>(427,690)</u>	<u>-</u>	<u>7,784,071</u>
Business-type Activities Capital Assets - Net	<u>\$ 8,757,590</u>	<u>\$ 159,716</u>	<u>\$ (171,232)</u>	<u>\$ 8,746,074</u>
<b>Component Unit Activities:</b>				
Depreciable capital assets				
Buildings	\$ 773,324	\$ -	\$ -	\$ 773,324
Less accumulated depreciation	<u>(57,999)</u>	<u>(19,333)</u>	<u>-</u>	<u>(77,332)</u>
Component Unit Activities - Capital Assets - Net	<u>\$ 715,325</u>	<u>\$ (19,333)</u>	<u>\$ -</u>	<u>\$ 695,992</u>

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2012**

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

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

Government Activities		
General government		\$ 114,892
Public safety		136,220
Streets and sanitation		234,564
Cultural and recreational		5,763
Total depreciation expense		<u>\$ 491,439</u>
Business-type Activities		
Public works		\$ 3,103
Water and sewer		510,093
Electric		264,373
Total depreciation expense		<u>\$ 777,569</u>

**Liabilities**

**Long-term Liabilities**

The following is a summary of long-term obligations of the primary government for the year ended June 30, 2012:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Net OPEB obligation	\$ 35,128	\$ 16,239	\$ -	\$ 51,367	\$ -
General obligation bonds	635,437	-	(114,685)	520,752	117,739
Capitalized lease obligations	225,337	78,157	(65,884)	237,610	83,440
Compensated absences	252,862	72,265	(84,663)	240,464	79,353
Total governmental activities	<u>\$ 1,148,764</u>	<u>\$ 166,661</u>	<u>\$ (265,232)</u>	<u>\$ 1,050,193</u>	<u>\$ 280,532</u>
Business-type Activities:					
Net OPEB obligation	\$ 85,707	\$ 44,828	\$ -	\$ 130,535	\$ -
Revenue bonds	9,371,568	-	(626,872)	8,744,696	654,214
Deferred loss on refunding	(261,323)	-	29,037	(232,286)	(29,036)
Capital lease obligations	216,037	72,155	(67,443)	220,749	84,434
Compensated absences	80,360	152,312	(153,845)	78,827	11,824
Total business-type activities	<u>\$ 9,492,349</u>	<u>\$ 269,295</u>	<u>\$ (819,123)</u>	<u>\$ 8,942,521</u>	<u>\$ 721,436</u>

The following is a summary of the long-term obligations of the discretely presented component unit for the year ended June 30, 2012:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Component Unit Activities					
Note payable	\$ 734,957	\$ -	\$ (96,741)	\$ 638,216	\$ 96,741
Total component unit activities	<u>\$ 734,957</u>	<u>\$ -</u>	<u>\$ (96,741)</u>	<u>\$ 638,216</u>	<u>\$ 96,741</u>

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2012**

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

**Compensated Absences**

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

**Net OPEB Obligation**

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

**Governmental Fund Debt**

**General Obligation Bonds**

Bonds payable at June 30, 2012 comprised of the following issue:

\$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%.	\$ 155,752
\$450,000 General Obligation Bonds of the City of Clinton, South Carolina, dated September 8, 2010. Annual maturities of \$40,000 to \$51,000 and an annual interest rate of 3.02%.	365,000
	<u>520,752</u>
Less current maturities	(117,739)
Long-term liabilities	<u>\$ 403,013</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 117,739	\$ 15,302	\$ 133,041
2014	121,013	11,953	132,966
2015	44,000	8,516	52,516
2016	45,000	7,188	52,188
2017	46,000	5,829	51,829
2018-2020	147,000	8,999	155,999
	<u>\$ 520,752</u>	<u>\$ 57,787</u>	<u>\$ 578,539</u>

**Capital Lease Obligations**

Capital leases payable at June 30, 2012 were comprised of the following:

\$68,002 Garbage truck capital lease for 5 years, beginning February, 2008. Annual payments of \$15,236, including interest of 3.85%.	\$ 14,662
\$176,927 Fire truck capital lease for 5 years, beginning January 15, 2009. Annual payments of \$40,645, including interest of 4.537%.	76,079
\$84,900 Leaf vacuum truck capital lease for 5 years, beginning November, 2011. Annual payments of \$18,217, including interest of 2.39%.	68,712
\$78,157 Garbage truck capital lease for 5 years, beginning November, 2012. Annual payments of \$16,670, including interest at 2.24%.	78,157
	<u>\$ 237,610</u>

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2012**

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

The future minimum lease obligations as of June 30, 2012, were as follows:

Year Ending June 30,	
2013	\$ 90,787
2014	75,557
2015	34,907
2016	34,906
2017	16,689
Total Minimum Lease Obligation	<u>252,846</u>
Less Amount Representing Interest	(15,236)
Present Value of Minimum Lease Payments	<u>\$ 237,610</u>

**Proprietary Fund Debt**

**Revenue Bonds**

Bonds payable at June 30, 2012 and were comprised of the following issues:

\$4,610,000 Combined Utility System Refunding and Improvement Revenue Bonds, Series 2005A, of the City of Clinton, South Carolina, dated January 14, 2005. Annual maturities of \$10,000 to \$620,000 and a semi-annual interest rate of 3.68% maturing in 2020.	\$ 3,775,000
\$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.	890,000
\$360,000 Combined Utility System Improvement Revenue Bonds, Series 2008, of the City of Clinton, South Carolina, dated November 3, 2008. Annual maturities of \$30,687 to \$41,823 and an interest rate of 3.5% maturing in 2018.	193,696
\$4,000,000 Combined Utility System Refunding and Improvement Revenue Bonds of the City of Clinton, South Carolina, dated June 7, 2011. Annual maturities of \$114,000 to \$951,000 and semi-annual interest at 3.32% maturing in 2023.	<u>3,886,000</u>
	8,744,696
Less current maturities	(654,214)
Long-term liabilities	<u>\$ 8,090,482</u>

Debt service requirements to maturity including interest on all outstanding revenue bonds at June 30, 2012 are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 654,214	\$ 327,568	\$ 981,782
2014	683,446	298,448	981,894
2015	714,722	268,071	982,793
2016	745,042	236,957	981,999
2017	773,409	209,082	982,491
2018-2021	3,302,863	545,761	3,848,624
2022-2023	1,871,000	93,691	1,964,691
	<u>\$ 8,744,696</u>	<u>\$ 1,979,578</u>	<u>\$ 10,724,274</u>

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2012**

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

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

**Capital Lease Obligations**

Capital leases payable at June 30, 2012 were comprised of the following:

\$170,910 Sewer truck capital lease for 6 years, beginning December, 2007. Annual payments of \$31,540, including interest of 3.49%.	\$ 30,477
\$109,568 Bucket truck capital lease for 6 years, beginning September, 2008. Annual payments of \$24,356, including interest of 3.65%.	46,548
\$88,331 Bucket truck capital lease for 5 years, beginning November, 2011. Annual payments of \$19,029, including interest of 2.51%.	71,569
\$72,155 Bucket truck capital lease for 5 years, beginning March, 2013. Annual payments of \$15,417, including interest at 2.3%.	72,155
	<u>\$ 220,749</u>

The future minimum lease obligations as of June 30, 2012, were as follows:

Year Ending June 30,	
2013	\$ 90,561
2014	59,021
2015	34,445
2016	34,446
2017	15,417
Total Minimum Lease Obligation	233,890
Less Amount Representing Interest	(13,141)
Present Value of Minimum Lease Payments	<u>\$ 220,749</u>

**Discretely Presented Component Unit Debt**

**Note Payable**

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

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

Year Ending June 30,	Principal	Interest	Total
2013	\$ 96,741	\$ 31,504	\$ 128,245
2014	96,741	26,807	123,548
2015	96,741	22,111	118,852
2016	96,741	17,414	114,155
2017	96,741	12,716	109,457
2018-2020	154,511	14,833	169,344
	<u>\$ 638,216</u>	<u>\$ 125,385</u>	<u>\$ 763,601</u>

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2012**

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

**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, 2012, 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, 2012 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, 2012.

**Deferred/Unearned Revenue**

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

	Fund Statements	Accrual Adjustment	Government- wide
Taxes receivable	\$ 57,552	\$ (57,552)	\$ -
Other	3,604	-	3,604
	<u>\$ 61,156</u>	<u>\$ (57,552)</u>	<u>\$ 3,604</u>

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

**Interfund Receivables, Payables and Transfers**

On June 30, 2012, the Enterprise Fund was due \$1,083,938 from the General Fund for utility services incurred by the General Fund. The General Fund was due \$379,350 from the Economic Development Corporation Fund for expenditures relating to economic development.

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

	Transfer to General Fund
Transfer from	
Combined Utility Fund for contributions	\$ 1,413,933
Combined Utility Fund for overhead allocations	386,267
	<u>\$ 1,800,200</u>

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

**Employee Retirement Systems**

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

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2012**

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

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

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

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

- South Carolina Retirement System – 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 – 9.385% of salary
- South Carolina Police Officers Retirement System – 11.363% of salary

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

All employers contribute at the actuarially required contribution rates.

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

	South Carolina Retirement System		South Carolina Police Officers Retirement System	
	Amount	Percentage Contributed	Amount	Percentage Contributed
Year Ended June 30, 2012				
Employer	\$ 227,713	100%	\$ 147,299	100%
Employees	155,232	100%	81,394	100%
Year Ended June 30, 2011				
Employer	\$ 228,115	100%	\$ 170,641	100%
Employees	157,907	100%	96,198	100%
Year Ended June 30, 2010				
Employer	\$ 228,282	100%	\$ 162,670	100%
Employees	159,120	100%	99,282	100%

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2012**

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

**Post Retirement Health Care Benefits**

**Description**

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

**Funding Policy**

As of June 30, 2012, there were 27 employee retirees receiving benefits. The Plan is financed on a pay-as-you-go basis and through separate contributions to the South Carolina Other Retirement Benefits Employer Trust (SCORBET), a tax-exempt governmental trust under Internal Revenue Code 115. SCORBET allows each member to choose a contribution amount into the trust based on the actuarially determined annual required contribution. Each member continues to contract with its current health provider for retiree health care coverage and the SCORBET pays the benefits chosen by the employer directly to the employer or provider. Each member also shares in the SCORBET's administrative and investment related expenses.

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

The City's OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities or funding excess over a period not to exceed thirty years. The following table presents the OPEB cost for the year, the amount actually contributed and changes in the OPEB Plan for the year ended June 30, 2012:

	Net OPEB Obligation (Asset)		
	Governmental Activities	Business-type Activities	Total
Annual required contribution (ARC)	\$ 103,966	\$ 73,755	\$ 177,721
Interest on net OPEB obligation	2,803	2,030	4,833
Adjustment to ARC	(4,127)	(2,988)	(7,115)
Annual OPEB cost	102,642	72,797	175,439
Contributions made	(86,403)	(27,969)	(114,372)
Increase in net OPEB (asset) obligation	16,239	44,828	61,067
Net OPEB obligation (assets), beginning of year	35,128	85,707	120,835
Net OPEB obligation (assets), end of year	\$ 51,367	\$ 130,535	\$ 181,902

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2012**

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

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation (asset) for the fiscal year ended June 30, 2012 is as follows:

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

**Funded Status and Funding Progress**

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

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

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

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs by the employer to a point. The actuarial

CITY OF CLINTON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2012

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

and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table summarizes actuarial methods and assumptions used:

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

**Risk Management**

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

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

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

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

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

**Piedmont Municipal Power Agency**

The City of Clinton is a charter member of the Piedmont Municipal Power Agency (PMPA) that was formed in 1979. PMPA is a public body corporate and politic of the State of South Carolina consisting of

**CITY OF CLINTON, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**JUNE 30, 2012**

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

ten municipalities in South Carolina, which purchase electric power from PMPA. PMPA owns a 25% undivided interest in Unit 2 of Duke Power's Catawba Nuclear Station in York County, South Carolina.

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

The purpose of the contract is to purchase power from PMPA at rates lower than Duke Power Company would charge. If future power rates of PMPA become greater than expected, the City of Clinton would be committed to buy from PMPA at the higher rates. The amount of this commitment cannot be estimated as of June 30, 2012.

For the year ended June 30, 2012, the City's purchased power expense from PMPA was \$10,162,278. Also, the amount included in accounts payable and accrued liabilities for accrued purchased power from PMPA at June 30, 2012 is \$886,195.

**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.

**NOTE 4 – PRIOR PERIOD ADJUSTMENT**

The City has recorded a prior period adjustment of \$411,559 to correct utility billings of the prior year. The adjustment reduces beginning of year net assets of the proprietary fund.

This adjustment did not impact the cash flow of the City or current year operations.

**NOTE 5 – SUBSEQUENT EVENTS**

Subsequent to June 30, 2012, the City has approved an ordinance providing for the issuance and sale of approximately \$4,700,000 Combined Utility System Improvement and Refunding Revenue Bonds. The proceeds of the bonds are to be used for the current refunding of all or a portion of the 2005A Bond, 2005B Bond, and the 2008 Bond. The anticipated closing of the bond is November, 2012.

Subsequent events have been evaluated through October 18, 2012, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

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CITY OF CLINTON, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2012

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>				
Taxes	\$ 550,000	\$ 550,000	\$ 482,014	\$ (67,986)
Licenses and permits	710,000	710,000	700,768	(9,232)
Intergovernmental revenues	809,000	809,000	902,738	93,738
Fines and forfeitures	207,000	207,000	200,185	(6,815)
Accommodations tax	130,000	130,000	138,781	8,781
Hospitality tax	250,000	250,000	366,000	116,000
Charges for services	703,136	703,136	752,282	49,146
Contributions	558,000	558,000	514,966	(43,034)
Interest	-	-	6,866	6,866
Miscellaneous	25,500	25,500	113,026	87,526
<b>Total revenues</b>	<b>3,942,636</b>	<b>3,942,636</b>	<b>4,177,626</b>	<b>234,990</b>
<b>EXPENDITURES</b>				
Current				
General government	1,465,289	1,465,289	1,182,040	283,249
Public safety	2,773,057	2,773,057	2,556,863	216,194
Streets and sanitation	668,904	668,904	685,314	(16,410)
Museum	20,482	20,482	28,201	(7,719)
Culture and recreation	339,534	339,534	365,832	(26,298)
Accommodations	70,000	70,000	-	70,000
Capital outlay	125,283	125,283	463,461	(338,178)
Debt service				
Principal retirement	277,310	277,310	180,569	96,741
Interest	62,977	62,977	25,549	37,428
<b>Total expenditures</b>	<b>5,802,836</b>	<b>5,802,836</b>	<b>5,487,829</b>	<b>315,007</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(1,860,200)</b>	<b>(1,860,200)</b>	<b>(1,310,203)</b>	<b>549,997</b>
<b>OTHER FINANCING SOURCES</b>				
Issuance of capital leases	-	-	78,157	78,157
Proceeds from sale of capital assets	1,000	1,000	-	(1,000)
Operating transfers in				
Overhead allocation transfer	386,267	386,267	386,267	-
Contributions transfer	1,472,933	1,472,933	1,413,933	(59,000)
<b>Total other financing sources</b>	<b>1,860,200</b>	<b>1,860,200</b>	<b>1,878,357</b>	<b>18,157</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>568,154</b>	<b>\$ 568,154</b>
<b>Fund Balance, beginning</b>			<b>1,652,691</b>	
<b>Fund Balance, ending</b>			<b>\$ 2,220,845</b>	

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

CITY OF CLINTON, SOUTH CAROLINA

SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN  
 JUNE 30, 2012

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

**OTHER SUPPLEMENTARY INFORMATION**

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CITY OF CLINTON, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2012

	Budget Amounts	Actual Amounts	Variance With Final Budget
<b>General Government</b>			
<b>Mayor and City Council</b>			
Salaries and employee benefits	\$ 56,709	\$ 63,440	\$ (6,731)
Operating	48,200	55,080	(6,880)
	<u>104,909</u>	<u>118,520</u>	<u>(13,611)</u>
<b>Administration</b>			
Salaries and employee benefits	186,337	174,522	11,815
Operating	463,050	139,121	323,929
Capital outlay	4,000	263,992	(259,992)
Debt service	266,190	132,020	134,170
	<u>919,577</u>	<u>709,655</u>	<u>209,922</u>
<b>Economic Development</b>			
Operating	70,500	69,392	1,108
	<u>70,500</u>	<u>69,392</u>	<u>1,108</u>
<b>Municipal Court</b>			
Salaries and employee benefits	65,170	73,188	(8,018)
Operating	76,300	127,818	(51,518)
	<u>141,470</u>	<u>201,006</u>	<u>(59,536)</u>
<b>Legal Services</b>			
Operating	26,100	19,945	6,155
	<u>26,100</u>	<u>19,945</u>	<u>6,155</u>
<b>Finance Department</b>			
Salaries and employee benefits	214,506	218,952	(4,446)
Operating	258,417	240,583	17,834
	<u>472,923</u>	<u>459,535</u>	<u>13,388</u>
<b>Total General Government</b>	<u>1,735,479</u>	<u>1,578,053</u>	<u>157,426</u>
<b>Public Safety</b>			
<b>Police Department</b>			
Salaries and employee benefits	2,076,843	1,987,961	88,882
Operating	441,881	416,623	25,258
Capital outlay	98,783	81,260	17,523
Debt service	40,645	40,645	-
	<u>2,658,152</u>	<u>2,526,489</u>	<u>131,663</u>
<b>Planning and Inspections</b>			
Salaries and employee benefits	208,858	126,843	82,015
Operating	43,975	25,437	18,538
Capital outlay	1,500	-	1,500
	<u>254,333</u>	<u>152,280</u>	<u>102,053</u>
<b>Total Public Safety</b>	<u>2,912,485</u>	<u>2,678,769</u>	<u>233,716</u>

CITY OF CLINTON, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts	Actual Amounts	Variance With Final Budget
<b>Streets and Sanitation</b>			
<b>Streets</b>			
Salaries and employee benefits	\$ 223,996	\$ 166,681	\$ 57,315
Operating	56,775	108,440	(51,665)
Capital outlay	8,000	-	8,000
Debt service	18,216	18,217	(1)
	<u>306,987</u>	<u>293,338</u>	<u>13,649</u>
<b>Sanitation</b>			
Salaries and employee benefits	226,933	229,598	(2,665)
Operating	162,700	180,595	(17,895)
Capital outlay	-	118,207	(118,207)
Debt service	15,236	15,236	-
	<u>404,869</u>	<u>543,636</u>	<u>(138,767)</u>
<b>Total Streets and Sanitation</b>	<u>711,856</u>	<u>836,974</u>	<u>(125,118)</u>
<b>Museum</b>			
Salaries and employee benefits	14,707	13,876	831
Operating	5,775	14,325	(8,550)
<b>Total Museum</b>	<u>20,482</u>	<u>28,201</u>	<u>(7,719)</u>
<b>Cultural and Recreational</b>			
Salaries and employee benefits	115,534	141,063	(25,529)
Operating	224,000	224,769	(769)
Capital outlay	13,000	-	13,000
<b>Total Cultural and Recreational</b>	<u>352,534</u>	<u>365,832</u>	<u>(13,298)</u>
<b>Accommodations</b>			
Operating	70,000	-	70,000
<b>Total Accommodations</b>	<u>70,000</u>	<u>-</u>	<u>70,000</u>
<b>Total General Fund Expenditures</b>	<u>\$ 5,802,836</u>	<u>\$ 5,487,829</u>	<u>\$ 315,007</u>

CITY OF CLINTON, SOUTH CAROLINA

SCHEDULE OF FINES AND ASSESSMENTS COLLECTED  
GENERAL FUND  
YEAR ENDED JUNE 30, 2012

Municipal Court Assessments and Court Surcharges

Retained for victim's assistance	\$	12,123
Municipal court fines remitted to the state		<u>188,062</u>
Total Fines and Assessments Collected	\$	<u><u>200,185</u></u>

## Statistical Section

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### CONTENTS

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

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

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

#### **Operating Information**

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

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

**Note:** The following statistical table is not applicable to the City of Clinton: Special Assessments Collections.

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

	Fiscal Years									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 5,380,407	\$ 5,305,973	\$ 6,245,735	\$ 6,240,831	\$ 5,215,823	\$ 2,522,698	\$ 2,461,642	\$ 2,534,996	\$ 2,172,808	\$ 2,773,742
Restricted	2,192,390	1,930,725	120,951	60,000	25,073	-	-	-	-	-
Unrestricted	(212,777)	(530,943)	200,610	(604,830)	(481,829)	229,640	(471,974)	(176,259)	(496,224)	(900,620)
Total Governmental Activities Net Assets	<u>7,360,020</u>	<u>6,705,755</u>	<u>6,567,296</u>	<u>5,636,001</u>	<u>4,759,067</u>	<u>2,752,338</u>	<u>1,989,668</u>	<u>2,358,737</u>	<u>1,676,584</u>	<u>1,873,122</u>
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt	3,782,879	3,963,898	3,987,388	4,055,002	4,576,566	4,606,805	5,653,939	6,283,999	6,021,601	5,605,695
Restricted	4,275,228	4,532,590								
Unrestricted (Deficit)	2,193,526	893,495	3,970,723	3,459,117	3,784,152	4,271,333	3,672,367	3,071,846	3,592,474	3,364,504
Total Business-type Activities Net Assets	<u>10,251,633</u>	<u>9,389,983</u>	<u>7,958,111</u>	<u>7,514,119</u>	<u>8,360,718</u>	<u>8,878,138</u>	<u>9,326,306</u>	<u>9,355,845</u>	<u>9,614,075</u>	<u>8,970,199</u>
<b>Primary Government</b>										
Invested in capital assets, net of related debt	9,163,286	9,269,871	10,233,123	10,295,833	9,792,389	7,129,503	8,115,581	8,818,995	8,194,409	8,379,437
Restricted	6,467,618	6,463,315	120,951	60,000	25,073					
Unrestricted	1,980,749	362,552	4,171,333	2,794,287	3,302,323	4,500,973	3,200,393	2,895,587	3,096,250	2,463,884
Total Primary Government Net Assets	<u>\$17,611,653</u>	<u>16,095,738</u>	<u>\$14,525,407</u>	<u>\$13,150,120</u>	<u>\$13,119,785</u>	<u>\$11,630,476</u>	<u>\$11,315,974</u>	<u>\$11,714,582</u>	<u>\$11,290,659</u>	<u>\$10,843,321</u>
Prior Period Adjustment		(411,559)								
Total Primary Government Net Assets, as restated		<u>\$15,684,179</u>								

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

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

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 1,300,773	\$ 1,295,582	\$ 1,220,943	\$ 1,372,530	\$ 1,216,241	\$ 1,785,710	\$ 1,082,973	\$ 814,568	\$ 844,815	\$ 679,985
Public safety	2,693,083	3,296,784	3,371,542	3,706,146	3,478,603	3,379,432	3,285,175	3,079,613	2,906,301	2,989,174
Streets and sanitation	919,878	1,152,525	823,845	860,665	803,276	932,856	1,050,878	1,002,933	859,123	763,702
Museum	28,201	39,020	36,519	30,757	14,414	24,402	23,197	51,343	56,051	49,332
Cultural and recreation	371,595	344,306	414,612	380,733	487,729	423,428	347,284	431,827	345,322	332,549
General public	-	-	-	-	-	-	-	-	217,686	231,640
Interest on long-term debt	21,626	36,322	46,892	45,375	51,595	53,871	38,607	20,691	17,548	12,905
Total Governmental Activities Expenses	5,335,156	6,164,539	5,914,353	6,396,206	6,051,858	6,599,699	5,828,114	5,400,975	5,246,846	5,049,287
<b>Business-type Activities:</b>										
Public works	1,096,479	971,533	896,709	1,102,250	1,002,794	964,756	953,155	810,439	620,857	605,439
Water and sewer	3,412,646	3,314,660	3,540,149	3,543,150	3,412,184	3,710,374	3,097,398	2,874,736	3,077,335	2,430,432
Electric	11,807,148	11,075,488	10,177,208	9,901,610	9,717,295	9,021,313	9,215,461	8,851,717	8,665,982	9,459,824
Total Business-type Activities Expenses	16,316,273	15,361,681	14,614,066	14,547,010	14,132,273	13,696,443	13,266,014	12,536,892	12,364,174	12,495,695
Total Primary Government Expenses	21,651,429	21,526,220	20,528,419	20,943,216	20,184,131	20,296,142	19,094,128	17,937,867	17,611,020	17,544,982
<b>Governmental Activities:</b>										
Charges for services										
General government	700,768	728,486	726,281	784,473	-	-	-	-	4,100	4,100
Public safety	261,484	609,697	602,499	574,395	1,505,245	1,257,787	1,204,143	1,245,292	1,322,915	1,211,162
Streets and sanitation	752,282	353,313	370,654	369,226	373,479	358,592	321,559	288,109	-	-
Operating grants and contributions	553,166	1,088,829	1,116,663	1,318,142	615,355	1,168,980	-	-	705,827	-
Capital grants and contributions	-	358,835	31,761	557,642	811,434	1,000,000	697,809	1,198,155	-	477,786
Total Governmental Activities Program Revenues	2,267,700	3,139,160	2,847,858	3,603,878	3,305,513	3,785,359	2,223,511	2,731,556	2,032,842	1,693,048
<b>Business-type Activities:</b>										
Utility Sales	18,301,660	17,910,853	16,348,768	14,855,640	15,256,635	14,430,222	14,376,677	13,493,046	13,333,924	13,646,511
Hook up fees	38,450	42,771	41,400	38,965	40,180	42,250	40,353	46,050	47,996	40,785
Penalties	383,064	211,313	239,276	200,520	193,431	201,377	212,080	204,158	179,216	180,020
Operating grants and contributions	-	-	-	-	42,008	-	-	-	-	-
Capital grants and contributions	439,363	236,960	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	19,162,537	18,401,897	16,629,444	15,095,125	15,532,254	14,673,849	14,629,110	13,743,254	14,006,999	14,193,980
Total Primary Government Program Revenues	21,430,237	21,541,057	19,477,302	18,699,003	18,837,767	18,459,208	16,852,621	16,474,810	16,039,841	15,887,028
<b>Net (Expense) Revenue</b>										
Governmental Activities	(3,067,456)	(3,025,379)	(3,066,495)	(2,792,328)	(2,746,345)	(2,814,340)	(3,604,603)	(2,669,419)	(3,214,004)	(3,356,239)
Business-type Activities	2,846,264	3,040,216	2,015,378	548,115	1,399,981	977,406	1,363,096	1,206,362	1,642,825	1,698,285
Total Primary Government	(221,192)	14,837	(1,051,117)	(2,244,213)	(1,346,364)	(1,836,934)	(2,241,507)	(1,463,057)	(1,571,179)	(1,657,954)

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental Activities:</b>										
Taxes	\$ 1,642,785	\$ 1,666,738	\$ 1,748,808	\$ 1,682,231	\$ 1,504,992	\$ 1,326,390	\$ 1,231,373	\$ 1,134,890	\$ 1,234,423	\$ 1,375,310
Grants and contributions not restricted to specific programs	157,962	192,346	235,149	274,252	274,252	245,746	230,320	229,147	218,862	156,752
Miscellaneous	120,774	299,367	239,567	180,669	763,579	540,935	195,981	477,481	307,259	132,875
Transfers	1,800,200	1,740,045	1,679,446	1,587,583	1,688,105	1,609,055	1,577,860	1,624,220	1,256,922	1,187,622
Total Governmental Activities	3,721,721	3,898,496	3,902,970	3,724,735	4,230,928	3,722,126	3,235,534	3,465,738	3,017,466	2,852,559
<b>Business-type Activities:</b>										
Miscellaneous	227,145	131,701	108,060	192,870	158,682	183,451	185,225	159,628	257,973	159,752
Transfers	(1,800,200)	(1,740,045)	(1,679,446)	(1,587,583)	(1,688,105)	(1,609,055)	(1,577,860)	(1,624,220)	(1,256,922)	(1,187,622)
Total Business-type Activities	(1,573,055)	(1,608,344)	(1,571,386)	(1,394,713)	(1,529,423)	(1,425,604)	(1,392,635)	(1,464,592)	(998,949)	(1,027,870)
Total Primary Government	2,148,666	2,290,152	2,331,584	2,330,022	2,701,505	2,296,522	1,842,899	2,001,146	2,018,517	1,824,689
<b>Change in Net Assets</b>										
Governmental Activities	654,265	873,117	836,475	932,407	1,484,583	907,786	(369,069)	796,319	(196,538)	(503,680)
Prior Period Adjustment	-	-	94,820	-	-	-	-	-	-	-
Total Governmental Activities	654,265	873,117	931,295	932,407	1,484,583	907,786	(369,069)	796,319	(196,538)	(503,680)
Business-type Activities	1,273,209	1,431,872	443,992	(846,598)	(129,442)	(448,198)	(29,539)	(258,230)	643,876	670,415
Prior Period Adjustment	-	(411,559)	-	-	-	-	-	-	-	-
Total Primary Government	\$ 1,927,474	\$ 1,893,430	\$ 1,375,287	\$ 85,809	\$ 1,355,141	\$ 459,588	\$ (398,608)	\$ 538,089	\$ 447,338	\$ 166,735

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

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

Function/Program	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities</b>										
General government	\$ 1,209,152	\$ 1,576,622	\$ 1,578,526	\$ 1,996,856	\$ 1,307,122	\$ 1,952,269	\$ 595,439	\$ 1,024,842	\$ 506,055	\$ 277,500
Public safety	282,809	689,669	735,989	1,080,858	1,550,448	1,377,674	1,306,513	1,418,605	1,526,787	1,415,548
Streets and sanitation	752,282	712,148	370,654	409,226	373,479	358,592	321,559	288,109	-	-
Museum	8,868	114,687	-	-	-	-	-	-	-	-
Cultural and recreation	14,589	46,034	143,439	116,938	74,464	96,823	-	-	-	-
Subtotal Governmental Activities	2,267,700	3,139,160	2,828,608	3,603,878	3,305,513	3,785,358	2,223,511	2,731,556	2,032,842	1,693,048
<b>Business-type Activities:</b>										
Public works	366,118	299,046	280,676	239,485	233,611	243,627	252,433	250,208	227,212	305,526
Water and sewer	4,588,589	4,323,426	4,059,056	3,854,730	4,246,996	3,881,204	3,742,092	3,461,221	3,964,182	3,948,127
Electric	14,207,830	13,560,212	12,289,712	11,000,910	11,051,647	10,549,018	10,634,595	10,031,825	9,815,605	9,940,327
Subtotal Business-type Activities	19,162,537	18,182,684	16,629,444	15,095,125	15,532,254	14,673,849	14,629,120	13,743,254	14,006,999	14,193,980
Total Primary Government	21,430,237	21,321,844	19,458,052	18,699,003	18,837,767	18,459,207	16,852,631	16,474,810	16,039,841	15,887,028
Prior Period Adjustment		(411,559)								
Total Primary Government	\$ 21,430,237	\$ 20,910,285	\$ 19,458,052	\$ 18,699,003	\$ 18,837,767	\$ 18,459,207	\$ 16,852,631	\$ 16,474,810	\$ 16,039,841	\$ 15,887,028

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

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

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Fund</b>										
Nonspendable	\$ 96,025	\$ 96,879	\$ 93,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	-	-	-	382,055	355,255	307,948	231,854	111,111	109,921	112,876
Restricted	2,192,390	1,930,725	1,284,056	-	-	-	-	-	-	-
Unreserved	-	-	-	(818,360)	(956,070)	(1,512,940)	(1,080,667)	(658,269)	(493,947)	(703,233)
Unrestricted:										
Committed	444,530	394,775	138,984	-	-	-	-	-	-	-
Unassigned	(512,100)	(769,688)	(980,315)	-	-	-	-	-	-	-
<b>Total General Fund</b>	<b>2,220,845</b>	<b>1,652,691</b>	<b>536,613</b>	<b>(436,305)</b>	<b>(600,815)</b>	<b>(1,204,992)</b>	<b>(848,813)</b>	<b>(547,158)</b>	<b>(384,026)</b>	<b>(590,357)</b>
<b>All Other Governmental Funds</b>										
Nonspendable	-	1,101,588	1,101,588	-	-	-	-	-	-	-
Reserved	-	-	-	1,062,588	1,148,810	1,148,810	1,448,778	837,498	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	(303,173)	(173,388)	155,854	191,415	214,072	-	-
Unrestricted:										
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(386,787)	(238,437)	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>-</b>	<b>714,801</b>	<b>863,151</b>	<b>759,415</b>	<b>975,422</b>	<b>1,304,664</b>	<b>1,640,193</b>	<b>1,051,570</b>	<b>-</b>	<b>-</b>
<b>Total Governmental Fund Balance</b>	<b>\$ 2,220,845</b>	<b>\$ 2,367,492</b>	<b>\$ 1,399,764</b>	<b>\$ 323,110</b>	<b>\$ 374,607</b>	<b>\$ 99,672</b>	<b>\$ 791,380</b>	<b>\$ 504,412</b>	<b>\$ (384,026)</b>	<b>\$ (590,357)</b>

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

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

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

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues</b>										
Taxes	\$ 482,014	\$ 591,042	\$ 651,227	\$ 662,479	\$ 613,895	\$ 646,308	\$ 629,118	\$ 569,738	\$ 612,311	\$ 667,990
Fees, licenses and permits	700,768	728,486	726,090	784,473	837,851	711,586	721,869	658,879	1,035,116	845,413
Intergovernmental	902,738	1,328,628	1,038,369	1,690,632	1,759,264	1,411,905	995,366	943,139	604,216	632,468
Fines and forfeitures	200,185	269,953	253,903	225,799	268,449	230,880	204,925	284,370	167,396	207,469
Accommodations tax	138,781	147,865	137,474	107,220	66,374	45,987	35,582	26,376	27,310	25,549
Hospitality tax	366,000	328,197	321,362	305,224	247,182	-	-	-	-	-
Charges for services	752,282	755,222	807,928	813,595	852,342	701,074	598,909	590,152	551,303	569,514
Contributions	514,966	991,159	964,005	1,290,153	1,081,773	709,547	489,985	1,014,842	501,955	273,400
Investment income	6,866	4,670	17,796	10,605	18,210	2,549	2,146	474	7,454	4,787
Miscellaneous	113,026	172,532	133,434	(151,790)	151,324	436,225	192,480	477,011	294,235	121,386
<b>Total Revenues</b>	<b>4,177,626</b>	<b>5,317,754</b>	<b>5,051,588</b>	<b>5,738,390</b>	<b>5,895,664</b>	<b>4,896,061</b>	<b>3,870,380</b>	<b>4,564,981</b>	<b>3,801,296</b>	<b>3,347,976</b>
<b>Expenditures</b>										
General government	1,182,040	1,191,967	1,098,197	1,235,251	1,089,052	1,676,950	997,309	754,796	818,298	656,322
Public safety	2,556,863	3,046,848	3,066,580	3,417,130	3,329,282	3,199,801	3,157,865	2,886,851	2,781,574	2,888,811
Streets and sanitation	685,314	1,009,491	684,463	718,471	776,723	833,831	930,179	877,360	823,641	729,662
Museum	28,201	39,020	36,519	30,757	14,415	24,403	22,401	50,449	56,051	49,784
Culture and recreation	365,832	339,353	407,862	374,258	472,873	410,236	332,852	359,339	345,322	334,217
Other	-	-	-	-	-	-	-	-	-	-
Capital outlay	463,461	634,859	319,008	1,617,592	1,448,925	1,562,234	240,756	852,004	736,445	346,730
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	180,569	299,351	339,572	204,236	302,037	437,930	128,853	620,261	112,342	110,788
Interest	25,549	66,082	46,999	40,959	59,084	51,439	37,872	20,691	17,548	12,905
<b>Total Expenditures</b>	<b>5,487,829</b>	<b>6,624,971</b>	<b>5,989,200</b>	<b>7,638,654</b>	<b>7,492,391</b>	<b>8,196,824</b>	<b>5,848,087</b>	<b>6,421,751</b>	<b>5,691,221</b>	<b>5,129,219</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,310,203)</b>	<b>(1,307,217)</b>	<b>(947,612)</b>	<b>(1,900,264)</b>	<b>(1,596,727)</b>	<b>(3,300,763)</b>	<b>(1,977,707)</b>	<b>(1,856,770)</b>	<b>(1,889,925)</b>	<b>(1,781,243)</b>
<b>Other Financing Sources (Uses)</b>										
Contributions	-	-	-	-	-	1,000,000	-	-	-	-
Issuance of long-term debt	-	450,000	250,000	-	-	-	611,280	1,000,000	-	-
Proceeds from capital leases	78,157	84,900	-	176,927	-	-	74,180	-	133,764	-
Proceeds from bond issuance	-	-	-	-	-	-	-	-	700,000	200,000
Sale of capital assets	-	-	-	-	-	-	1,355	-	5,570	6,712
Transfers in (out)	1,800,200	1,740,045	1,679,446	1,587,583	1,912,757	1,609,055	1,577,860	1,624,220	1,256,922	1,187,622
<b>Total Other Financing Sources (Uses)</b>	<b>1,878,357</b>	<b>2,274,945</b>	<b>1,929,446</b>	<b>1,764,510</b>	<b>1,912,757</b>	<b>2,609,055</b>	<b>2,264,675</b>	<b>2,624,220</b>	<b>2,096,256</b>	<b>1,394,334</b>
<b>Net Change in Fund Balance</b>	<b>\$ 568,154</b>	<b>\$ 967,728</b>	<b>\$ 981,834</b>	<b>\$ (135,754)</b>	<b>\$ 316,030</b>	<b>\$ (691,708)</b>	<b>\$ 286,968</b>	<b>\$ 767,450</b>	<b>\$ 206,331</b>	<b>\$ (386,909)</b>
<b>Debt Service as a percentage of noncapital expenditures</b>	<b>4.10%</b>	<b>6.08%</b>	<b>6.81%</b>	<b>4.07%</b>	<b>5.99%</b>	<b>7.38%</b>	<b>2.97%</b>	<b>11.51%</b>	<b>2.62%</b>	<b>2.59%</b>

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

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

Calendar Year	Tax Year	Real Property	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2002	2002	7,784,601	2,478,400	10,263,001	9.05	192,583,807	5.3%
2003	2003	7,675,091	4,112,159	11,787,250	9.05	201,073,915	5.9%
2004	2004	7,655,161	3,957,436	11,612,597	9.05	201,270,016	5.8%
2005	2005	7,681,321	3,909,031	11,590,352	9.05	204,168,749	5.7%
2006	2006	7,985,181	3,824,823	11,810,004	9.85	214,900,518	5.5%
2007	2007	7,807,600	3,684,127	11,491,727	9.85	211,137,532	5.4%
2008	2008	8,679,500	3,499,199	12,178,699	9.75	226,705,700	5.4%
2009	2009	8,718,720	3,225,845	11,944,565	9.75	222,968,991	5.4%
2010	2010	8,858,150	2,990,625	11,848,775	9.75	218,885,476	5.4%
2011	2011	9,061,950	2,979,578	12,041,528	9.75	222,797,962	5.4%

Source: Laurens County Auditor's Office

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

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Property Tax Rates	9.75	9.75	9.75	9.75	9.75	9.85	9.85	9.85	9.05	9.05
City Direct Rates (2)	9.75	9.75	9.75	9.75	9.75	9.85	9.85	9.85	9.05	9.05

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	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
The Clinton Hotel Group	\$ 275,070	1	2.28%	\$ -	-	-
National Health Care	218,550	2	1.81%	186,650	2	1.82%
Comfort Inn	214,280	3	1.78%	-		
BellSouth	188,530	4	1.57%	429,590	1	4.19%
ReHold Clinton, LLC	132,590	5	1.10%	155,200	4	1.51%
Ingles	108,500	6	0.90%	140,560	3	1.37%
McDonalds	98,130	7	0.81%	-		
Westchase	95,140	8	0.79%	-		
Highland Park	89,090	9	0.74%	-		
MLD Delaware Trust(Langston house)	84,040	10	0.70%	116,990	7	1.14%
M S Bailey & Son Bankers	73,890		0.61%	137,740	5	1.34%
Charter Communication	83,030		0.69%	135,700	6	1.32%
Clinton Mills (CMI)	16,260		0.14%	89,710	8	0.87%
Trinton PCS Holdings	3,460		0.03%	73,990	9	0.72%
Centennial Apts	-		-	71,670	10	0.70%
	<u>\$ 1,680,560</u>		<u>13.79%</u>	<u>\$ 1,537,800</u>		<u>12.69%</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
2003	471,822	410,361	87.0%	22,542	432,903	91.8%
2004	334,701	303,019	90.5%	21,695	324,714	97.0%
2005	530,679	423,096	80.0%	25,461	448,557	84.5%
2006	592,427	459,789	78.0%	28,845	488,634	82.5%
2007	531,559	487,557	91.7%	21,120	508,677	95.7%
2008	531,287	491,411	92.5%	26,608	518,019	97.5%
2009	532,686	483,412	90.7%	46,459	529,871	99.5%
2010	559,594	487,542	87.1%	35,451	522,993	93.5%
2011	553,011	480,089	86.8%	1,930	482,019	87.2%
2012	530,004	455,854	86.0%	-	455,854	86.0%

Source: Laurens County Treasurer's Office

Total Collected during FY 2011-12 includes \$4,656 of penalties and interest.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Population	Per Capita (1)
	General Obligation Bonds	Total			
2003	200,000	200,000	0.10%	9,129	21.91
2004	871,868	871,868	0.43%	9,129	95.51
2005	781,828	781,828	0.39%	9,129	85.64
2006	689,934	689,934	0.34%	9,129	75.58
2007	596,158	596,158	0.28%	9,129	65.30
2008	500,582	500,582	0.24%	9,129	54.83
2009	404,720	404,720	0.18%	9,129	44.33
2010	303,123	303,123	0.14%	8,490	35.70
2011	635,437	635,437	0.29%	8,490	74.85
2012	520,752	520,752	0.23%	8,490	61.34

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

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

Governmental Activities						
Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Notes Payable	Total Governmental Activities	Percentage of Personal Income (2)	Per Capita (2)
2003	200,000	130,431	16,240	346,671	0.25%	43
2004	871,868	179,985	-	1,051,853	0.89%	115
2005	781,828	116,892	536,000	1,434,720	1.19%	157
2006	689,934	153,968	1,147,280	1,991,182	1.61%	218
2007	596,158	114,685	842,405	1,553,248	1.22%	170
2008	500,582	257,875	717,405	1,475,862	1.14%	162
2009	404,720	328,428	717,405	1,450,553	1.09%	159
2010	303,123	213,624	842,405	1,359,152	1.00%	149
2011	635,437	225,337	734,957	1,595,731	1.23%	188
2012	520,752	237,610	638,216	1,396,578	1.05%	164

Business-type Activities						
Fiscal Year Ended June 30,	Revenue Bonds	Capital Leases	Line of Credit	Total Business Activities	Percentage of Personal Income (2)	Per Capita (2)
2003	5,485,000	71,913	112,724	5,669,637	4.02%	701
2004	5,395,000	49,387	-	5,444,387	4.62%	596
2005	4,895,827	110,767	198,531	5,205,125	4.31%	570
2006	7,660,050	200,830	-	7,860,880	6.35%	861
2007	7,112,612	152,668	-	7,265,280	5.73%	796
2008	6,623,450	244,008	-	6,867,458	5.28%	752
2009	6,512,506	289,482	448,092	7,250,080	5.44%	794
2010	5,920,915	202,251	-	6,123,166	4.48%	671
2011	9,371,568	216,036	-	9,587,604	7.37%	1,129
2012	8,744,696	220,749	-	8,965,445	6.72%	1,056

Total Primary Government						
Fiscal Year Ended June 30,	Revenue Bonds	Capital Leases	Notes Payable and Line of Credit	Total Government Activities	Percentage of Personal Income (2)	Per Capita (2)
2003	5,685,000	202,344	128,964	6,016,308	4.27%	744
2004	6,266,868	229,372	-	6,496,240	5.52%	712
2005	5,677,655	227,659	734,531	6,639,845	5.50%	727
2006	8,349,984	354,798	1,147,280	9,852,062	7.96%	1,079
2007	7,708,770	267,353	842,405	8,818,528	6.95%	966
2008	7,124,032	501,883	717,405	8,343,320	6.42%	914
2009	6,917,226	617,910	1,165,497	8,700,633	6.53%	953
2010	6,224,038	415,875	842,405	7,482,318	5.48%	820
2011	10,007,005	441,373	734,957	11,183,335	8.59%	1,317
2012	9,265,448	458,359	638,216	10,362,023	7.77%	1,220

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 2012

Assessed value	\$ 12,041,528
Debt limit (8% of total assessed value)	963,322
Debt applicable to limit:	
General obligation bonds	520,752
Less: Amount set aside for repayment	-
Total net debt applicable to limit	520,752
Legal debt margin	\$ 442,570

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	\$ 963,322	\$ 947,902	\$ 955,565	\$ 974,296	\$ 919,338	\$ 944,800	\$ 927,228	\$ 929,008	\$ 942,980	\$ 821,040
Total Net Debt Applicable to Limit	520,752	635,437	303,123	404,720	500,582	596,158	689,934	781,828	871,868	200,000
Legal Debt Margin	\$ 442,570	\$ 312,465	\$ 652,442	\$ 569,576	\$ 418,756	\$ 348,642	\$ 237,294	\$ 147,180	\$ 71,112	\$ 621,040
Total Net Debt Applicable to the Limit as a % of Debt Limit	54.06%	67.04%	31.72%	41.54%	54.45%	63.10%	74.41%	84.16%	92.46%	24.36%
Total General Bonded Debt as a Percentage of Actual Taxable Value	0.24%	0.29%	0.14%	0.13%	0.19%	0.23%	0.29%	0.34%	0.39%	0.45%
Total Net General Bonded Debt per Capita	\$ 61	\$ 70	\$ 33	\$ 44	\$ 55	\$ 65	\$ 76	\$ 86	\$ 96	\$ 22

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.

City of Clinton, South Carolina  
 Schedule of Direct and Overlapping Debt  
 As of June 30, 2012

City of Clinton	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Direct and Overlapping Debt
Total direct debt	1,396,578	100%	1,396,578
Total direct and overlapping debt	1,396,578	100%	1,396,578

**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	
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	489,161	303,069	1.95
2009	15,001,725	14,187,260	814,465	470,945	319,750	1.03
2010	16,464,082	14,295,918	2,168,164	591,592	276,442	2.50
2011	17,607,312	15,049,701	2,557,611	646,001	117,345	3.35
2012	18,600,365	15,907,245	2,693,120	628,023	209,082	3.22

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

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

Calendar Year	Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
2003	9,129	117,791,487	12,903	3,490	9.00%
2004	9,129	120,731,025	13,225	3,490	6.50%
2005	9,129	123,743,595	13,555	3,249	6.70%
2006	9,129	126,831,337	13,893	3,208	6.90%
2007	9,129	129,996,126	14,240	3,108	6.50%
2008	9,129	133,239,886	14,595	3,173	12.40%
2009	9,129	136,564,586	14,959	3,279	11.40%
2010	8,490	130,174,650	15,333	3,158	10.90%
2011	8,490	133,422,864	15,715	3,077	9.90%
2012	8,490	136,752,130	16,107	3,070	9.90%

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

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

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

Company or Organization	June 30, 2012			June 30, 2003		
	Number of Employees (1)	Rank	Percent of Total County Employment(2)	Number of Employees(2)	Rank(2)	Percent of Total County Employment(2)
SC State Government	1089	1				
Wal-Mart Associates Inc	1020	2				
Dispoz-O-Products	650	3				
S. C. Dept. of Disabilities and Special Needs	600	4				
SAI Automotive DBA Fuarencia	566	5				
Andeson Hardwood	500	6				
Laurens County School District #56	496	7				
Laurens County School District #55	470	8				
Laurens County Health Care System	450	9				
Laurens County	390	10				
Presbyterian College	355	11				
Avery Denison	265	12				
Teknor Apex Carolina	220	13				
Asten Johnson	210	14				

Source

(1) Greenville Chamber of Commerce

(2) Information not available

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

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

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

Sources: Various City department records.

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

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

Function/Program	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Public Safety										
Police department										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	22	32	29	29	25	25	25	25	23
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)	81	81	81	81	63	63	63	62	61	61
Number of Street Lights	1,295	1,285	1,279	1,279	1,276	1,276	1,276	1,276	1,143	1,143
Cultural and Recreational										
Number of Parks	7	7	7	7	7	7	7	7	7	7
Museum	1	1	1	1	1	1	1	1	1	1
Acreage	21	21	21	21	21	21	21	21	21	16
Public Works										
Storm Sewers (in miles)	53	53	53	53	53	53	53	53	53	53
Water and Sewer										
Water main (in miles)	103	101	101	101	101	101	74	74	74	74
Sanitary sewers (in miles)	63	63	63	63	63	63	60	60	60	60
Electric										
Distribution lines (in miles)	80	75	75	70	70	70	70	70	70	70
Number of Substations	4	4	4	4	4	4	4	4	4	4

Source: Capital Asset schedules and various department records.