

ANNUAL COMPREHENSIVE FINANCIAL REPORT

2021

FOR THE YEAR ENDED JUNE 30, 2021



CITY OF CLEMSON, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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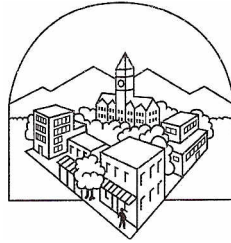
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LETTER OF TRANSMITTAL

June 15, 2022

Mayor and Governing Body
City of Clemson
Clemson, South Carolina

We are pleased to present to you the Comprehensive Annual Financial Report for the City of Clemson for the year ended June 30, 2021. The report provides financial information about the City's operations during the year and describes its financial position at the end of the year.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City of Clemson. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management of the City of Clemson is responsible for establishing and maintaining a comprehensive framework of internal controls that provide for completeness and reliability regarding the information contained in this Comprehensive Annual Financial Report. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report (which is located at the front of the financial section) and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and it is suggested MD&A be read in conjunction with the letter of transmittal.

The City of Clemson receives federal financial assistance subject to the requirements of the United States Uniform Guidance. Information related to the compliance requirements, including the schedule of expenditures of federal awards, findings and questioned costs (if any), and the reports related to compliance and internal controls, are included in the federal financial assistance section of this report.

MUNICIPAL GOVERNMENT

The City of Clemson, originally known as the Town of Calhoun, changed its name in 1943 to match that of Clemson University and was officially incorporated as Clemson in 1947. The City, located at the base of the Blue Ridge Mountains in Pickens County, has land area of approximately six square miles and an estimated population of 17,000 citizens.

The City operates under the Council form of government with the governing body composed of an elected mayor and six council members. The mayor and council members serve staggered four-year terms. An Administrator is appointed by the governing body to serve as the chief administrative officer of the City. Departments of the City provide a full range of municipal services such as police and fire protection, economic development, recreational activities, public transportation, residential and commercial waste removal, engineering and infrastructure improvements, water, stormwater, and wastewater utilities, planning, zoning, and fiscal management.

ECONOMIC CONDITION AND OUTLOOK

Mission Statement – “The City of Clemson is committed to providing services that are accountable and accessible and governed by sound, professional, and ethical principles, in order to preserve and enhance the superior quality of life in our community.”

Vision Statement and Values – The City of Clemson will be recognized nationally for its excellent quality of life for all residents, exceptional core City services, and its sense of community, with an emphasis on our key values:

- Inclusivity and conscious progression towards equity for all;
- Engaged, healthy living across the life span;
- Environmental sustainability;
- Smart, planned growth based on healthy, transit-oriented urban design principles;
- Creating a resilient economic environment that supports our residents, businesses and non-profits;
- Safe and secure communities;
- Mutually beneficial town-gown relationships;
- Cultural, community, and lifelong learning opportunities; and,
- Neighborhood integrity and support.

The City of Clemson is a small community of 17,000 permanent citizens, but has large City concerns because nine months of the year the community is “home” to approximately 27,000 Clemson University students. The economic condition and outlook for Clemson is promising. Managed growth coupled with stability defines the character of Clemson for both the current year and future years. The City is optimistic, with the close proximity of Clemson University, that quality growth will continue through the remainder of the century. While having a positive impact on employment and the City’s tax base, this growth also presents significant challenges for the City of Clemson.

MAJOR INITIATIVES

- **Cochran Road Wastewater Treatment Plant Upgrade** –The City started construction on the wastewater treatment plant upgrade (phase 2) in February 2019. This is about a \$16.5 million project being funded mostly by a USDA loan and grant. The project was completed in October 2020 with a total cost of approximately \$16.4 million
- **Littlejohn Community Center Expansion**- The City started expansion of the Littlejohn Community Center in August 2019. This project was completed in May 2021 with a total cost of approximately \$2.4 million which was partially funded with general obligation debt in the amount of \$700,000. The expansion will allow the center to add new programs and services for the community.
- **Police Station Expansion**- The City started construction on the expansion of the police station on Tiger Blvd next to City Hall in January 2021. The total project is estimated to be about \$3.5 million and is funded partially by general obligation debt in the amount of \$2.9 million. About \$2.1 million has been spent on design and construction by June 30, 2021.

FINANCIAL INFORMATION

Management of the City of Clemson is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable

assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgements by management.

Budgetary Controls – The City maintains budgetary controls with the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget approved by the City’s governing body. Activities of the General, Special Revenue, Debt Service, and Enterprise funds are included in the annual appropriated budget. The Capital Projects Funds are budgeted by project within the fund. Therefore, budget periods extend over several accounting periods. The level of budgetary control (that is, the level at which expenditures cannot legally exceed appropriations) is established at the departmental level within an individual fund. The City also maintains an encumbrance accounting system as one method of accomplishing budgetary control. Encumbered amounts are recorded as reservations of fund balances at year-end and reflected as expenditures during the subsequent fiscal year. As demonstrated by the statements and schedules included in the financial section of this report, the City continues meeting its responsibility for sound financial management.

The City’s investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by Federal Deposit Insurance or collateralized by United States Government Securities. As of June 30, 2021, all of the City’s deposits were covered by federal depository insurance or by collateral held in the pledging financial institutions’ trust department in the City’s name. The City’s investments of \$8,899,317 in various U.S Treasury and Agency securities and corporate bonds were rated AAA by Standard and Poor’s and Aaa or better by Moody’s Investors Services. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Investments of the State Investment Pool are exempt from risk categorization because third party custodians take delivery of the investment securities. The City owns no identifiable securities but is a shareholder of a percentage of the State Investment Pool and, therefore, the fair value of the investment is the same as the value of the pool shares.

Long-term Financial Planning – A Five Year Capital Improvements Program is the City’s “road map” for investment in three key areas: people and programs, facilities, and utility infrastructure. As prescribed by Clemson’s governing body, the capital improvement budgets do not rely on ad valorem taxes or other resources of the City’s General Fund. As the City strives to leverage its cash reserves, a combination of debt and equity are utilized to finance capital improvements.

OTHER INFORMATION

Independent Audit – The City charter requires an annual audit by independent certified public accountants. The accounting firm of Mauldin & Jenkins, LLC has been selected by Clemson’s governing body to perform the audit. In addition to meeting the requirements set forth in the City charter, the audit also is designed to meet the requirements of the United States Uniform Guidance. Generally accepted auditing standards and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States, were used by the auditors in conducting the engagement.

The auditors’ report on the basic financial statements as well as the combining and individual fund statements and schedules are included in the financial section of this report. The auditors’ reports related specifically to compliance are included in the federal financial assistance section.

Awards – The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clemson for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, the City of Clemson published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements. Therefore, we are submitting the report to the GFOA to determine its eligibility for another certificate.

Acknowledgements – The preparation of the Comprehensive Annual Financial Report was made possible by the efficient and dedicated services of the entire City of Clemson administration and the accounting firm of Mauldin & Jenkins, LLC. We would like to express our sincere appreciation to all of the individuals who assisted and contributed to the preparation of this report.

In closing, we would also like to thank the mayor and members of Clemson's governing body for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



David A. Blondeau
City Administrator



Leslie Wilder
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Clemson
South Carolina**

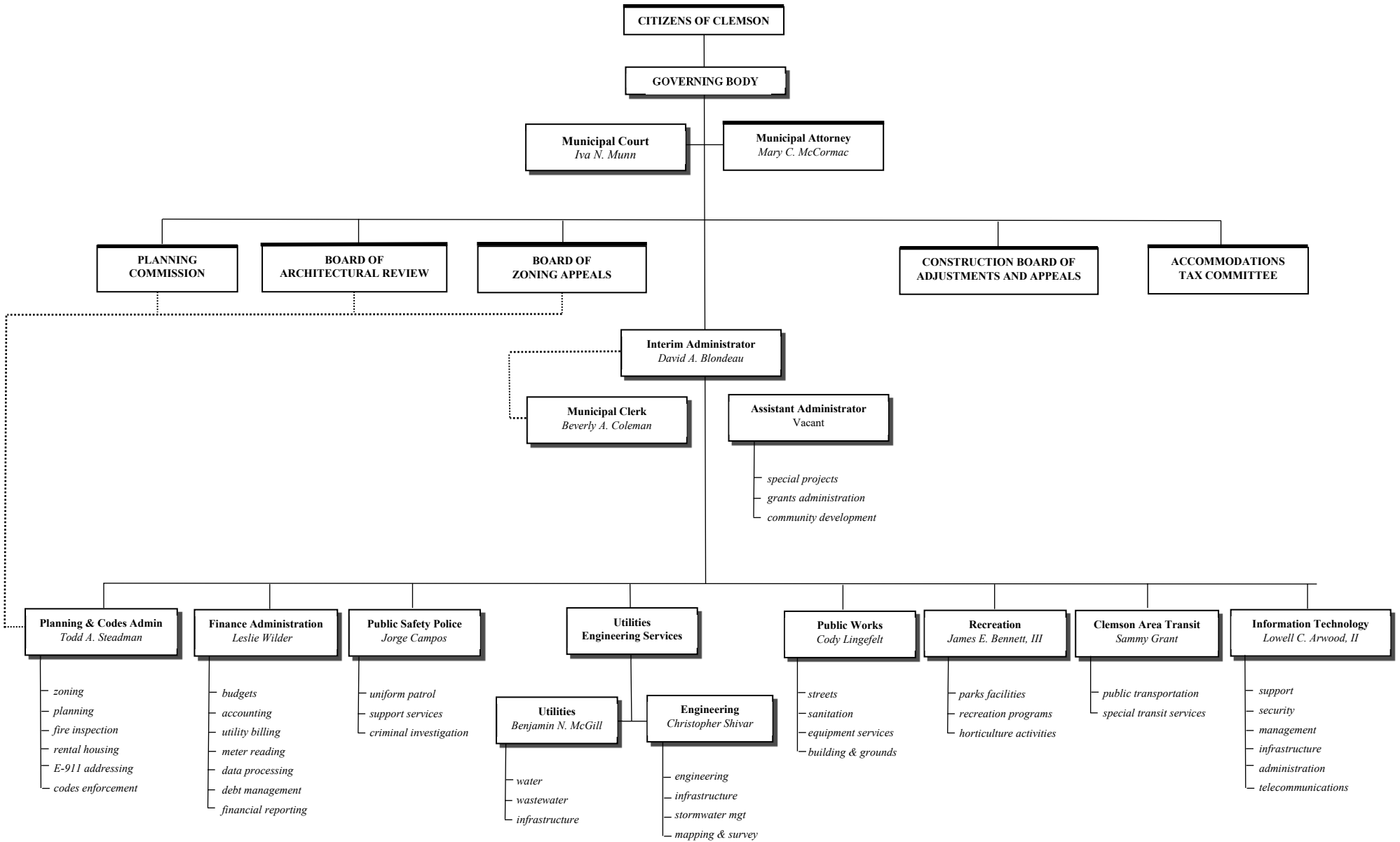
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

**CITY OF CLEMSON
ORGANIZATION CHART
JUNE 30, 2021**



**CITY OF CLEMSON
PRINCIPAL OFFICIALS
JUNE 30, 2021**

GOVERNING BODY

Robert Halfacre, Mayor

Alesia A. Smith, Mayor Pro-Tempore

Francis A. Mcguire

Bob Brookover

John W. Ducworth, III

Catherine Watt

ADMINISTRATION

Interim Administrator – David A. Blondeau, M.P.A.

Assistant Administrator - Vacant

Director of Finance – Leslie Wilder, B.S.

Director of Planning & Codes Administration – Todd A. Steadman, M.L.A.

Chief of Police – Jorge Campos, M.S.C.J.

Director of Parks & Recreation – James E. Bennett III, M.E.D.

Interim Director of Public Works – Cody Lingefelt

Director of Utilities – Benjamin N. McGill

Director of Engineering Services – Christopher Shivar, P.E.

Municipal Judge – Iva N. Munn

Director of Information Technology – Lowell C. Arwood II, B.B.A.

Director of Clemson Area Transit System – Sammy Grant, M.E.D.

Director of Clemson Area African American Museum – Angela Agard, SHRM-SCP

Director of The Arts Center – Joan Phillips, MPS

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Clemson, South Carolina** (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 12), the budgetary comparison for the General Fund (on page 61), the Schedule of Proportionate Share of the Net Pension Liability – South Carolina Retirement System and the Schedule of Proportionate Share of the Net Pension Liability – Police Officers Retirement System (on pages 62), and the Schedule of Contributions – South Carolina Retirement System and the Schedule of Contribution – Police Officers Retirements System (on pages 63 and 64) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) is presented for purposes of additional analysis as required by the State of South Carolina and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund statements and schedules, budgetary comparison schedules, the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and schedules, budgetary comparison schedules, the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Clemson, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
June 15, 2022

CITY OF CLEMSON, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

As management of the City of Clemson, South Carolina, (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2021. 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 City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2021, by \$60,071,073 (net position). Of this amount, \$3,726,587 (unrestricted net position) may be used to meet Clemson's ongoing obligations to its citizens and creditors.
- The City's total net position increased by \$3,576,907 primarily due to an increase of net investment in capital assets of \$3.9 million. Liabilities increased to \$47.7 million, due to an increase of long-term liabilities from a new general obligation bond and increases in the pension liability.
- Revenues increased by \$751,391 while expenses increased by \$630,727.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,939,040, an increase of approximately \$606,000 from the prior year due to General Fund revenues exceeding its expenditures by \$1.86 million, however, the other governmental funds reported expenditures exceeding revenues by approximately \$2.54 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was approximately \$9.3 million or 71.5% of total General Fund expenditures for the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It is important to note that this statement consolidates the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the City include general government, public safety, public works, sanitation, parks, recreation, economic development, and housing and development. Property taxes, business licenses and state and federal grants finance most of these activities. The business-type activities are those that the City charges customers to provide. These include water, sewer, stormwater, commercial sanitation, parking, and public transportation.

Fund financial statements. 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories, governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains governmental funds to account for the following activities: **General, Special Revenue** (Local Hospitality Fee, Community Development, Accommodations, E-911 Fund, Local Accommodations, Arts and Culture Fund, Park Land Fund, Local Hospitality Tax, and Twelve Mile Park Fund), **Debt Service, Capital Projects** (WWTP Expansion, Transit LONO Grant Fund, Police Station Expansion, Indoor Recreation Third Gym Expansion, Nettles Park Expansion, Arts Center/CAAAM Fund, Clemson Park Redevelopment Fund, Littlejohn Community Center Expansion, and Green Crescent Trail Fund), and **Internal Service** (Self Insurance Fund).

Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual budget for its General Fund, Debt Service Funds, and Special Revenue Funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the individual budgets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary funds. Services for which the government charges customers a fee are generally reported in proprietary funds. The Water Fund, Wastewater Fund, and Transit Fund are major enterprise funds and their business-like activities are reported with detail, including cash flows. The Stormwater Fund, Sanitation Fund, and Parking Deck Fund are nonmajor enterprise funds.

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.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Additionally, certain required supplementary information related to the City's defined benefit pension plans and post-retirement benefit plan is included. This report also includes information related to the collection and distribution of fines, assessments and surcharges, as required by the State of South Carolina.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$60,071,073 at the close of the most recent fiscal year.

The City of Clemson's Net Position

	Governmental Activities		Business-type Activities		Total		Percentage Change
	2021	2020	2021	2020	2021	2020	
Current and other assets	\$ 21,825,946	\$ 21,557,138	\$ 12,303,729	\$ 13,106,753	\$ 34,129,675	\$ 34,663,891	-1.5%
Capital assets,							
net of depreciation	20,707,056	28,172,195	49,692,243	38,360,409	70,399,299	66,532,604	5.8%
Total assets	42,533,002	49,729,333	61,995,972	51,467,162	104,528,974	101,196,495	3.3%
Deferred outflow s	2,471,317	1,908,705	1,288,586	973,171	3,759,903	2,881,876	
of resources	2,471,317	1,908,705	1,288,586	973,171	3,759,903	2,881,876	30.5%
Current liabilities	4,137,945	4,345,514	1,716,802	1,982,991	5,854,747	6,328,505	-7.5%
Long-term liabilities	18,048,338	25,507,967	23,774,751	12,021,669	41,823,089	37,529,636	11.4%
Total liabilities	22,186,283	29,853,481	25,491,553	14,004,660	47,677,836	43,858,141	8.7%
Deferred inflow s	281,471	105,137	258,497	51,114	539,968	156,251	
of resources	281,471	105,137	258,497	51,114	539,968	156,251	245.6%
Net Position:							
Net investment in							
capital assets	14,749,896	13,494,368	33,129,075	32,932,994	47,878,971	46,427,362	3.1%
Restricted	7,803,843	266,848	661,672	1,399,813	8,465,515	1,666,661	407.9%
Unrestricted	(17,174)	7,918,204	3,743,761	4,051,752	3,726,587	11,969,956	-68.9%
Total net position	\$ 22,536,565	\$ 21,679,420	\$ 37,534,508	\$ 38,384,559	\$ 60,071,073	\$ 60,063,979	0.0%

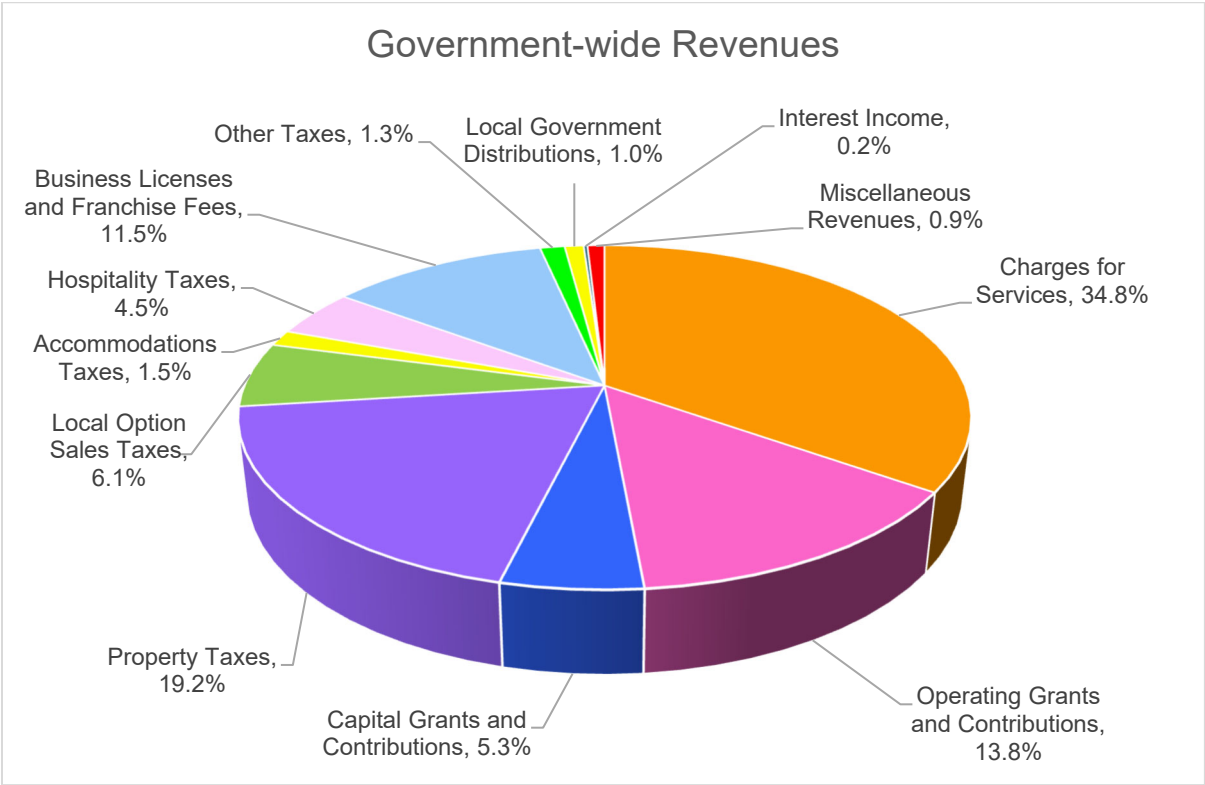
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

By far the largest portion of the City's net position (80%) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

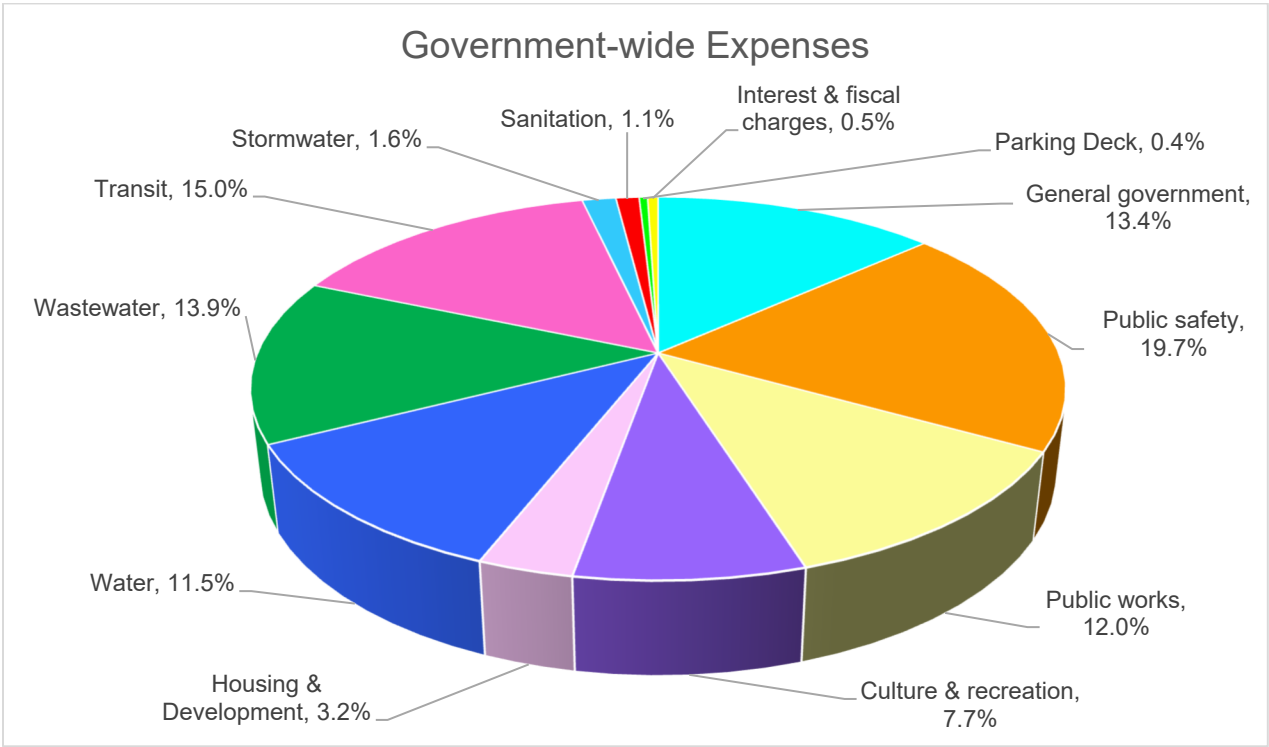
An additional portion of the City's net position (14%) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the City is able to report positive balances in net position for governmental activities and business-type activities. The same situation held true for the prior fiscal year for both governmental activities and business-type activities.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)



The City's total revenues increased by almost 2.3% to approximately \$33.1 million. This is primarily the result of an increase in charges for services and capital grant contributions in the business-type activities. Approximately 35% of the City's revenues are generated from charges for services. Additionally, approximately 19% is generated by property taxes, 13.5% comes from operating grants and contributions, and 11% is generated by business license and franchise fees.

The total costs of all programs and services increased by \$631,000 or 2.2%. This increase is primarily due to the City adding three new departments (Arts Center, Clemson Area African American Museum, and 12 Mile Park), an increase in professional services, and the increase costs for repairs and maintenance of the City's equipment and infrastructure. The City's expenses cover a wide range of services with approximately 25% related to water and sewer, 20% related to public safety, 15% related to transit, and 8% related to culture and recreation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Clemson's Changes in Net Position

	Governmental Activities		Business-type Activities		Total		Percentage Change
	2021	2020	2021	2020	2021	2020	
Revenues:							
Program revenues:							
Charges for services	\$ 1,546,414	\$ 6,109,032	\$ 9,956,813	\$ 9,521,286	\$ 11,503,227	\$ 15,630,318	-26.4%
Operating grants and contributions	84,978	49,945	4,490,905	3,017,738	4,575,883	3,067,683	49.2%
Capital grants and contributions	1,561,165	2,344,338	199,858	665,081	1,761,023	3,009,419	-41.5%
General revenues:							
Property taxes	6,369,067	6,264,734	-	-	6,369,067	6,264,734	1.7%
Local option sales tax	2,029,406	2,060,610	-	-	2,029,406	2,060,610	-1.5%
Accommodation tax	485,562	292,138	-	-	485,562	292,138	66.2%
Hospitality tax	1,485,405	-	-	-	1,485,405	-	100.0%
Business license and franchise fee tax	3,797,673	-	-	-	3,797,673	-	100.0%
Other taxes	420,236	-	-	-	420,236	-	100.0%
Local government distributions, not restricted for specific purposes	335,999	851,323	-	-	335,999	851,323	-60.5%
Interest Income	73,583	394,807	-	154,586	73,583	549,393	-86.6%
Gain on sale of capital assets	15,601	-	1,925	-	17,526	-	100.0%
Miscellaneous revenues	167,972	659,393	113,840	-	281,812	659,393	-57.3%
Total revenues	18,373,061	19,026,320	14,763,341	13,358,691	33,136,402	32,385,011	2.3%
Current expenses:							
General government	3,956,919	4,379,295	-	-	3,956,919	4,379,295	-9.6%
Public safety	5,824,820	5,939,058	-	-	5,824,820	5,939,058	-1.9%
Public works	3,537,188	3,629,129	-	-	3,537,188	3,629,129	-2.5%
Culture and recreation	2,266,021	2,907,007	-	-	2,266,021	2,907,007	-22.0%
Housing and development	958,610	18,748	-	-	958,610	18,748	5013.1%
Interest and fiscal charges	137,514	56,986	-	-	137,514	56,986	141.3%
Water	-	-	3,413,053	3,428,715	3,413,053	3,428,715	-0.5%
Wastewater	-	-	4,114,289	3,914,187	4,114,289	3,914,187	5.1%
Transit	-	-	4,434,689	3,724,988	4,434,689	3,724,988	19.1%
Stormwater	-	-	473,158	422,012	473,158	422,012	12.1%
Sanitation	-	-	324,052	346,431	324,052	346,431	-6.5%
Parking deck	-	-	119,182	162,212	119,182	162,212	-26.5%
Total expenses	16,681,072	16,930,223	12,878,423	11,998,545	29,559,495	28,928,768	2.2%
Increase in net position, before transfers	1,691,989	2,096,097	1,884,918	1,360,146	3,576,907	3,456,243	
Transfers	(458,552)	(323,332)	458,552	323,332	-	-	
Increase in net position	1,233,437	1,772,765	2,343,470	1,683,478	3,576,907	3,456,243	
Net position, beginning of year	21,679,420	19,906,655	38,384,559	36,701,081	60,063,979	56,607,736	
Restatement	(376,292)	-	(3,193,521)	-	(3,569,813)	-	
Net position, beginning of year, as restated	21,303,128	19,906,655	35,191,038	36,701,081	56,494,166	56,607,736	
Net position, end of year	\$ 22,536,565	\$ 21,679,420	\$ 37,534,508	\$ 38,384,559	\$ 60,071,073	\$ 60,063,979	

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities.

Governmental activities increased the City's net position by \$1,233,437. The key elements of this increase are as follows:

- Increase in building permits, plan review, and rental housing fees of approximately \$437,000, or 87%.
- Increase in revenues from property taxes of 1.7%.
- Increase in business license and franchise fee tax collections of 100%.

Business-type Activities.

Revenue in the business-type activities is comprised of charges for services, which accounts for 67% of the total. Business-type activities increased the City's net position by \$2,343,470. The key elements of this increase are as follows:

- The Water Fund reported an increase in net position of \$808,663. The change was mostly due to an increase in impact fees and charges for services along with expenses decreased by approximately \$11,000 from the prior year.
- The Wastewater Fund reported an increase in net position of \$1,382,770. The change was mostly due to an increase in impact fees and charges for services while keeping the expenses relatively stable.
- The Transit Fund reported an increase in net position of \$97,187. This primarily was due to an increase from in grant revenues for COVID-19 relief.

Financial Analysis of the City's Funds

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund of the City. At the end of the fiscal year ending June 30, 2021, the restricted fund balance was \$116,908, which is to be used for repairs and maintenance to North Clemson Road and the upkeep of the Calhoun-Clemson monument; committed fund balance of the General Fund was \$786,317 for the paving of city streets and funding unground power line projects when feasible; and unassigned was \$9,272,911, while the total fund balance was \$10,176,136.

As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Restricted fund balance represents 1% of total general fund expenditures, committed fund balance represents 6%, unassigned fund balance represents 71.5%, while total fund balance represents 78.5% of that same amount.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

As of June 30, 2021, unrestricted net position of the Water Fund was \$1,422,067, an increase of \$1,102,059; this was a result of a decrease in accounts payable and an increase in accounts receivables and due from other funds. The Wastewater Fund unrestricted net position as of June 30, 2021, was \$1,194,330, which is a decrease of \$2,817,769; this was a result of a restatement due to removing an investment in joint venture for \$3,913,050. The Transit Fund unrestricted net position as of June 30, 2021, was (\$112,609), an increase of \$1,181,764, which was the result of a decrease in the net value of the capital assets.

General Fund Budgetary Highlights

In the adopted 2021 budget, the General Fund's expenditures budget totaled \$13,529,534. For purposes of the annual financial report, excluding other financing sources, the original budgeted revenues were \$13,092,567, and the final \$13,092,567, with no change. At year end, General Fund actual revenues totaled \$14,237,109, \$1,144,542 more than the final budget, not including transfers in and out. At year end, actual expenditures totaled \$12,962,163, creating a budget variance in total expenditures of \$567,371. The variance was due to total expenditures in all functions of the general fund being less than final budget. Actual expenditures in capital outlay were more than its original budget by \$399,000 due to purchasing a new van and dump truck that were not budgeted and the continued cost of the software conversion that took multiple years to complete, but was only budgeted in the first year.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$70,399,299 (net of accumulated depreciation). This investment in capital assets includes land, other improvements, buildings, machinery and equipment, and infrastructure. Major capital asset transactions during the year included road improvements and recreation building improvements. The net increase (including additions and deductions) is \$3.9 million, or 5.8 percent above last year, primarily due to the continued construction of the Cochran Road Wastewater Treatment Plant upgrade, Littlejohn Community Center expansion, and the Police Station Expansion projects.

The City of Clemson's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,737,637	\$ 2,737,637	\$ 515,066	\$ 515,066	\$ 3,252,703	\$ 3,252,703
Construction in progress	4,683,594	11,092,085	-	3,929,327	4,683,594	15,021,412
Other improvements	657,436	667,402	18,336,605	2,212,663	18,994,041	2,880,065
Buildings	7,419,693	7,682,154	6,072,218	6,245,752	13,491,911	13,927,906
Machinery and equipment	2,086,609	2,510,271	8,655,429	9,629,796	10,742,038	12,140,067
Infrastructure	3,122,087	3,482,646	16,112,925	15,827,805	19,235,012	19,310,451
Total	\$ 20,707,056	\$ 28,172,195	\$ 49,692,243	\$ 38,360,409	\$ 70,399,299	\$ 66,532,604

Additional information on the City's capital assets can be found in Note 5 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt

As of June 30, 2021, the City has outstanding a total of \$5.8 million in general obligation bonds, \$11.8 million in revenue bonds, \$4.8 million in state revolving fund (SRF) loans, and \$122,000 in capital leases. The general obligation bonds were issued to help finance a new fire station, the up-fit and repurpose for more office space in City Hall, the Littlejohn Community Center expansion, and the Police Station expansion project. The revenue bonds were issued to finance the wastewater treatment plant expansion, and the SRF loans were used to finance improvements to the water and wastewater infrastructure. The capital lease was used to finance the purchase of police cars.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 5,835,000	\$ 2,435,000	\$ -	\$ -	\$ 5,835,000	\$ 2,435,000
Revenue Bonds	-	12,000,827	11,795,758	-	11,795,758	12,000,827
Capital Leases	122,160	242,000	-	-	122,160	242,000
State Revolving Fund Loans	-	-	4,767,410	5,153,677	4,767,410	5,153,677
Total	\$ 5,957,160	\$ 14,677,827	\$ 16,563,168	\$ 5,153,677	\$ 22,520,328	\$ 19,831,504

Additional information on the City's long-term debt can be found in Note 6 of this report.

Future Outlook

The management of the City of Clemson holds the philosophy that in order to secure a fiscally stable municipal government the budget process should be a "team effort". Issues that are important in the budget process include (1) matching revenues with expenses for all funds of the City, (2) maintaining appropriate levels of liquid assets in order to meet cash flow requirements throughout the fiscal year, and (3) ensuring that City services are as cost effective as possible.

During the preparation of future budgets, the City will attempt to continue the high level of service that Clemson residents are accustomed to receiving. The City will also continue to promote the "team approach" in delivery of governmental services. Clemson has historically provided affordable services to its residents, and management believes that this trend will continue. The City's ad valorem tax rate of 80.50 mills actually translates to a "net ad valorem tax rate" of 61.15 mills with the local option sales tax credit factor taken into account. As a result, the City's tax rate compares quite favorably to other municipalities in both North and South Carolina.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Clemson, South Carolina, 1250 Tiger Blvd, Suite 2, Clemson, South Carolina 29631.

CITY OF CLEMSON, SOUTH CAROLINA

**STATEMENT OF NET POSITION
JUNE 30, 2021**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 19,075,986	\$ 625	\$ 19,076,611
Investments	10,675,915	-	10,675,915
Taxes receivable	301,962	-	301,962
Accounts receivable, net of allowances	780,688	814,592	1,595,280
Due from other governments	400,230	828,283	1,228,513
Real estate held for resale	10,660	-	10,660
Internal balances	(9,419,495)	9,419,495	-
Inventories	-	348,415	348,415
Notes receivable	-	230,647	230,647
Restricted cash and cash equivalents	-	661,672	661,672
Capital assets:			
Non-depreciable	7,421,231	515,066	7,936,297
Depreciable, net of accumulated depreciation	13,285,825	49,177,177	62,463,002
Total assets	42,533,002	61,995,972	104,528,974
DEFERRED OUTFLOWS OF RESOURCES			
Pension	2,471,317	1,288,586	3,759,903
Total deferred outflows of resources	2,471,317	1,288,586	3,759,903
LIABILITIES			
Accounts payable	1,833,016	2,190	1,835,206
Accrued liabilities	658,865	220,569	879,434
Unearned revenues	859,876	27,380	887,256
Other liabilities	1,775	795,513	797,288
Claims payable	164,354	-	164,354
Long-term liabilities:			
Due within one year	620,059	671,150	1,291,209
Due in more than one year	5,943,759	16,163,647	22,107,406
Other long-term liabilities due in more than one year:			
Net pension liability	12,104,579	7,611,104	19,715,683
Total liabilities	22,186,283	25,491,553	47,677,836
DEFERRED INFLOWS OF RESOURCES			
Pension	281,471	258,497	539,968
Total deferred inflows of resources	281,471	258,497	539,968
NET POSITION			
Net investment in capital assets	14,749,896	33,129,075	47,878,971
Restricted for:			
Public safety	151,225	-	151,225
Public works	110,438	-	110,438
Culture and recreation	2,338,384	-	2,338,384
Housing and development	124,444	-	124,444
Tourism	1,065,532	-	1,065,532
Capital projects	3,692,143	-	3,692,143
Debt service	321,677	661,672	983,349
Unrestricted	(17,174)	3,743,761	3,726,587
Total net position	\$ 22,536,565	\$ 37,534,508	\$ 60,071,073

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

CITY OF CLEMSON, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 3,956,919	\$ -	\$ 61,271	\$ -
Public safety	5,824,820	466,063	10,379	-
Public works	3,537,188	858,446	-	1,032,190
Culture and recreation	2,266,021	221,905	13,328	528,975
Housing and development	958,610	-	-	-
Interest and fiscal charges on long-term debt	137,514	-	-	-
Total governmental activities	<u>16,681,072</u>	<u>1,546,414</u>	<u>84,978</u>	<u>1,561,165</u>
Business-type activities:				
Water	3,413,053	4,156,072	-	91,363
Wastewater	4,114,289	4,792,342	-	96,328
Transit	4,434,689	29,733	4,490,905	12,167
Stormwater	473,158	473,499	-	-
Sanitation	324,052	366,907	-	-
Parking Deck	119,182	138,260	-	-
Total business-type activities	<u>12,878,423</u>	<u>9,956,813</u>	<u>4,490,905</u>	<u>199,858</u>
Total primary government	<u>\$ 29,559,495</u>	<u>\$ 11,503,227</u>	<u>\$ 4,575,883</u>	<u>\$ 1,761,023</u>

General revenues:

- Property taxes
- Local options sales tax
- Accommodation tax
- Hospitality tax
- Business license and franchise fee tax
- Other taxes
- Local government distributions, not restricted for specific purposes
- Interest income
- Gain on sale of capital assets
- Miscellaneous revenues

Transfers

- Total general revenues and transfers
- Change in net position
- Net position, beginning of year, as restated
- Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position
Primary Government

Governmental Activities	Business-type Activities	Total
\$ (3,895,648)	\$ -	\$ (3,895,648)
(5,348,378)	-	(5,348,378)
(1,646,552)	-	(1,646,552)
(1,501,813)	-	(1,501,813)
(958,610)	-	(958,610)
(137,514)	-	(137,514)
<u>(13,488,515)</u>	<u>-</u>	<u>(13,488,515)</u>
-	834,382	834,382
-	774,381	774,381
-	98,116	98,116
-	341	341
-	42,855	42,855
-	19,078	19,078
<u>-</u>	<u>1,769,153</u>	<u>1,769,153</u>
<u>(13,488,515)</u>	<u>1,769,153</u>	<u>(11,719,362)</u>
6,369,067	-	6,369,067
2,029,406	-	2,029,406
485,562	-	485,562
1,485,405	-	1,485,405
3,797,673	-	3,797,673
420,236	-	420,236
335,999	-	335,999
73,583	-	73,583
15,601	1,925	17,526
167,972	113,840	281,812
(458,552)	458,552	-
<u>14,721,952</u>	<u>574,317</u>	<u>15,296,269</u>
1,233,437	2,343,470	3,576,907
21,303,128	35,191,038	56,494,166
<u>\$ 22,536,565</u>	<u>\$ 37,534,508</u>	<u>\$ 60,071,073</u>

CITY OF CLEMSON, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Littlejohn CC Expansion Fund	Police Station Expansion Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 19,015,726	\$ -	\$ -	\$ -	\$ 19,015,726
Investments	10,675,915	-	-	-	10,675,915
Taxes receivable, net of allowances	287,136	-	-	14,826	301,962
Accounts receivable, net of allowances	439,111	-	-	323,581	762,692
Intergovernmental receivables	300,230	-	-	100,000	400,230
Real estate held for resale	-	-	-	10,660	10,660
Due from other funds	271,854	106,508	1,619,854	6,010,387	8,008,603
Total assets	\$ 30,989,972	\$ 106,508	\$ 1,619,854	\$ 6,459,454	\$ 39,175,788
LIABILITIES					
Accounts payable	\$ 1,830,935	\$ -	\$ -	\$ -	\$ 1,830,935
Retainage payable	-	106,508	170,382	-	276,890
Accrued liabilities	300,094	-	-	-	300,094
Unearned revenues	850,242	-	-	9,634	859,876
Other accrued liabilities	1,775	-	-	-	1,775
Due to other funds	17,407,461	-	-	116,541	17,524,002
Due to other governments	38,954	-	-	-	38,954
Total liabilities	20,429,461	106,508	170,382	126,175	20,832,526
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	384,375	-	-	19,847	404,222
Total deferred inflows of resources	384,375	-	-	19,847	404,222
FUND BALANCES					
Nonspendable	-	-	-	10,660	10,660
Restricted					
Public safety	-	-	-	151,225	151,225
Public works	110,438	-	-	-	110,438
Culture and recreation	6,470	-	-	2,331,914	2,338,384
Housing and development	-	-	-	124,444	124,444
Tourism	-	-	-	1,065,532	1,065,532
Capital projects	-	-	1,449,472	2,242,671	3,692,143
Debt service	-	-	-	321,677	321,677
Committed	786,317	-	-	-	786,317
Assigned	-	-	-	105,059	105,059
Unassigned	9,272,911	-	-	(39,750)	9,233,161
Total fund balances	10,176,136	-	1,449,472	6,313,432	17,939,040
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,989,972	\$ 106,508	\$ 1,619,854	\$ 6,459,454	\$ 39,175,788

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

CITY OF CLEMSON, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances, end of year	\$	17,939,040
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		20,707,056
Other long term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. These amounts are:		
Property taxes		404,222
Deferred outflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.		2,471,317
Deferred inflows of resources related to the recording of the net pension liability are not due and payable in the current period and, therefore, are not reported in the funds.		(281,471)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	\$	(606,658)
General obligation bonds		(5,835,000)
Capital leases		(122,160)
Net pension liability		(12,104,579)
Total long-term liabilities		(18,668,397)
The internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		7,725
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(42,927)
Net position of governmental activities, end of year	\$	<u>22,536,565</u>

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

CITY OF CLEMSON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Littlejohn CC Expansion Fund</u>	<u>Police Station Expansion Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 5,932,934	\$ -	\$ -	\$ 306,030	\$ 6,238,964
Local option sales taxes	1,929,762	-	-	99,644	2,029,406
Local accommodations taxes	-	-	-	202,157	202,157
Local hospitality taxes/fees	-	-	-	1,485,405	1,485,405
Licenses and permits	3,797,673	-	-	-	3,797,673
Intergovernmental	909,946	428,975	-	1,346,862	2,685,783
Charges for services	1,371,146	-	-	28,919	1,400,065
Fines and forfeitures	146,349	-	-	-	146,349
Interest income	-	7,087	19,035	47,461	73,583
Miscellaneous	149,299	-	-	18,673	167,972
Total revenues	<u>14,237,109</u>	<u>436,062</u>	<u>19,035</u>	<u>3,535,151</u>	<u>18,227,357</u>
Expenditures:					
Current:					
General government	2,722,006	-	-	44,739	2,766,745
Public safety	5,262,915	-	-	50,195	5,313,110
Public works	2,499,230	-	-	-	2,499,230
Culture and recreation	1,110,484	-	-	559,270	1,669,754
Housing and development	933,867	-	-	24,743	958,610
Tourism	-	-	-	372,716	372,716
Non-departmental	309,166	-	-	-	309,166
Capital outlay	-	2,083,617	1,995,166	1,098,043	5,176,826
Debt service:					
Principal retirement	119,840	-	-	200,000	319,840
Interest	4,655	-	-	102,856	107,511
Total expenditures	<u>12,962,163</u>	<u>2,083,617</u>	<u>1,995,166</u>	<u>2,452,562</u>	<u>19,493,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,274,946</u>	<u>(1,647,555)</u>	<u>(1,976,131)</u>	<u>1,082,589</u>	<u>(1,266,151)</u>
Other financing sources (uses):					
Bond issuance	-	700,000	2,900,000	-	3,600,000
Transfers in	954,038	109,713	440,795	552,911	2,057,457
Transfers out	(387,450)	-	-	(3,413,232)	(3,800,682)
Sale of capital assets	15,601	-	-	-	15,601
Total other financing sources (uses), net	<u>582,189</u>	<u>809,713</u>	<u>3,340,795</u>	<u>(2,860,321)</u>	<u>1,872,376</u>
Net change in fund balances	1,857,135	(837,842)	1,364,664	(1,777,732)	606,225
Fund balances, beginning of year, as previously reported	<u>7,872,639</u>	<u>837,842</u>	<u>84,808</u>	<u>8,091,164</u>	<u>16,886,453</u>
Restatement	446,362	-	-	-	446,362
Fund balances, beginning of year, as restated	<u>8,319,001</u>	<u>837,842</u>	<u>84,808</u>	<u>8,091,164</u>	<u>17,332,815</u>
Fund balances, end of year	<u>\$ 10,176,136</u>	<u>\$ -</u>	<u>\$ 1,449,472</u>	<u>\$ 6,313,432</u>	<u>\$ 17,939,040</u>

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

CITY OF CLEMSON, SOUTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Net change in fund balances - total governmental funds \$ 606,225

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 4,844,578	
Depreciation expense	<u>(1,593,563)</u>	3,251,015

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

Property taxes		130,103
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of general obligation bonds	\$ (3,600,000)	
Repayment of the principal of long-term debt	<u>319,840</u>	(3,280,160)

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.

Compensated absences	\$ 12,286	
Accrued interest on long-term debt	(30,003)	
Net pension liability, net of related deferred outflows and inflows of resources	<u>(733,857)</u>	(751,574)

Some transfers between governmental activities and business-type activities including the transfer of long-term assets and long-term liabilities and, therefore, are not reported at the fund level.

Transfer of long-term assets to business-type activities	\$ (10,716,154)	
Transfer of long-term liabilities to business-type activities	<u>12,000,827</u>	1,284,673

The internal service fund is used by management to charge the cost of insurance to individual funds. The net revenue of certain activities of the internal service fund are included in governmental activities in the Statement of Net Position.		<u>(6,845)</u>
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Change in net position of governmental activities		<u>\$ 1,233,437</u>
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CITY OF CLEMSON, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

	Water Fund	Wastewater Fund	Transit Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 300	\$ 150	\$ 175	\$ -	\$ 625	\$ 60,260
Accounts receivable, net of allowances	350,414	381,459	-	82,719	814,592	17,996
Inventory	184,871	23,896	132,590	7,058	348,415	-
Due from other funds	3,000,964	3,072,517	1,917,145	1,705,650	9,696,276	266,233
Due from other governments	-	-	828,283	-	828,283	-
Notes receivable, current portion	26,171	-	-	-	26,171	-
Total current assets	<u>3,562,720</u>	<u>3,478,022</u>	<u>2,878,193</u>	<u>1,795,427</u>	<u>11,714,362</u>	<u>344,489</u>
NONCURRENT ASSETS						
Restricted cash and cash equivalents	413,644	248,028	-	-	661,672	-
Notes receivable	204,476	-	-	-	204,476	-
Capital assets:						
Non-depreciable	121,906	174	95,573	297,413	515,066	-
Depreciable, net of accumulated depreciation	7,852,660	29,241,298	10,456,399	1,626,820	49,177,177	-
Total noncurrent assets	<u>8,592,686</u>	<u>29,489,500</u>	<u>10,551,972</u>	<u>1,924,233</u>	<u>50,558,391</u>	<u>-</u>
Total assets	<u>12,155,406</u>	<u>32,967,522</u>	<u>13,430,165</u>	<u>3,719,660</u>	<u>62,272,753</u>	<u>344,489</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension	253,959	404,594	539,104	90,929	1,288,586	-
Total deferred outflows of resources	<u>253,959</u>	<u>404,594</u>	<u>539,104</u>	<u>90,929</u>	<u>1,288,586</u>	<u>-</u>
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	2,190	-	-	-	2,190	2,081
Accrued liabilities	66,499	52,711	62,837	12,075	194,122	-
Unearned revenue	-	-	-	27,380	27,380	-
Other accrued liabilities	780,340	-	-	15,173	795,513	-
Due to other funds	71,778	87,672	103,427	13,904	276,781	170,329
Accrued vacation	26,945	17,516	17,811	5,635	67,907	-
Claims payable	-	-	-	-	-	164,354
Accrued interest payable	19,530	6,917	-	-	26,447	-
Current portion of revenue bonds payable	254,766	348,477	-	-	603,243	-
Total current liabilities	<u>1,222,048</u>	<u>513,293</u>	<u>184,075</u>	<u>74,167</u>	<u>1,993,583</u>	<u>336,764</u>
NONCURRENT LIABILITIES						
Accrued vacation, net of current portion	80,836	52,548	53,434	16,904	203,722	-
Revenue bonds payable, net of current portion	3,359,479	12,600,446	-	-	15,959,925	-
Net pension liability	1,500,023	2,389,758	3,184,247	537,076	7,611,104	-
Total noncurrent liabilities	<u>4,940,338</u>	<u>15,042,752</u>	<u>3,237,681</u>	<u>553,980</u>	<u>23,774,751</u>	<u>-</u>
Total liabilities	<u>6,162,386</u>	<u>15,556,045</u>	<u>3,421,756</u>	<u>628,147</u>	<u>25,768,334</u>	<u>336,764</u>
DEFERRED INFLOWS OF RESOURCES						
Pension	50,947	81,164	108,150	18,236	258,497	-
Total deferred inflows of resources	<u>50,947</u>	<u>81,164</u>	<u>108,150</u>	<u>18,236</u>	<u>258,497</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	4,360,321	16,292,549	10,551,972	1,924,233	33,129,075	-
Restricted for debt service	413,644	248,028	-	-	661,672	-
Unrestricted	1,422,067	1,194,330	(112,609)	1,239,973	3,743,761	7,725
Total net position	<u>\$ 6,196,032</u>	<u>\$ 17,734,907</u>	<u>\$ 10,439,363</u>	<u>\$ 3,164,206</u>	<u>\$ 37,534,508</u>	<u>\$ 7,725</u>

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

CITY OF CLEMSON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Water Fund	Wastewater Fund	Transit Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUE						
Charges for service	\$ 3,445,628	\$ 3,759,306	\$ 29,733	\$ 965,995	\$ 8,200,662	\$ -
Impact fees	666,765	980,050	-	-	1,646,815	-
Late fees	43,679	52,986	-	12,671	109,336	-
Employer contributions	-	-	-	-	-	1,039,701
Employee contributions	-	-	-	-	-	442,941
Miscellaneous income	51,116	56,678	-	-	107,794	122,737
Total operating revenues	4,207,188	4,849,020	29,733	978,666	10,064,607	1,605,379
OPERATING EXPENSES						
Personnel	1,020,967	1,608,126	2,037,114	318,889	4,985,096	-
Supplies	408,347	285,923	601,742	103,370	1,399,382	-
Purchased services	1,471,277	1,061,270	555,755	312,973	3,401,275	-
Claims expense	-	-	-	-	-	1,612,224
Depreciation expense	371,090	850,946	1,069,306	164,947	2,456,289	-
Other operating expenses	60,187	1,345,110	168,966	15,144	1,589,407	-
Total operating expenses	3,331,868	5,151,375	4,432,883	915,323	13,831,449	1,612,224
Operating income (loss)	875,320	(302,355)	(4,403,150)	63,343	(3,766,842)	(6,845)
NONOPERATING REVENUES (EXPENSES)						
Gain on sale of capital assets	-	-	1,925	-	1,925	-
Interest expense	(81,185)	(247,587)	(1,806)	(1,069)	(331,647)	-
Miscellaneous income	-	-	6,046	-	6,046	-
Intergovernmental	6,243	-	4,490,905	-	4,497,148	-
Total nonoperating revenues (expenses), net	(74,942)	(247,587)	4,497,070	(1,069)	4,173,472	-
Income (loss) before capital contributions and transfers	800,378	(549,942)	93,920	62,274	406,630	(6,845)
CAPITAL CONTRIBUTIONS	85,120	96,328	12,167	-	193,615	-
TRANSFERS						
Transfers in	15,000	2,002,263	-	-	2,017,263	-
Transfers out	(91,835)	(165,879)	(8,900)	(7,424)	(274,038)	-
Total transfers	(76,835)	1,836,384	(8,900)	(7,424)	1,743,225	-
Change in net position	808,663	1,382,770	97,187	54,850	2,343,470	(6,845)
Total net position, beginning of year, as previously reported	4,974,382	20,099,773	10,211,447	3,098,957	38,384,559	176,356
Restatement	412,987	(3,747,636)	130,729	10,399	(3,193,521)	(161,786)
Total net position, beginning of year as restated	5,387,369	16,352,137	10,342,176	3,109,356	35,191,038	14,570
Total net position, end of year	\$ 6,196,032	\$ 17,734,907	\$ 10,439,363	\$ 3,164,206	\$ 37,534,508	\$ 7,725

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

CITY OF CLEMSON, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Water Fund	Wastewater Fund	Transit Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 4,206,250	\$ 4,841,320	\$ 29,733	\$ -	\$ 9,077,303	\$ 1,497,506
Payments to suppliers	(2,886,934)	(2,045,868)	(3,389,995)	-	(8,322,797)	-
Payments to employees	(826,922)	(1,354,624)	(258,805)	-	(2,440,351)	(1,437,246)
Net cash provided by (used in) operating activities	<u>492,394</u>	<u>1,440,828</u>	<u>(3,619,067)</u>	<u>-</u>	<u>(1,685,845)</u>	<u>60,260</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	15,000	2,002,263	-	-	2,017,263	-
Transfers out	(91,835)	(165,879)	(8,900)	-	(266,614)	-
Intergovernmental receipts	-	25,551	3,725,093	-	3,750,644	-
Other nonoperating income	-	-	6,046	-	6,046	-
Net cash provided by (used in) noncapital financing activities	<u>(76,835)</u>	<u>1,861,935</u>	<u>3,722,239</u>	<u>-</u>	<u>5,507,339</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(180,133)	(2,772,137)	(115,458)	-	(3,067,728)	-
Proceeds from the sale of capital assets	-	-	1,925	-	1,925	-
Proceeds from the issuance of revenue bonds	-	-	-	-	-	-
Principal paid on revenue bonds	-	(205,069)	-	-	(205,069)	-
Principal paid on notes payable	(249,398)	(136,869)	-	-	(386,267)	-
Capital contributions	85,120	96,328	12,167	-	193,615	-
Capital grants received	6,243	-	-	-	6,243	-
Interest and agent fees paid	(82,516)	(248,268)	(1,806)	-	(332,590)	-
Net cash used in capital and related financing activities	<u>(420,684)</u>	<u>(3,266,015)</u>	<u>(103,172)</u>	<u>-</u>	<u>(3,789,871)</u>	<u>-</u>
Net change in cash	(5,125)	36,748	-	-	31,623	60,260
Cash and cash equivalents, beginning of year	419,069	211,430	175	-	630,674	-
Cash and cash equivalents, end of year	<u>\$ 413,944</u>	<u>\$ 248,178</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 662,297</u>	<u>\$ 60,260</u>
Classified as:						
Cash and cash equivalents	\$ 300	\$ 150	\$ 175	\$ -	\$ 625	\$ 60,260
Restricted assets, cash	413,644	248,028	-	-	661,672	-
	<u>\$ 413,944</u>	<u>\$ 248,178</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 662,297</u>	<u>\$ 60,260</u>

(Continued)

CITY OF CLEMSON, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Transit Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ 875,320	\$ (302,355)	\$ (4,403,150)	\$ 63,343	\$ (3,766,842)	\$ (6,845)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	371,090	850,946	1,069,306	164,947	2,456,289	-
Noncash transfers from the governmental activities	-	1,284,673	-	-	1,284,673	-
Changes in assets and liabilities:						
Increase in accounts receivable	(31,352)	(7,700)	-	-	(39,052)	(17,996)
Increase in inventory	(870)	(3,189)	(23,756)	-	(27,815)	-
Increase in due from other funds	(896,016)	(319,486)	(489,608)	-	(1,705,110)	(89,877)
Decrease in due from other governments	30,414	-	-	-	30,414	-
Increase in deferred outflow of resources	(62,163)	(99,035)	(131,960)	-	(293,158)	-
Increase (decrease) in accounts payable	(125,433)	(281,451)	(58,493)	-	(465,377)	2,081
Increase in accrued liabilities	41,157	10,435	18,391	-	69,983	-
Increase (decrease) in other liabilities	57,315	-	-	-	57,315	-
Increase in claims payable	-	-	-	-	-	2,568
Increase in unearned revenue	-	-	-	-	-	-
Increase in due to other funds	71,778	87,672	103,427	-	262,877	170,329
Increase (decrease) in accrued vacation	22,547	(501)	2,542	-	24,588	-
Increase in net pension liability	97,734	155,704	207,469	-	460,907	-
Increase in deferred inflows or resources	40,873	65,115	86,765	-	192,753	-
Net cash provided by (used in) operating activities	<u>\$ 492,394</u>	<u>\$ 1,440,828</u>	<u>\$ (3,619,067)</u>	<u>\$ 228,290</u>	<u>\$ (1,457,555)</u>	<u>\$ 60,260</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Contributions of capital assets	\$ 85,120	\$ 96,328	\$ 12,167	\$ -	\$ 193,615	\$ -
Transfer of long-term assets to/from governmental activities	-	(10,716,154)	-	-	(10,716,154)	-
Transfer of long-term liabilities to/from governmental activities	-	12,000,827	-	-	12,000,827	-
	<u>\$ 85,120</u>	<u>\$ 1,381,001</u>	<u>\$ 12,167</u>	<u>\$ -</u>	<u>\$ 1,478,288</u>	<u>\$ -</u>

CITY OF CLEMSON, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Clemson, South Carolina (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

A. Reporting Entity

The City of Clemson was created in 1943 after the freeholders voted to change the name from Calhoun to Clemson. Calhoun was founded sometime before 1900. Currently the City operates under a council form of government with an elected mayor and six council members.

The accompanying financial statements present the government and its component units, which are entities for which the City is considered financially accountable. Blended component units are legally separate entities albeit, in substance, part of the primary government and, therefore are included with data of the primary government. Discretely presented component units are presented separately to emphasize legal separation from the primary government. The City of Clemson is comprised of the various departments of the General Fund, the Proprietary Funds (water, stormwater, wastewater, commercial sanitation, transit system, and parking deck), the Debt Service Fund, the Capital Projects Fund, and various other Special Revenue Funds. There are no blended or discretely presented component units included in these financial statements. No entities are excluded that would make the financial statement misleading.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all the activities of the primary government. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

The government reports the following major governmental funds:

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

The **Littlejohn CC Expansion Fund** is used to account for the construction and expansion of the Littlejohn Community Center.

The **Police Station Expansion Fund** is used to account for the construction and expansion of the Police Station Expansion Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The government reports the following major proprietary funds:

The **Water Fund** accounts for charges to users for water services and the cost of the operations of the system.

The **Wastewater Fund** accounts for charges to users for sewer services and the cost of operations of the system.

The **Transit Fund** accumulates costs and expenses of providing a transit system to the City of Clemson, Clemson University, and surrounding areas

Additionally, the City reports the following fund types:

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

Capital Projects Funds are used to account for major capital projects funded by issuance of general obligation bonds, tax increment bonds, and other financing sources.

Debt Service Funds are used to account for the accumulation of resources and payment of general obligation and the tax increment financing bonds principal and interest from governmental resources.

Proprietary Funds are used to account for those operations that are financed and operated in a manner similar to private business.

Internal Service Funds are used to account for the central management and billing of health and dental insurance.

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

Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in the business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column. However, interfund services provided and used are not eliminated in the process of consolidation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Amounts reported as program revenues include (1.) Charges to customers or applicants for goods, services, or privileges provided, (2.) Operating grants and contributions, and (3.) Capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, all taxes are general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's primary ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. The water and wastewater funds also recognize as operating revenue impact fees intended to recover the cost of connecting new customers to the system.

Operating expenses for the proprietary funds include the costs of utility purchases and services, administrative expenses and asset depreciation. All revenues and expenses not meeting this definition are reported as nonoperating.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with GAAP. Annual budgets and supplementary budget appropriations are legally adopted for the General Fund, Local Accommodations Tax Fund, Local Hospitality Tax Fund, Local Hospitality Fee Fund, Emergency Telephone System Fund, Tourism Fund, Park Land Fund, Arts & Cultural Commission Fund, Debt Service Fund, and Debt Service Hospitality Fund. The Community Development Fund adopted a project length budget instead of an annual budget.

The City does not adopt a formal budget for the capital project funds; therefore, no budget comparison is presented for these funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents and Investments

For purposes of financial statement presentation, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents include amounts in certificates of deposit and money market funds. Cash and cash equivalents are stated at cost which approximates fair value.

Investments are reported at fair value which is determined as follows: short-term investments are reported at cost, which approximates fair value; securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; securities for which an established market does not exist are reported at the estimated fair value using selling prices for similar investments for which there is an active market. Increases or decreases in the fair value during the year are recognized as a component of interest income.

Certain resources in the City's proprietary funds are classified as restricted on the Statement of Net Position because they are maintained in separate bank accounts as required by certain bond covenants. The 2005 Water A, 2005 Water B, 2015 Water State Revolving Fund Trustee Account, and 2009 and 2014 Wastewater State Revolving Fund Trustee Accounts are used to segregate resources accumulated for debt service payments over the next twelve months for each of the respective revenue bonds.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from utilities are recognized at the end of each fiscal year on a pro rata basis. The unbilled amount is based on billings during the two months following the close of the fiscal year. The allowance for bad debts covers amounts owed from individuals, companies and other entities which have purchased services from City-owned entities or which have been provided services from the City. The allowance was determined by analysis of the year end receivable balances for those accounts which the City believes will not be collected based on past history.

G. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year, as well as all other outstanding balances between funds, are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

Proprietary fund inventories consist of construction materials and expendable supplies and are recorded at cost in a perpetual inventory system.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The City qualifies as a phase 3 government for reporting major general infrastructure assets and therefore elects to record such assets prospectively. However, with the exception of several subdivisions, the City has been tracking the cost and depreciation of its infrastructure since 1973 and such assets are reflected in the accompanying financial statements.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Costs of major additions and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Building improvements	40 years
Public domain infrastructure	50 years
System infrastructure	30 years
Vehicles	5 - 12 years
Office equipment	5 years
Computer equipment	5 years

K. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Compensated absences are typically funded by the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-term Obligations

In the government-wide and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Deferred Outflows/Inflows of Resources

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities* established accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a Statement of Net Position.

In addition to assets, the Statement of Net Position reports a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City had five (5) items that qualified for reporting in this category, all relating to the City's pension plan. (1) Experience gains result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. (2) Changes in actuarial assumptions adjust the net pension liability and are amortized into pension expense over the expected remaining service lives of plan members. (3) The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five-year period. (4) The changes in the City's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions, and (5) The contributions made by the City to the pension plan subsequent to the plan's measurement date and prior to the City's fiscal year end are deferred and amortized against pension expense in subsequent years.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet reports a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four (4) items that qualify for reporting in this category, two of which arise only under the modified accrual basis of accounting. Accordingly, the items, *unavailable revenue*, are reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from (1) property taxes and (2) intergovernmental grant revenues and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other two (2) items, (3) experience gains from periodic studies by the City's pension plan's actuary, and (4) the changes in proportionate differences in contribution rates for the City's pension plan.

N. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Council has authorized the City Administrator to assign fund balances.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available.

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the City's proportionate share thereof in the case of a cost-sharing multiple employer plan, measured on year prior to the City's June 30, 2021 fiscal year end. Changes in the net pension liability during the period are recorded as pension expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred.

NOTE 2. LEGAL COMPLIANCE - BUDGETS

Budgets and Budgetary Accounting

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Excess of Expenditures over Appropriations

For the year ended June 30, 2021, expenditures exceeded budget, as follows:

<u>Fund / Department</u>	<u>Excess</u>
General Fund	
General government - council	\$ 336,676
General government - public buildings	26,047
Public works - residential sanitation	97,778
Nondepartmental	8,373
Community Development Fund	
Housing and development	24,743
Local Hospitality Tax Fund	
Tourism	11,237
Capital outlay	72,552
Local Hospitality Fee Fund	
Culture and recreation	20,325
Emergency Telephone System Fund	
Capital outlay	19,819
Arts & Cultural Commission Fund	
Tourism	1,002

The over expenditures in the General Fund were funded by under expenditures in other departments. The over expenditures in the Community Development Fund, the Local Hospitality Tax Fund, the Local Hospitality Fee Fund, the Emergency Telephone System Fund, and the Arts & Cultural Commission Fund will be funded by future revenues and by under expenditures in other departments.

Deficit Fund Balance

The Tourism Fund reported a deficit fund balance, as of June 30, 2021, of \$39,750. The deficit in the Tourism Fund will be eliminated through future grant proceeds.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2021, are summarized as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 19,076,611
Investments	10,675,915
Restricted cash and cash equivalents	661,672
	<u>\$ 30,414,198</u>
Cash deposited with financial institutions	\$ 7,144,167
Investments - Government Agencies	3,803,984
Investments - US Treasury	5,095,333
Investments - Certificates of Deposit	637,262
Investments - Federated Hermes Fund	1,139,336
South Carolina Local Government Investment Pool	12,594,116
	<u>\$ 30,414,198</u>

At June 30, 2021, the City's pooled cash and investments included demand deposits and the State Treasurer's Local Government Investment Pool (LGIP). The LGIP is an investment mechanism authorized by the South Carolina State Legislature and is not registered with the SEC as an investment company. There is no regulatory oversight of the pool. The pool's primary objective is to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions. The total fair value of the investment pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1. Investments in the pool are stated at fair value which approximates cost.

Under State law, the City is authorized to hold funds in deposit accounts with banking institutions and invest funds in the following items: obligations of the United States and agencies thereof, obligations of the State of South Carolina of any of its political units, banks and savings and loan associations to the extent insured by an agency of the federal government, and/or certificates of deposit where the certificates are federally insured or collaterally secured by collateral of the types in the previously mentioned items.

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2021, all of the City's deposits were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust department in the City's name.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk: The City's investment policy allows for investments in the LGIP. As of June 30, 2021, the underlying security ratings of the City's investment in the LGIP may be obtained from the LGIP's complete financial statements. This investment pool does not have a credit quality rating assigned. These financial statements may be obtained by writing to the State Treasurer's Office, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211. Additionally, the City may invest in obligations of the United States, obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, Bank of Cooperatives, Federal Intermediate Credit Bank, Federal Land Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Federal Housing Administration, and Farmer's Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise issued by at least two nationally recognized credit organizations.

The City's investments of \$8,899,317 in various U.S. Treasury and Agency securities and corporate bonds were rated AAA by Standard and Poor's and Aaa or better by Moody's Investors Services.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2021, the City's exposure to interest rate risk and credit risk regarding its investments is as follows:

Investment Type	Fair Value	Investment Maturities (in Years)						Rating
		Less than 1	1 - 5	6 - 10	11 - 15	16 - 20	21 - 25	
Federated Hermes Fund	\$ 1,139,336	\$ 1,139,336	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Certificates of Deposit	637,262	101,622	535,640	-	-	-	-	N/A
U.S. Agencies	3,803,984	561,927	799,994	1,054,992	474,397	768,738	143,936	AAA
U.S. Treasuries	5,095,333	1,849,240	3,246,093	-	-	-	-	AAA
Total	<u>\$ 10,675,915</u>	<u>\$ 3,652,125</u>	<u>\$ 4,581,727</u>	<u>\$ 1,054,992</u>	<u>\$ 474,397</u>	<u>\$ 768,738</u>	<u>\$ 143,936</u>	

Fair Value Measurement: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The City has the following recurring fair value measurements as of June 30, 2021:

Investment	Level 1	Level 2	Fair Value
U.S. Agencies	\$ 1,194,662	\$ 2,609,322	\$ 3,803,984
U.S. Treasuries	5,095,333	-	5,095,333
Total investments measured at fair value	<u>\$ 6,289,995</u>	<u>\$ 2,609,322</u>	<u>\$ 8,899,317</u>

The debt securities comprised of U.S. Agency securities and U.S. Treasury Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

The debt securities comprised of U.S. Agency securities classified in Level 2 of the of the fair value hierarchy are valued using a pricing matrix technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The City has no investments classified in Level 3 of the fair value hierarchy.

The City holds certificates of deposit and a Federal Hermes Mutual Fund at June 30, 2021, that are recorded at cost and therefore are not classified in the fair value hierarchy. The LGIP does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its position in the LGIP within the fair value hierarchy.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. This risk is mitigated by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The City has no formal policy regarding concentration of credit risk.

NOTE 4. RECEIVABLES

Property taxes, the primary source of revenue for the General, Park Land, and Debt Service Funds, are collected for the City by the Pickens County Treasurer. The property tax calendar is as follows:

Lewy	on October 1st on all real and personal property (except vehicles) based on the assessment of the preceding January 1st
Tax Due	on or before January 15th
Penalty	3% after January 15th 7% additional after February 1st
Liens	liens are filed upon execution after March 16th with an additional 5% penalty
Property Sales	on delinquent property held in year after year of levy
Motor Vehicles	monthly, assessed and collected in advance of vehicle registration with motor vehicle department

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

Receivables at June 30, 2021, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Nonmajor Governmental Funds	Water Fund	Wastewater Fund
Receivables:				
Taxes	\$ 302,248	\$ 15,607	\$ -	\$ -
Accounts	440,177	323,581	355,349	387,734
Intergovernmental	300,230	100,000	-	-
Long-term notes	-	-	230,647	-
Total receivables	<u>1,042,655</u>	<u>439,188</u>	<u>585,996</u>	<u>387,734</u>
Less allowance for uncollectible accounts	16,178	781	4,935	6,275
Net total receivables	<u>\$ 1,026,477</u>	<u>\$ 438,407</u>	<u>\$ 581,061</u>	<u>\$ 381,459</u>

	Transit Fund Fund	Nonmajor Enterprise Fund Fund	Internal Service Fund	Total
Receivables:				
Taxes	\$ -	\$ -	\$ -	\$ 317,855
Accounts	-	85,731	17,996	1,610,568
Intergovernmental	828,283	-	-	1,228,513
Long-term notes	-	-	-	230,647
Total receivables	<u>828,283</u>	<u>85,731</u>	<u>17,996</u>	<u>3,387,583</u>
Less allowance for uncollectible accounts	-	3,012	-	31,181
Net total receivables	<u>\$ 828,283</u>	<u>\$ 82,719</u>	<u>\$ 17,996</u>	<u>\$ 3,356,402</u>

Delinquent taxes receivable is included in taxes receivable and represents past years of uncollected tax levies. Property tax revenues are recognized when due or past due and collectible within the current period or soon enough thereafter (defined as 60 days) to pay liabilities of the current period. Unavailable property tax revenue represents that portion of property taxes which is deemed not available to pay current expenditures.

NOTE 5. NOTE RECEIVABLE

The City sold its Highway 93 Water Tank to the Town of Central for \$250,000 in 2007. The terms of the sale call for the Town of Central to pay for \$5,009 per quarter for 15 years at an interest rate of 2.5%. The balance of the note at June 30, 2021, is \$14,842 with the remaining balance due within the next year. In accordance with this note, the Town of Central is responsible for \$350,000 of the City's Series 2005A revenue bonds at an interest rate of 2.5%. The balance of the receivable at June 30, 2021 is \$204,476 with the \$11,329 due within the next year.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,737,637	\$ -	\$ -	\$ -	\$ 2,737,637
Construction in progress	11,092,085	4,307,663	-	(10,716,154)	4,683,594
Total	<u>13,829,722</u>	<u>4,307,663</u>	<u>-</u>	<u>(10,716,154)</u>	<u>7,421,231</u>
Capital assets, being depreciated:					
Other improvements	8,044,702	64,006	-	-	8,108,708
Buildings	11,223,193	1,651	-	-	11,224,844
Infrastructure	11,473,908	-	-	-	11,473,908
Furniture and equipment	9,470,312	471,258	(280,490)	(20,754)	9,640,326
Total	<u>40,212,115</u>	<u>536,915</u>	<u>(280,490)</u>	<u>(20,754)</u>	<u>40,447,786</u>
Less accumulated depreciation for:					
Other improvements	(7,377,300)	(73,972)	-	-	(7,451,272)
Buildings	(3,541,039)	(264,112)	-	-	(3,805,151)
Infrastructure	(7,991,262)	(360,559)	-	-	(8,351,821)
Furniture and equipment	(6,960,041)	(894,920)	280,490	20,754	(7,553,717)
Total	<u>(25,869,642)</u>	<u>(1,593,563)</u>	<u>280,490</u>	<u>20,754</u>	<u>(27,161,961)</u>
Total capital assets, being depreciated, net	<u>14,342,473</u>	<u>(1,056,648)</u>	<u>-</u>	<u>-</u>	<u>13,285,825</u>
Governmental activities capital assets, net	<u>\$ 28,172,195</u>	<u>\$ 3,251,015</u>	<u>\$ -</u>	<u>\$ (10,716,154)</u>	<u>\$ 20,707,056</u>

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

Governmental activities:	
General government	\$ 99,731
Public safety	406,959
Public works	1,029,896
Culture and recreation	56,977
	<u>1,593,563</u>
Total depreciation expense - governmental activities	<u>\$ 1,593,563</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended June 30, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 515,066	\$ -	\$ -	\$ -	\$ 515,066
Construction in progress	3,929,327	2,015,167	-	(5,944,494)	-
Total	<u>4,444,393</u>	<u>2,015,167</u>	<u>-</u>	<u>(5,944,494)</u>	<u>515,066</u>
Capital assets, being depreciated:					
Other improvements	8,119,945	-	-	16,375,545	24,495,490
Buildings	7,887,416	-	-	-	7,887,416
Infrastructure	24,532,931	752,486	-	285,103	25,570,520
Furniture and equipment	17,075,350	304,316	(563,999)	20,754	16,836,421
Total	<u>57,615,642</u>	<u>1,056,802</u>	<u>(563,999)</u>	<u>16,681,402</u>	<u>74,789,847</u>
Less accumulated depreciation for:					
Other improvements	(5,907,282)	(363,148)	-	111,545	(6,158,885)
Buildings	(1,641,664)	(173,534)	-	-	(1,815,198)
Infrastructure	(8,705,126)	(640,924)	-	(111,545)	(9,457,595)
Furniture and equipment	(7,445,554)	(1,278,683)	563,999	(20,754)	(8,180,992)
Total	<u>(23,699,626)</u>	<u>(2,456,289)</u>	<u>563,999</u>	<u>(20,754)</u>	<u>(25,612,670)</u>
Total capital assets, being depreciated, net	<u>33,916,016</u>	<u>(1,399,487)</u>	<u>-</u>	<u>16,660,648</u>	<u>49,177,177</u>
Business-type activities capital assets, net	<u>\$ 38,360,409</u>	<u>\$ 615,680</u>	<u>\$ -</u>	<u>\$ 10,716,154</u>	<u>\$ 49,692,243</u>

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

Business-type activities:	
Water	\$ 371,090
Stormwater	34,235
Wastewater	850,946
Sanitation	48,559
Transit	1,069,306
Parking deck	<u>82,153</u>
Total depreciation expense - business-type activities	<u>\$ 2,456,289</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity of the City for the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions	Transfers	Ending Balance	Due Within One Year
Governmental activities:						
General obligation bonds	\$ 2,435,000	\$ 3,600,000	\$ (200,000)	\$ -	\$ 5,835,000	\$ 353,692
Revenue bonds	12,000,827	-	-	(12,000,827)	-	-
Capital leases	242,000	-	(119,840)	-	122,160	122,160
Net pension liability	10,984,444	2,680,864	(1,560,729)	-	12,104,579	-
Compensated absences	618,944	131,921	(144,207)	-	606,658	144,207
Governmental activities Long-term liabilities	<u>\$ 26,281,215</u>	<u>\$ 6,412,785</u>	<u>\$ (2,024,776)</u>	<u>\$ (12,000,827)</u>	<u>\$ 18,668,397</u>	<u>\$ 620,059</u>
Business-type activities:						
Revenue bonds	\$ -	\$ -	\$ (205,069)	\$ 12,000,827	\$ 11,795,758	\$ 208,947
State Revolving Fund loans	5,153,677	-	(386,267)	-	4,767,410	394,296
Net pension liability	7,115,204	1,504,324	(1,008,424)	-	7,611,104	-
Compensated absences	249,338	97,268	(74,977)	-	271,629	67,907
Business-type activities Long-term liabilities	<u>\$ 12,518,219</u>	<u>\$ 1,601,592</u>	<u>\$ (1,674,737)</u>	<u>\$ 12,000,827</u>	<u>\$ 24,445,901</u>	<u>\$ 671,150</u>

For governmental activities, the net pension liability and compensated absences are generally liquidated by the General Fund. For the business-type activities, the net pension liability and compensated absences are generally liquidated by the enterprise funds.

Governmental Activities

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of June 30, 2021.

	<u>Governmental Activities</u>
Equipment	\$ 482,580
Less: Accumulated depreciation	(186,178)
	<u>\$ 296,402</u>

The City recognized depreciation expense on assets under capital lease in the amount of \$97,137 for the year ended June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Capital Leases (Continued)

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2021.

	Governmental Activities
Fiscal year ending June 30, 2022	\$ 124,496
Total minimum lease payments	124,496
Less amount representing interest	(2,336)
Present value of future minimum lease payments	\$ 122,160

General Obligation Bonds

General obligation bonds are issued in the governmental activities to provide funding for the acquisition and construction of major capital facilities. General obligation bonds outstanding at June 30, 2021, are as follows:

	Interest Rate	Balance at June 30, 2021
General Obligation Bonds, Series 2016	2.10%	\$ 2,235,000
General Obligation Bonds, Series 2020A	2.49%	2,900,000
General Obligation Bonds, Series 2020B	3.15%	700,000
		\$ 5,835,000

During the year ended June 30, 2017, the City issued series 2016 general obligation bonds in the amount of \$2,800,000. The bond proceeds were used to defray costs related to (1) up-fit and repurpose of approximately 4,000 square feet of space at City Hall for engineering and stormwater offices; and (2) design, construction, and equipping of a new fire substation on Issaqueena Trail.

During the year ended June 30, 2021, the City issued series 2020A and 2020B general obligation bonds in the amount of \$2,900,000 and \$700,000, respectively. The bond proceeds were used to defray costs related to (1) the renovation, improvement, and approximately 2,000 square foot expansion of the Littlejohn Community Center; and (2) the renovation, improvement, and approximately 4,000 square foot expansion of the City Police Station.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

General Obligation Bonds (Continued)

Annual debt service requirements to maturity for the general obligation bonds as of June 30, 2021, are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 353,692	\$ 141,083	\$ 494,775
2023	362,576	132,905	495,481
2024	366,562	124,519	491,081
2025	375,653	116,028	491,681
2026	384,852	107,325	492,177
2027 - 2031	2,066,234	398,421	2,464,655
2032 - 2036	1,014,158	200,601	1,214,759
2037 - 2040	911,273	60,534	971,807
	<u>\$ 5,835,000</u>	<u>\$ 1,281,416</u>	<u>\$ 7,116,416</u>

Business-type Activities

Revenue Bonds

During the year ended June 30, 2020, the City issued series 2020A and 2020B water and sewer system revenue bonds in the amount of \$7,000,000 and \$5,018,000, respectively. These were rural development loans from the United States Department of Agriculture and the proceeds were used to (1) payoff the remaining balance of the Series 2018 Bond Anticipation Note and (2) defray the cost of the expansion of the City's wastewater treatment plant. Revenue bonds outstanding as of June 30, 2021, are as follows:

	<u>Interest Rate</u>	<u>Balance at June 30, 2021</u>
USDA Redevelopment Authority Revenue Bonds, Series 2020A	1.875%	\$ 6,870,557
USDA Redevelopment Authority Revenue Bonds, Series 2020B	1.875%	4,925,201
		<u>\$ 11,795,758</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Business-type Activities (Continued)

Revenue Bonds (Continued)

Annual debt service requirements to maturity for the revenue bonds as of June 30, 2021, are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 208,947	\$ 219,381	\$ 428,328
2023	212,899	215,429	428,328
2024	216,925	211,403	428,328
2025	221,028	207,300	428,328
2026	225,208	203,120	428,328
2027 - 2031	1,191,559	950,081	2,141,640
2032 - 2036	1,308,576	833,065	2,141,641
2037 - 2041	1,437,084	704,556	2,141,640
2042 - 2046	1,578,212	563,428	2,141,640
2047 - 2051	1,733,200	408,440	2,141,640
2052 - 2056	1,903,409	238,231	2,141,640
2057 - 2060	1,558,711	56,994	1,615,705
	<u>\$ 11,795,758</u>	<u>\$ 4,811,428</u>	<u>\$ 16,607,186</u>

State Revolving Fund Loans

The City's State Revolving Fund Loans were issued to finance the construction of certain water and wastewater systems. The City pledges income derived from the constructed assets to pay debt service. General obligation bonds outstanding at June 30, 2021, are as follows:

	<u>Interest Rate</u>	<u>Balance at June 30, 2021</u>
State Revolving Fund Loan, Series 2005A - Water	2.25%	\$ 2,015,375
State Revolving Fund Loan, Series 2005B - Water	2.25%	318,415
State Revolving Fund Loan, Series 2015 - Water	2.00%	1,280,456
State Revolving Fund Loan, Series 2009 - Wastewater	1.73%	169,699
State Revolving Fund Loan, Series 2014 - Wastewater	2.00%	983,465
		<u>\$ 4,767,410</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Business-type Activities (Continued)

State Revolving Fund Loans (Continued)

Annual debt service requirements to maturity for the State Revolving Fund loans as of June 30, 2021, are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 394,296	\$ 97,834	\$ 492,130
2023	402,504	89,626	492,130
2024	410,897	81,233	492,130
2025	419,477	72,653	492,130
2026	396,904	64,027	460,931
2027 - 2031	1,938,294	194,682	2,132,976
2032 - 2036	805,038	44,386	849,424
	<u>\$ 4,767,410</u>	<u>\$ 644,441</u>	<u>\$ 5,411,851</u>

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Fund	General Fund	\$ 3,000,964
Wastewater Fund	General Fund	3,050,445
Transit Fund	General Fund	1,917,145
Nonmajor Enterprise Funds	General Fund	1,702,158
Littlejohn CC Expansion Fund	General Fund	106,508
Police Station Expansion Fund	General Fund	1,619,854
Nonmajor Governmental Funds	General Fund	6,010,387
General Fund	Nonmajor Governmental Funds	101,525
Internal Service Fund	Nonmajor Governmental Funds	15,016
General Fund	Internal Service Fund	170,329
Nonmajor Enterprise Funds	Water Fund	3,492
Wastewater Fund	Water Fund	22,072
Internal Service Fund	Water Fund	46,214
Internal Service Fund	Wastewater Fund	87,672
Internal Service Fund	Transit Fund	103,427
Internal Service Fund	Nonmajor Enterprise Funds	13,904
		<u>\$ 17,971,112</u>

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Water Fund	\$ 91,835
General Fund	Wastewater Fund	165,879
General Fund	Transit Fund	8,900
General Fund	Nonmajor Enterprise Funds	7,424
General Fund	Nonmajor Governmental Funds	680,000
Littlejohn CC Expansion Fund	General Fund	32,744
Littlejohn CC Expansion Fund	Nonmajor Governmental Funds	76,969
Police Station Expansion Fund	General Fund	290,795
Police Station Expansion Fund	Nonmajor Governmental Funds	150,000
Water Fund	Nonmajor Governmental Funds	15,000
Wastewater Fund	Nonmajor Governmental Funds	2,002,263
Nonmajor Governmental Funds	Nonmajor Governmental Funds	489,000
Nonmajor Governmental Funds	General Fund	63,911
		<u>\$ 4,074,720</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

Contractual Commitments

At June 30, 2021, the City had construction commitments related to various capital projects for approximately \$1,571,649.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Contractual Commitments (Continued)

Fire Services Agreement

On June 3, 2019, the City renewed its contract with Clemson University (the "University") for the University to provide fire protection services to the City. The contract was for three years beginning July 1, 2019. Under the terms of the contract, the City is to pay the University an annual fee in three installments. The University shall own and maintain all fire suppression equipment and tools and shall assume responsibility for all full-time, paid firefighters. The City shall be responsible for providing a certified State Resident Fire Marshall. During the fiscal year ended June 30, 2021, the City paid \$1,193,000 for fire suppression services. The City has one year remaining on the contract and is to pay the University \$1,293,000 in compensation for fire suppression services in three installments during the fiscal year ended June 30, 2022.

Pendleton/Clemson Wastewater Treatment Facility

The City of Clemson entered into a contract in 1978 with the Town of Pendleton (the "Town") to construct and operate a wastewater treatment facility. The facility is accounted for in the City's Wastewater Fund. A substantial portion of the original costs of construction of the facility (75%) was funded through Environmental Protection Agency grants. The remainder of the construction costs (25%) and the costs of collector loans were funded through individual loans by the City of Clemson and the Town from the Farmers Home Administration. The Town obtained a loan in the amount of \$948,300, repayable over a forty-year period at 5 percent interest. Both the proportionate assets of the system and the debt are included in the Town of Pendleton's financial statements. The City also financed its share of construction costs with a Farmers Home Administration loan. Assets constructed both with EPA grants and the FHA loan include plant facility and collector lines which are included in the financial statements of the Wastewater Fund.

The financial activity of the facility operated by the Town is included in the Town's financial statements and is audited by the Town's independent auditors. A copy of the financial statements may be obtained from the Town.

The treatment plant capacity is two million gallons of sewage waste per day. The City has access to one million gallons of capacity and has leased 200,000 gallons per day to Anderson County (the "County"). The original agreement was for four years and ended on June 30, 2005. The agreement includes automatic one-year renewals unless either the municipality or the County needs additional capacity or the treatment plant's capacity is expanded. The Municipalities pay their proportionate share of operations and maintenance costs determined by respective percentages of influent flow. They also set rates based on their individual utility needs. The governing body consists of three members, two from the Town and one from the City. They are responsible for establishing annual budgets based on the rates set by the Municipalities, issuance of financial statements and other relevant financial activities. The Town is responsible for the proper operations and maintenance of the facility. An initial operating fund of \$15,000 was established - \$10,000 from the Town and \$5,000 from the City. Additional operating funds will be contributed in accordance with usage ratios.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS

Overview

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP).

For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the South Carolina Retirement System's Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the annual comprehensive financial report of the state.

Plan Description

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Plan Description (Continued)

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Membership

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

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

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

Benefits

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Benefits (Continued)

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was schedule to go into effect beginning July 1, 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Contributions (Continued)

If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent. For the year ended June 30, 2021, the City contributed \$1,003,560 to the SCRS plan and \$413,892 to the PORS plan.

Required employee contribution rates for the year ended June 30, 2021, are as follows:

South Carolina Retirement System

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation

Required employer contribution rates for the year ended June 30, 2021, are as follows:

South Carolina Retirement System

Employee Class Two	15.41% of earnable compensation
Employee Class Three	15.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	17.84% of earnable compensation
Employee Class Three	17.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability

The June 30, 2020, (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2019, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS. The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2021, (measurement date of June 30, 2020), the net pension liability amounts for the City's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employer's Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</u>	<u>County's Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 30,132,360	\$ 15,281,413	\$ 14,850,947	50.7%	0.058121%
PORS	\$ 11,803,727	\$ 6,938,991	\$ 4,864,736	58.8%	0.146696%

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019, for first use in the July 1, 2021 actuarial valuation.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2019 valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Former Job Class	Males	Females
General Employees and Member of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the following page.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

<u>Allocation/Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Global equity	51.0%		
Global public equity	35.0%	7.81%	2.73%
Private equity	9.0%	8.91%	0.80%
Equity options strategies	7.0%	5.09%	0.36%
Real assets	12.0%		
Real estate (private)	8.0%	5.55%	0.44%
Real estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (private)	2.0%	4.88%	0.10%
Infrastructure (public)	1.0%	7.05%	0.07%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other opportunistic strategies	1.0%	4.41%	0.04%
Credit	15.0%		
High yield bonds / bank loans	4.0%	4.21%	0.17%
Emerging markets debt	4.0%	3.44%	0.14%
Private debt	7.0%	5.79%	0.40%
Rate sensitive	14.0%		
Core fixed income	13.0%	1.60%	0.21%
Cash and short duration (net)	1.0%	0.56%	0.01%
	100%		
		Total expected real return	5.80%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	8.05%

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Discount Rate (Continued)

The following table presents the sensitivity of the net pension liabilities to changes in the discount rate as of June 30, 2021 (measurement date of June 30, 2020).

Sensitivity of the Net Position Liability to Changes in the Discount Rate			
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	\$ 18,405,927	\$ 14,850,947	\$ 11,882,495
PORS	\$ 6,440,092	\$ 4,864,736	\$ 3,599,827

Pension Expense

For the year ended June 30, 2021, the City recognized its proportionate share of collective pension expense of \$1,661,670 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$98,704 for a total of \$1,760,374 for the SCRS plan. Additionally, for the year ended June 30, 2021, the City recognized its proportionate share of collective pension expense of \$700,751 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$78,052 for a total of \$778,803 for the PORS plan. Total pension expense for both plans was \$2,539,177.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the SCRS pension plan, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 171,360	\$ 56,158
Changes of assumptions	18,195	-
Net difference between projected and actual earnings on pension plan investments	1,092,411	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	228,791	448,228
Employer contributions subsequent to the measurement date	1,003,560	-
Total	\$ 2,514,317	\$ 504,386

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the PORS pension plan, respectively, from the following sources:

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 103,386	\$ 21,413
Changes of assumptions	59,366	-
Net difference between projected and actual earnings on pension plan investments	498,138	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	170,804	14,169
Employer contributions subsequent to the measurement date	<u>413,892</u>	<u>-</u>
Total	<u>\$ 1,245,586</u>	<u>\$ 35,582</u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

City contributions subsequent to the measurement date of \$1,003,560 and \$413,892 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows.

Year ended June 30:	SCRS	PORS
	<u> </u>	<u> </u>
2022	\$ 227,530	\$ 284,470
2023	266,047	216,930
2024	234,035	166,528
2025	278,759	128,184

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT

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

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

On January 1, 2013, the City entered into a health and welfare benefit plan with Planned Administrators, Inc. for the purpose of administering a self-insurance health plan that renewed on January 1, 2017. The plan qualifies as a Section 125 plan under IRS code. Claims within the 12-month contract period are paid within 15 months. The City has set a specific stop-loss limit of \$70,000 per covered participant. AccuRisk Solutions is then the carrier which assumes responsibility for claims greater than \$70,000. During the year ended June 30, 2021, the plan was funded by withholdings from City employees of \$442,941 and employer contributions of \$1,039,701. Plan expenses for the year ended June 30, 2021, were \$1,609,656. The basis for estimating claims not reported at year-end is the monthly average paid in claims. Changes in the balances of claims liabilities during the year ended June 30, 2021, are as follows:

Claims liability, beginning of year	\$	161,786
Incurred claims (including IBNRs)		1,614,792
Claims paid		<u>(1,612,224)</u>
Claims liability, end of year	\$	<u>164,354</u>

Full-time and part-time employees who work at least 30 hours per week are eligible to participate in the plan along with their legal spouse and qualifying dependents. The medical plan is a typical 80%-20% plan with deductibles that range from \$2,000 - \$3,500 for individuals and \$4,000 - \$7,000 for a family. The plan includes typical medical expenses including a co-pay for prescriptions. Also included is a dental plan, vision plan and a \$5,000 life insurance benefit for all full-time employees.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. FUND BALANCE

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2021, are as follows:

	<u>General Fund</u>	<u>Police Station Expansion Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Real estate held for resale	\$ -	\$ -	\$ 10,660	\$ 10,660
Restricted:				
General obligation debt	-	-	321,677	321,677
Calhoun - Clemson School monument	6,470	-	-	6,470
North Clemson Road	110,438	-	-	110,438
City development enhance infrastructure	-	-	1,040,634	1,040,634
Community redevelopment	-	-	7,927	7,927
Emergency telpephone system	-	-	151,225	151,225
Tourism promotion	-	-	264,028	264,028
Community development mortgage receivables	-	-	116,517	116,517
12 Mile Park	-	-	7,676	7,676
Arts center	-	-	1,381,655	1,381,655
Old Stone Cherry Road	-	-	200,000	200,000
Downtown Welcome Center	-	-	775,000	775,000
Future Parking Deck	-	-	350,000	350,000
Abernathy Park	-	-	60,000	60,000
Pacolet Milliken Park	-	-	200,000	200,000
Transit LoNo buses	-	-	309,833	309,833
Green Crescent Trail	-	-	564,649	564,649
Police station expansion	-	1,449,472	-	1,449,472
Nettles Park expansion	-	-	343,783	343,783
Clemson Park redevelopment	-	-	142,859	142,859
Committed:				
Duke Power	365,163	-	-	365,163
Paving	421,154	-	-	421,154
Assigned:				
Park Land acquisition	-	-	105,059	105,059
Unassigned	9,272,911	-	(39,750)	9,233,161
Total fund balance	<u>\$ 10,176,136</u>	<u>\$ 1,449,472</u>	<u>\$ 6,313,432</u>	<u>\$ 17,939,040</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RESTATEMENTS

The City determined that restatements to the June 30, 2020, ending net position and fund balance accounts were required in order to correct certain errors in prior year reporting. The restatements are as follows:

1. Net Position at the entity-wide level of the Governmental Activities:

	Governmental Activities
Net position, as previously reported	\$ 21,679,420
Restatement for the correction of an error in prior year reporting	(376,292)
Net position, as restated, for the correction of an error	\$ 21,303,128

2. Fund Balance of the General Fund:

	General Fund
Fund balance, as previously reported	\$ 7,872,639
Restatement for the correction of an error in prior year reporting	446,362
Fund balance, as restated, for the correction of an error	\$ 8,319,001

3. Net Position of the Internal Service Fund:

	Internal Service Fund
Net position, as previously reported	\$ 176,356
Restatement for the correction of an error in prior year reporting	(161,786)
Net position, as restated, for the correction of an error	\$ 14,570

Restatement 1 and 2: The City has interfund balances that were not properly reported in prior years in the General Fund. The City also had old outstanding checks that had not been properly reported to the South Carolina State Treasurer. As such, the City determined a restatement to decrease beginning fund balance of the General Fund in order to properly report the interfund balances and account for the outstanding checks being reported to the South Carolina State Treasurer. The City also received franchise fees that were improperly reported as unearned revenue in prior years. As such the City determined a restatement to increase beginning fund balance of the General Fund in order to properly report the franchise fees. The correction of errors in prior year reporting amounted to a total net restatement of \$446,362. These changes also affected beginning Net Position of the Governmental Activities at the entity-wide level. The City reported the Governmental Activities at the entity-wide level without incorporating the Internal Service Fund. The City also failed to report certain unearned revenues at the entity-wide level. As such, the City determined a restatement to decrease beginning Net Position of the Governmental Activities at the entity-wide level in the amount of \$376,292.

Restatement 3: The City did not properly report a claims liability for their self-insurance plan in the Internal Service Fund. As such, a restatement to decrease beginning net position in the Internal Service Fund in order to properly report a claims liability was deemed necessary in the amount of \$161,786.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RESTATEMENTS (CONTINUED)

4. Net Position of the Business-type Activities:

	Business-type Activities
Net position, as previously reported	\$ 38,384,559
Restatement for the correction of an error in prior year reporting	(3,193,521)
Net position, as restated, for the correction of an error	\$ 35,191,038

5. Net Position of the Business-type (Enterprise) Funds:

	Water Fund
Net position, as previously reported	\$ 4,974,382
Restatement for the correction of an error in prior year reporting	412,987
Net position, as restated, for the correction of an error	\$ 5,387,369

	Wastewater Fund
Net position, as previously reported	\$ 20,099,773
Restatement for the correction of an error in prior year reporting	(3,747,636)
Net position, as restated, for the correction of an error	\$ 16,352,137

	Transit Fund
Net position, as previously reported	\$ 10,211,447
Restatement for the correction of an error in prior year reporting	130,729
Net position, as restated, for the correction of an error	\$ 10,342,176

	Nonmajor Enterprise Funds
Net position, as previously reported	\$ 3,098,957
Restatement for the correction of an error in prior year reporting	10,399
Net position, as restated, for the correction of an error	\$ 3,109,356

Restatement 4 and 5: The City has interfund balances that were not properly reported in prior years between the Enterprise Funds and the General Fund. The City also did not properly report inventory for the Water, Wastewater, Transit, and Stormwater Funds. Additionally, the City did not report a note receivable in the Water Fund in prior years. Lastly, the City reported an investment in a joint venture in prior years that did not meet the established criteria in the Wastewater Fund. As such, the City determined a restatement to increase beginning Net Position of the Water, Transit, and Nonmajor Enterprise Funds for the correction of errors, which amounted to \$412,987, \$130,729, and \$10,399, respectively. The City also determined a restatement to decrease beginning Net Position of the Wastewater Fund for the correction of errors in the prior year, which amounted to \$3,747,636. Overall, these corrections amounted to a net restatement to decrease beginning Net Position of Business-Type Activities in the amount of \$3,193,521.

REQUIRED SUPPLEMENTARY SECTION

CITY OF CLEMSON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 5,916,425	\$ 5,916,425	\$ 5,932,934	\$ 16,509
Local option sales taxes	1,815,458	1,815,458	1,929,762	114,304
Licenses and permits	2,957,000	2,957,000	3,797,673	840,673
Intergovernmental	834,078	834,078	909,946	75,868
Charges for services	870,856	870,856	1,371,146	500,290
Fines and forfeitures	230,000	230,000	146,349	(83,651)
Interest income	127,000	127,000	-	(127,000)
Miscellaneous	341,750	341,750	149,299	(192,451)
Total revenues	<u>13,092,567</u>	<u>13,092,567</u>	<u>14,237,109</u>	<u>1,144,542</u>
Expenditures:				
Current:				
General government:				
Council	197,582	197,582	534,258	(336,676)
Municipal court	402,176	402,176	293,888	108,288
Administration	805,481	805,481	789,751	15,730
Finance	263,742	263,742	246,418	17,324
Information technology services	360,279	360,279	307,497	52,782
Public buildings	524,147	524,147	550,194	(26,047)
Total general government	<u>2,553,407</u>	<u>2,553,407</u>	<u>2,722,006</u>	<u>(168,599)</u>
Public safety:				
Police	4,369,011	4,369,011	4,034,301	334,710
Fire	1,233,791	1,233,791	1,228,614	5,177
Total public safety	<u>5,602,802</u>	<u>5,602,802</u>	<u>5,262,915</u>	<u>339,887</u>
Public works:				
Streets	1,046,217	1,046,217	920,650	125,567
Residential sanitation	1,190,423	1,190,423	1,288,201	(97,778)
Equipment services	174,572	174,572	154,298	20,274
Administration	261,083	261,083	136,081	125,002
Total public works	<u>2,672,295</u>	<u>2,672,295</u>	<u>2,499,230</u>	<u>173,065</u>
Culture and recreation:				
Recreation	1,012,787	1,012,787	898,587	114,200
Arts center	183,737	183,737	158,707	25,030
Clemson Area African American Museum	79,075	79,075	53,190	25,885
Total culture and recreation	<u>1,275,599</u>	<u>1,275,599</u>	<u>1,110,484</u>	<u>165,115</u>
Housing and development:				
Planning and codes	1,000,142	1,000,142	933,867	66,275
Total housing and development	<u>1,000,142</u>	<u>1,000,142</u>	<u>933,867</u>	<u>66,275</u>
Non-departmental	<u>300,793</u>	<u>300,793</u>	<u>309,166</u>	<u>(8,373)</u>
Debt service:				
Principal retirement	119,934	119,934	119,840	94
Interest	4,562	4,562	4,655	(93)
Total debt service	<u>124,496</u>	<u>124,496</u>	<u>124,495</u>	<u>1</u>
Total expenditures	<u>13,529,534</u>	<u>13,529,534</u>	<u>12,962,163</u>	<u>567,371</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(436,967)</u>	<u>(436,967)</u>	<u>1,274,946</u>	<u>1,711,913</u>
Other financing sources (uses):				
Transfers in	274,054	954,054	954,038	(16)
Transfers out	-	-	(387,450)	(387,450)
Sale of capital assets	-	-	15,601	15,601
Total other financing sources, net	<u>274,054</u>	<u>954,054</u>	<u>582,189</u>	<u>(371,865)</u>
Net change in fund balances	<u>(162,913)</u>	<u>517,087</u>	<u>1,857,135</u>	<u>1,340,048</u>
Fund balances, beginning of year, as previously reported	<u>7,872,639</u>	<u>7,872,639</u>	<u>7,872,639</u>	<u>-</u>
Restatement	<u>446,362</u>	<u>446,362</u>	<u>446,362</u>	<u>-</u>
Fund balances, beginning of year, as restated	<u>8,319,001</u>	<u>8,319,001</u>	<u>8,319,001</u>	<u>-</u>
Fund balances, end of year	<u>\$ 8,156,088</u>	<u>\$ 8,836,088</u>	<u>\$ 10,176,136</u>	<u>\$ 1,340,048</u>

CITY OF CLEMSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEARS ENDED JUNE 30,

South Carolina Retirement System

Plan Year Ended June 30,	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.058121%	\$ 14,850,947	\$ 6,484,188	229.0%	50.7%
2019	0.060801%	13,883,336	6,419,300	216.3%	54.4%
2018	0.059581%	13,350,231	6,174,260	216.2%	54.1%
2017	0.057880%	13,029,719	5,839,939	223.1%	53.3%
2016	0.055959%	11,952,760	5,418,894	220.6%	52.9%
2015	0.054339%	10,305,635	5,510,941	187.0%	57.0%
2014	0.053929%	9,057,324	4,888,129	185.3%	59.9%

South Carolina Police Officers Retirement System

Plan Year Ended June 30,	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.146696%	\$ 4,864,736	\$ 2,216,053	219.5%	58.8%
2019	0.147118%	4,216,312	2,133,885	197.6%	62.7%
2018	0.140290%	3,975,182	1,941,827	204.8%	61.7%
2017	0.129180%	3,538,965	1,739,629	203.4%	60.9%
2016	0.131213%	3,328,185	1,672,797	199.0%	60.4%
2015	0.134500%	2,931,466	1,604,176	182.7%	64.6%
2014	0.126300%	2,645,461	1,519,121	174.1%	67.5%

Notes to the schedule:

The above schedules will present 10 years of information once it is accumulated.

CITY OF CLEMSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF THE CITY'S CONTRIBUTIONS FOR THE FISCAL YEARS ENDED JUNE 30,

South Carolina Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2021	\$ 1,003,560	\$ 1,003,560	\$ -	\$ 6,449,618	15.56%
2020	1,008,940	1,008,940	-	6,484,188	15.56%
2019	934,650	934,650	-	6,419,300	14.56%
2018	837,230	837,230	-	6,174,260	13.56%
2017	675,097	675,097	-	5,839,939	11.56%
2016	599,330	599,330	-	5,418,894	11.06%
2015	555,344	555,344	-	5,510,941	10.08%

South Carolina Police Officers Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2021	\$ 413,892	\$ 413,892	\$ -	\$ 2,269,147	18.24%
2020	404,208	404,208	-	2,216,053	18.24%
2019	367,882	367,882	-	2,133,885	17.24%
2018	315,353	315,353	-	1,941,827	16.24%
2017	247,723	247,723	-	1,739,629	14.24%
2016	229,842	229,842	-	1,672,797	13.74%
2015	223,450	223,450	-	1,604,176	13.93%

CITY OF CLEMSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF THE CITY'S CONTRIBUTIONS

Notes to the schedule:

The above schedules will present 10 years of information once it is accumulated.

Actuarial assumptions used in determining the statutorily required contribution are as follows.

System	SCRS	PORS
Calculation date	July 1, 2018	July 1, 2018
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	29 years maximum, closed period	29 years maximum, closed period
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service	3.50% plus step-rate increases for members with less than 15 years of service
Mortality	2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates are multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates are multiplied by 125% and females rates are multiplied by 111%.

COMBINING STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Community Development Fund – To account for the financial and compliance requirements of various funding sources for the betterment of the community as a whole.

Emergency Telephone System Fund – To account for the revenues derived from charges assessed on phone subscribers within the City's boundaries to fund the operation of the emergency 911 system.

Tourism Fund – To account for revenues derived from accommodations taxes and the expenditures to promote tourism.

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

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

Local Accommodations Tax Fund – To account for receipt of an accommodations tax on every person engaged or continuing in the business of furnishing accommodations to transients within the jurisdiction of the City. The revenue generated by the tax will be used exclusively for tourism-related expenditures within the City.

Arts & Cultural Commission Fund – To accumulate monies allocated to the Arts and Culture Commission for various initiatives and projects.

12 Mile Park Fund – To accumulate monies allocated to the 12 Mile Park for various initiatives and projects.

Capital Project Funds

Wastewater Treatment Plant Expansion Fund (WWTP) – To account for the acquisition and construction of the City's wastewater treatment plan facility expansion.

Transit LoNo Grant Fund – To account for the construction and expansion of Clemson Area Transit through the Federal Transit Authority's LoNo Program.

Arts Center CAAM Fund – To account for the construction and expansion of the Clemson Area African American Museum.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Capital Project Funds (Continued)

Indoor Rec 3rd Gym Expansion Fund – To account for the construction and expansion of the Indoor Recreation Center 3rd Gym.

Green Crescent Trail Project Fund – To account for the construction and expansion of the Green Crescent Trail.

Nettles Park Expansion Fund – To account for the construction and expansion of Nettles Park.

Clemson Park Redevelopment Fund – To account for the construction and expansion of the Clemson Park.

Debt Service Funds

Debt Service and Debt Service Hospitality Fund – To account for the accumulation of resources and payment of general obligation and tax increment bonds principal and interest from governmental resources.

NONMAJOR ENTERPRISE FUNDS

The **Sanitation Fund** leases commercial trash receptacles to businesses and apartment complexes and sells trashcan liners to the citizens of Clemson.

The **Parking Deck Fund** accounts for charges to users on a daily basis and for special events.

The **Stormwater Fund** accounts for charges to users for stormwater services and the cost of operations of the system.

CITY OF CLEMSON, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds				
	Community Development Fund	Local Accommodations Tax Fund	Local Hospitality Tax Fund	Local Hospitality Fee Fund	Emergency Telephone System Fund
ASSETS					
Taxes receivable, net of allowances	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net of allowances	117,224	6,500	61,829	61,829	3,919
Intergovernmental receivable	-	-	-	-	-
Real estate held for resale	10,660	-	-	-	-
Due from other funds	7,220	1,059,032	1,309,275	790,984	147,306
Total assets	\$ 135,104	\$ 1,065,532	\$ 1,371,104	\$ 852,813	\$ 151,225
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accrued liabilities	\$ -	\$ -	\$ -	\$ 8,159	\$ -
Due to other funds	-	-	-	15,016	-
Total liabilities	-	-	-	23,175	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES (DEFICIT)					
Nonspendable	10,660	-	-	-	-
Restricted					
Public safety	-	-	-	-	151,225
Culture and recreation	-	-	1,371,104	829,638	-
Housing and development	124,444	-	-	-	-
Tourism	-	1,065,532	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned					
Park Land acquisition	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	135,104	1,065,532	1,371,104	829,638	151,225
Total liabilities, deferred inflows of resources and fund balances	\$ 135,104	\$ 1,065,532	\$ 1,371,104	\$ 852,813	\$ 151,225

Special Revenue Funds				Capital Projects Funds	
Tourism Fund	Park Land Fund	Arts & Cultural Commission Fund	12 Mile Park Fund	Transit LoNo Grant Fund	Arts Center / CAAAM Fund
\$ -	\$ 1,751	\$ -	\$ -	\$ -	\$ -
61,775	768	4,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	104,884	119,496	9,151	309,833	706,655
<u>\$ 61,775</u>	<u>\$ 107,403</u>	<u>\$ 123,496</u>	<u>\$ 9,151</u>	<u>\$ 309,833</u>	<u>\$ 706,655</u>

\$ -	\$ -	\$ -	\$ 1,475	\$ -	\$ -
101,525	-	-	-	-	-
<u>101,525</u>	<u>-</u>	<u>-</u>	<u>1,475</u>	<u>-</u>	<u>-</u>
-	2,344	-	-	-	-
-	2,344	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	123,496	7,676	-	-
-	-	-	-	-	-
-	-	-	-	309,833	706,655
-	-	-	-	-	-
-	105,059	-	-	-	-
(39,750)	-	-	-	-	-
<u>(39,750)</u>	<u>105,059</u>	<u>123,496</u>	<u>7,676</u>	<u>309,833</u>	<u>706,655</u>
<u>\$ 61,775</u>	<u>\$ 107,403</u>	<u>\$ 123,496</u>	<u>\$ 9,151</u>	<u>\$ 309,833</u>	<u>\$ 706,655</u>

(Continued)

CITY OF CLEMSON, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Capital Projects Funds				
	Indoor Recreation Third Gym Expansion Fund	Green Crescent Trail Project Fund	Nettles Park Expansion Fund	Clemson Park Redevelopment Fund	Wastewater Treatment Plant Expansion Fund
ASSETS					
Taxes receivable, net of allowances	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net of allowances	-	-	-	-	-
Intergovernmental receivable	-	-	-	100,000	-
Real estate held for resale	-	-	-	-	-
Due from other funds	-	564,649	343,783	42,859	174,892
Total assets	\$ -	\$ 564,649	\$ 343,783	\$ 142,859	\$ 174,892
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES (DEFICIT)					
Nonspendable	-	-	-	-	-
Restricted					
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and development	-	-	-	-	-
Tourism	-	-	-	-	-
Capital projects	-	564,649	343,783	142,859	174,892
Debt service	-	-	-	-	-
Assigned					
Park Land acquisition	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	-	564,649	343,783	142,859	174,892
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ -	\$ 564,649	\$ 343,783	\$ 142,859	\$ 174,892

Debt Service Funds

Debt Service Fund	Debt Service Hospitality Fund	Total Nonmajor Governmental Funds
\$ 9,572	\$ 3,503	\$ 14,826
4,213	1,524	323,581
-	-	100,000
-	-	10,660
128,534	191,834	6,010,387
<u>\$ 142,319</u>	<u>\$ 196,861</u>	<u>\$ 6,459,454</u>
-	-	9,634
-	-	116,541
-	-	126,175
12,832	4,671	19,847
<u>12,832</u>	<u>4,671</u>	<u>19,847</u>
-	-	10,660
-	-	151,225
-	-	2,331,914
-	-	124,444
-	-	1,065,532
-	-	2,242,671
129,487	192,190	321,677
-	-	105,059
-	-	(39,750)
<u>129,487</u>	<u>192,190</u>	<u>6,313,432</u>
<u>\$ 142,319</u>	<u>\$ 196,861</u>	<u>\$ 6,459,454</u>

CITY OF CLEMSON, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds				
	Community Development Fund	Local Accommodations Tax Fund	Local Hospitality Tax Fund	Local Hospitality Fee Fund	Emergency Telephone SystemFund
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-	-
Local accommodations taxes	-	202,157	-	-	-
Local hospitality taxes/fees	-	-	742,702	742,703	-
Intergovernmental	-	-	-	-	10,379
Charges for services	-	-	-	-	28,919
Interest income	-	13,215	1,210	473	-
Miscellaneous	-	-	-	-	-
Total revenues	-	215,372	743,912	743,176	39,298
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	2,707	-	47,488
Culture and recreation	-	-	57,401	230,826	-
Housing and development	24,743	-	-	-	-
Tourism	-	32,257	95,237	7,681	-
Capital outlay	-	-	72,552	13,528	44,041
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	24,743	32,257	227,897	252,035	91,529
Excess (deficiency) of revenues over (under) expenditures	(24,743)	183,115	516,015	491,141	(52,231)
Other financing sources (uses)					
Transfers in	-	-	70,000	7,500	-
Transfers out	(16,969)	(292,500)	(301,500)	(300,000)	-
Total other financing sources (uses), net	(16,969)	(292,500)	(231,500)	(292,500)	-
Net change in fund balances	(41,712)	(109,385)	284,515	198,641	(52,231)
Fund balances (deficit), beginning of year	176,816	1,174,917	1,086,589	630,997	203,456
Fund balances (deficit), end of year	\$ 135,104	\$ 1,065,532	\$ 1,371,104	\$ 829,638	\$ 151,225

Special Revenue Funds				Capital Projects Funds	
Tourism Fund	Park Land Fund	Arts & Cultural Commission Fund	12 Mile Park Fund	Transit LoNo Grant Fund	Arts Center / CAAAM Fund
\$ -	\$ 36,186	\$ -	\$ -	\$ -	\$ -
-	11,803	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
174,588	-	-	29,705	-	-
-	-	-	-	-	-
32	862	-	-	3,119	6,261
-	-	-	40	-	-
<u>174,620</u>	<u>48,851</u>	<u>-</u>	<u>29,745</u>	<u>3,119</u>	<u>6,261</u>
-	-	-	-	44,739	-
-	-	-	-	-	-
-	-	-	21,918	-	-
-	-	-	-	-	-
211,539	-	26,002	-	-	-
-	-	-	1,651	12,167	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>211,539</u>	<u>-</u>	<u>26,002</u>	<u>23,569</u>	<u>56,906</u>	<u>-</u>
<u>(36,919)</u>	<u>48,851</u>	<u>(26,002)</u>	<u>6,176</u>	<u>(53,787)</u>	<u>6,261</u>
-	-	40,000	1,500	-	50,000
-	-	-	-	-	-
-	-	40,000	1,500	-	50,000
<u>(36,919)</u>	<u>48,851</u>	<u>13,998</u>	<u>7,676</u>	<u>(53,787)</u>	<u>56,261</u>
<u>(2,831)</u>	<u>56,208</u>	<u>109,498</u>	<u>-</u>	<u>363,620</u>	<u>650,394</u>
<u>\$ (39,750)</u>	<u>\$ 105,059</u>	<u>\$ 123,496</u>	<u>\$ 7,676</u>	<u>\$ 309,833</u>	<u>\$ 706,655</u>

(Continued)

CITY OF CLEMSON, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Capital Projects Funds				
	Indoor Recreation Third Gym Expansion Fund	Green Crescent Trail Project Fund	Nettles Park Expansion Fund	Clemson Park Redevelopment Fund	Wastewater Treatment Plant Expansion Fund
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-	-
Local accommodations taxes	-	-	-	-	-
Local hospitality taxes/fees	-	-	-	-	-
Intergovernmental	-	-	-	100,000	1,032,190
Charges for services	-	-	-	-	-
Interest income	2,350	5,910	2,081	1,348	10,600
Miscellaneous	-	-	18,633	-	-
Total revenues	2,350	5,910	20,714	101,348	1,042,790
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	3,950	158,675	86,500	-
Housing and development	-	-	-	-	-
Tourism	-	-	-	-	-
Capital outlay	725,224	98,145	-	130,735	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	725,224	102,095	158,675	217,235	-
Excess (deficiency) of revenues over (under) expenditures	(722,874)	(96,185)	(137,961)	(115,887)	1,042,790
Other financing sources (uses)					
Transfers in	63,911	-	250,000	70,000	-
Transfers out	-	-	-	-	(2,502,263)
Total other financing sources (uses), net	63,911	-	250,000	70,000	(2,502,263)
Net change in fund balances	(658,963)	(96,185)	112,039	(45,887)	(1,459,473)
Fund balances (deficit), beginning of year	658,963	660,834	231,744	188,746	1,634,365
Fund balances (deficit), end of year	\$ -	\$ 564,649	\$ 343,783	\$ 142,859	\$ 174,892

Debt Service Funds

Debt Service Fund	Debt Service Hospitality Fund	Total Nonmajor Governmental Funds
\$ 198,402	\$ 71,442	\$ 306,030
64,502	23,339	99,644
-	-	202,157
-	-	1,485,405
-	-	1,346,862
-	-	28,919
-	-	47,461
-	-	18,673
262,904	94,781	3,535,151
-	-	44,739
-	-	50,195
-	-	559,270
-	-	24,743
-	-	372,716
-	-	1,098,043
200,000	-	200,000
102,856	-	102,856
302,856	-	2,452,562
(39,952)	94,781	1,082,589
-	-	552,911
-	-	(3,413,232)
-	-	(2,860,321)
(39,952)	94,781	(1,777,732)
169,439	97,409	8,091,164
\$ 129,487	\$ 192,190	\$ 6,313,432

CITY OF CLEMSON, SOUTH CAROLINA

**COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Interest income	\$ 4,000	\$ -	\$ (4,000)
Total revenues	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>
Expenditures:			
Current:			
Housing and development	-	24,743	(24,743)
Total expenditures	<u>-</u>	<u>24,743</u>	<u>(24,743)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,000</u>	<u>(24,743)</u>	<u>(28,743)</u>
Other financing uses			
Transfers out	-	(16,969)	(16,969)
Total other financing uses	<u>-</u>	<u>(16,969)</u>	<u>(16,969)</u>
Net change in fund balances	4,000	(41,712)	(45,712)
Fund balance, beginning of year	<u>176,816</u>	<u>176,816</u>	<u>-</u>
Fund balance, end of year	<u>\$ 180,816</u>	<u>\$ 135,104</u>	<u>\$ (45,712)</u>

CITY OF CLEMSON, SOUTH CAROLINA

**LOCAL ACCOMMODATIONS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Local accommodations taxes	\$ 270,000	\$ 202,157	\$ (67,843)
Interest income	10,000	13,215	3,215
Total revenues	<u>280,000</u>	<u>215,372</u>	<u>(64,628)</u>
Expenditures:			
Current:			
Tourism	46,500	32,257	14,243
Total expenditures	<u>46,500</u>	<u>32,257</u>	<u>14,243</u>
Excess of revenues over expenditures	<u>233,500</u>	<u>183,115</u>	<u>(50,385)</u>
Other financing uses			
Transfers out	<u>(292,500)</u>	<u>(292,500)</u>	<u>-</u>
Total other financing uses	<u>(292,500)</u>	<u>(292,500)</u>	<u>-</u>
Net change in fund balances	(59,000)	(109,385)	(50,385)
Fund balance, beginning of year	<u>1,174,917</u>	<u>1,174,917</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,115,917</u>	<u>\$ 1,065,532</u>	<u>\$ (50,385)</u>

CITY OF CLEMSON, SOUTH CAROLINA

**LOCAL HOSPITALITY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Local hospitality taxes	\$ 625,000	\$ 742,702	\$ 117,702
Interest income	5,000	1,210	(3,790)
Total revenues	<u>630,000</u>	<u>743,912</u>	<u>113,912</u>
Expenditures:			
Current:			
Public safety	67,953	2,707	65,246
Culture and recreation	213,500	57,401	156,099
Tourism	84,000	95,237	(11,237)
Capital outlay	-	72,552	(72,552)
Total expenditures	<u>365,453</u>	<u>227,897</u>	<u>137,556</u>
Excess of revenues over expenditures	<u>264,547</u>	<u>516,015</u>	<u>251,468</u>
Other financing sources (uses)			
Transfers in	70,000	70,000	-
Transfers out	(300,000)	(301,500)	(1,500)
Total other financing uses, net	<u>(230,000)</u>	<u>(231,500)</u>	<u>(1,500)</u>
Net change in fund balances	34,547	284,515	249,968
Fund balance, beginning of year	<u>1,086,589</u>	<u>1,086,589</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,121,136</u>	<u>\$ 1,371,104</u>	<u>\$ 249,968</u>

CITY OF CLEMSON, SOUTH CAROLINA

**LOCAL HOSPITALITY FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Local hospitality fees	\$ 625,000	\$ 742,703	\$ 117,703
Interest income	5,000	473	(4,527)
Total revenues	<u>630,000</u>	<u>743,176</u>	<u>113,176</u>
Expenditures:			
Current:			
Culture and recreation	210,501	230,826	(20,325)
Tourism	22,000	7,681	14,319
Capital outlay	15,000	13,528	1,472
Total expenditures	<u>247,501</u>	<u>252,035</u>	<u>(4,534)</u>
Excess of revenues over expenditures	<u>382,499</u>	<u>491,141</u>	<u>108,642</u>
Other financing sources (uses)			
Transfers in	7,500	7,500	-
Transfers out	(300,000)	(300,000)	-
Total other financing uses, net	<u>(292,500)</u>	<u>(292,500)</u>	<u>-</u>
Net change in fund balances	89,999	198,641	108,642
Fund balance, beginning of year	<u>630,997</u>	<u>630,997</u>	<u>-</u>
Fund balance, end of year	<u>\$ 720,996</u>	<u>\$ 829,638</u>	<u>\$ 108,642</u>

CITY OF CLEMSON, SOUTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 19,378	\$ 10,379	\$ (8,999)
Charges for services	40,000	28,919	(11,081)
Interest income	2,000	-	(2,000)
Total revenues	<u>61,378</u>	<u>39,298</u>	<u>(22,080)</u>
Expenditures:			
Current:			
Public safety	49,716	47,488	2,228
Capital outlay	24,222	44,041	(19,819)
Total expenditures	<u>73,938</u>	<u>91,529</u>	<u>(17,591)</u>
Net change in fund balances	(12,560)	(52,231)	(39,671)
Fund balance, beginning of year	<u>203,456</u>	<u>203,456</u>	<u>-</u>
Fund balance, end of year	<u>\$ 190,896</u>	<u>\$ 151,225</u>	<u>\$ (39,671)</u>

CITY OF CLEMSON, SOUTH CAROLINA

**TOURISM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 223,250	\$ 174,588	\$ (48,662)
Interest income	25	32	7
Total revenues	<u>223,275</u>	<u>174,620</u>	<u>(48,655)</u>
Expenditures:			
Current:			
Tourism	230,500	211,539	18,961
Total expenditures	<u>230,500</u>	<u>211,539</u>	<u>18,961</u>
Net change in fund balances	(7,225)	(36,919)	(67,616)
Fund balance (deficit), beginning of year	<u>(2,831)</u>	<u>(2,831)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (10,056)</u>	<u>\$ (39,750)</u>	<u>\$ (67,616)</u>

CITY OF CLEMSON, SOUTH CAROLINA

**PARK LAND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Property taxes	\$ 35,339	\$ 36,186	\$ 847
Local option sales taxes	11,145	11,803	658
Interest income	1,200	862	(338)
Total revenues	<u>47,684</u>	<u>48,851</u>	<u>1,167</u>
Net change in fund balances	47,684	48,851	1,167
Fund balance, beginning of year	<u>56,208</u>	<u>56,208</u>	<u>-</u>
Fund balance, end of year	<u>\$ 103,892</u>	<u>\$ 105,059</u>	<u>\$ 1,167</u>

CITY OF CLEMSON, SOUTH CAROLINA

**ARTS & CULTURAL COMMISSION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Interest income	\$ 500	\$ -	\$ (500)
Total revenues	<u>500</u>	<u>-</u>	<u>(500)</u>
Expenditures:			
Current:			
Tourism	25,000	26,002	(1,002)
Total expenditures	<u>25,000</u>	<u>26,002</u>	<u>(1,002)</u>
Deficiency of revenues under expenditures	<u>(24,500)</u>	<u>(26,002)</u>	<u>(1,502)</u>
Other financing sources			
Transfers in	40,000	40,000	-
Total other financing sources	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balances	15,500	13,998	(1,502)
Fund balance, beginning of year	<u>109,498</u>	<u>109,498</u>	<u>-</u>
Fund balance, end of year	<u>\$ 124,998</u>	<u>\$ 123,496</u>	<u>\$ (1,502)</u>

CITY OF CLEMSON, SOUTH CAROLINA

**12 MILE PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ -	\$ 29,705	\$ 29,705
Miscellaneous	-	40	40
Total revenues	<u>-</u>	<u>29,745</u>	<u>29,745</u>
Expenditures:			
Current:			
Culture and recreation	-	21,918	(21,918)
Tourism	-	1,651	(1,651)
Total expenditures	<u>-</u>	<u>23,569</u>	<u>(23,569)</u>
Excess of revenues over expenditures	<u>-</u>	<u>6,176</u>	<u>6,176</u>
Other financing sources			
Transfers in	-	1,500	1,500
Total other financing sources	<u>-</u>	<u>1,500</u>	<u>1,500</u>
Net change in fund balances	-	7,676	7,676
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 7,676</u>	<u>\$ 7,676</u>

CITY OF CLEMSON, SOUTH CAROLINA

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Property taxes	\$ 192,193	\$ 198,402	\$ 6,209
Local option sales taxes	60,000	64,502	4,502
Total revenues	<u>252,193</u>	<u>262,904</u>	<u>10,711</u>
Expenditures:			
Debt service:			
Principal retirement	200,000	200,000	-
Interest	121,281	102,856	18,425
Total expenditures	<u>321,281</u>	<u>302,856</u>	<u>18,425</u>
Net change in fund balances	(69,088)	(39,952)	29,136
Fund balance, beginning of year	<u>169,439</u>	<u>169,439</u>	<u>-</u>
Fund balance, end of year	<u>\$ 100,351</u>	<u>\$ 129,487</u>	<u>\$ 29,136</u>

CITY OF CLEMSON, SOUTH CAROLINA

**DEBT SERVICE HOSPITALITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Property taxes	\$ 69,955	\$ 71,442	\$ 1,487
Local option sales taxes	22,000	23,339	1,339
Total revenues	<u>91,955</u>	<u>94,781</u>	<u>2,826</u>
Net change in fund balances	91,955	94,781	2,826
Fund balance, beginning of year	<u>97,409</u>	<u>97,409</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 189,364</u></u>	<u><u>\$ 192,190</u></u>	<u><u>\$ 2,826</u></u>

CITY OF CLEMSON, SOUTH CAROLINA

**COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2021**

	<u>Stormwater Fund</u>	<u>Sanitation Fund</u>	<u>Parking Deck Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS				
CURRENT ASSETS				
Accounts receivable, net of allowances	\$ 48,712	\$ 34,007	\$ -	\$ 82,719
Inventory	7,058	-	-	7,058
Due from other funds	402,046	325,214	978,390	1,705,650
Total current assets	<u>457,816</u>	<u>359,221</u>	<u>978,390</u>	<u>1,795,427</u>
NONCURRENT ASSETS				
Capital assets:				
Non-depreciable	52,984	-	244,429	297,413
Depreciable, net of accumulated depreciation	108,409	109,029	1,409,382	1,626,820
Total noncurrent assets	<u>161,393</u>	<u>109,029</u>	<u>1,653,811</u>	<u>1,924,233</u>
Total assets	<u>619,209</u>	<u>468,250</u>	<u>2,632,201</u>	<u>3,719,660</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	57,187	33,742	-	90,929
Total deferred outflows of resources	<u>57,187</u>	<u>33,742</u>	<u>-</u>	<u>90,929</u>
LIABILITIES				
CURRENT LIABILITIES				
Accrued liabilities	7,957	4,118	-	12,075
Unearned revenue	-	-	27,380	27,380
Other accrued liabilities	-	15,173	-	15,173
Due to other funds	12,564	1,340	-	13,904
Accrued vacation	2,546	3,089	-	5,635
Total current liabilities	<u>23,067</u>	<u>23,720</u>	<u>27,380</u>	<u>74,167</u>
NONCURRENT LIABILITIES				
Accrued vacation	7,638	9,266	-	16,904
Net pension liability	337,779	199,297	-	537,076
Total noncurrent liabilities	<u>345,417</u>	<u>208,563</u>	<u>-</u>	<u>553,980</u>
Total liabilities	<u>368,484</u>	<u>232,283</u>	<u>27,380</u>	<u>628,147</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	11,470	6,766	-	18,236
Total deferred inflows of resources	<u>11,470</u>	<u>6,766</u>	<u>-</u>	<u>18,236</u>
NET POSITION				
Investment in capital assets	161,393	109,029	1,653,811	1,924,233
Unrestricted	135,049	153,914	951,010	1,239,973
Total net position	<u>\$ 296,442</u>	<u>\$ 262,943</u>	<u>\$ 2,604,821</u>	<u>\$ 3,164,206</u>

CITY OF CLEMSON, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Stormwater Fund</u>	<u>Sanitation Fund</u>	<u>Parking Deck Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUE				
Charges for service	\$ 466,901	\$ 360,834	\$ 138,260	\$ 965,995
Late fees	6,598	6,073	-	12,671
Total operating revenues	<u>473,499</u>	<u>366,907</u>	<u>138,260</u>	<u>978,666</u>
OPERATING EXPENSES				
Personnel	198,414	120,475	-	318,889
Supplies	38,953	57,017	7,400	103,370
Purchased services	197,384	86,791	28,798	312,973
Depreciation expense	34,235	48,559	82,153	164,947
Other operating expenses	3,818	10,967	359	15,144
Total operating expenses	<u>472,804</u>	<u>323,809</u>	<u>118,710</u>	<u>915,323</u>
Operating income	695	43,098	19,550	63,343
NONOPERATING EXPENSES				
Interest expense	(354)	(243)	(472)	(1,069)
Total nonoperating expenses	<u>(354)</u>	<u>(243)</u>	<u>(472)</u>	<u>(1,069)</u>
Income before transfers	341	42,855	19,078	62,274
TRANSFERS				
Transfers out	-	(7,424)	-	(7,424)
Total transfers	<u>-</u>	<u>(7,424)</u>	<u>-</u>	<u>(7,424)</u>
Change in net position	341	35,431	19,078	54,850
Total net position, beginning of year, as previously reported	<u>285,222</u>	<u>227,992</u>	<u>2,585,743</u>	<u>3,098,957</u>
Restatement	10,879	(480)	-	10,399
Total net position, beginning of year as restated	<u>296,101</u>	<u>227,512</u>	<u>2,585,743</u>	<u>3,109,356</u>
Total net position, end of year	<u>\$ 296,442</u>	<u>\$ 262,943</u>	<u>\$ 2,604,821</u>	<u>\$ 3,164,206</u>

CITY OF CLEMSON, SOUTH CAROLINA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Stormwater Fund</u>	<u>Sanitation Fund</u>	<u>Parking Deck Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 457,653	\$ 364,280	\$ 47,557	\$ 411,837
Payments to suppliers	(297,289)	(252,605)	(47,085)	(299,690)
Payments to employees	(160,010)	(99,767)	-	(99,767)
Net cash provided by operating activities	<u>354</u>	<u>11,908</u>	<u>472</u>	<u>12,380</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	-	(7,424)	-	(7,424)
Net cash used in noncapital financing activities	<u>-</u>	<u>(7,424)</u>	<u>-</u>	<u>(7,424)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	(4,241)	-	(4,241)
Interest and agent fees paid	(354)	(243)	(472)	(715)
Net cash used in capital and related financing activities	<u>(354)</u>	<u>(4,484)</u>	<u>(472)</u>	<u>(4,956)</u>
Net change in cash	-	-	-	-
Cash and cash equivalents, beginning of year	-	-	-	-
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CITY OF CLEMSON, SOUTH CAROLINA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Stormwater Fund</u>	<u>Sanitation Fund</u>	<u>Parking Deck Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 695	\$ 43,098	\$ 19,550	\$ 62,648
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	34,235	48,559	82,153	130,712
Changes in assets and liabilities:				
Increase in accounts receivable	(15,846)	(2,627)	-	(2,627)
Increase in inventory	(781)	-	-	-
Increase in due from other funds	(46,859)	(86,185)	(118,083)	(204,268)
Increase in deferred outflow of resources	(13,998)	(8,259)	-	(8,259)
Decrease in accounts payable	(2,902)	(2,831)	(10,528)	(13,359)
Increase in accrued liabilities	3,980	1,017	-	1,017
Decrease in other liabilities	-	(264)	-	(264)
Increase in unearned revenue	-	-	27,380	27,380
Increase in due to other funds	12,564	1,340	-	1,340
Decrease in accrued vacation	(1,944)	(353)	-	(353)
Increase in net pension liability	22,008	12,985	-	12,985
Increase in deferred inflows or resources	9,202	5,428	-	5,428
Net cash provided by operating activities	<u>\$ 354</u>	<u>\$ 11,908</u>	<u>\$ 472</u>	<u>\$ 12,380</u>

CITY OF CLEMSON, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2021

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	N/A	N/A	\$ 223,450	\$ 223,450
Court fines and assessments remitted to State Treasurer	N/A	N/A	133,776	133,776
Total Court Fines and Assessments retained	<u>N/A</u>	<u>N/A</u>	\$ 89,674	\$ 89,674
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	N/A	N/A	\$ 6,611	\$ 6,611
Assessments retained	N/A	N/A	10,190	10,190
Total Surcharges and Assessments retained for victim services	<u>N/A</u>	<u>N/A</u>	\$ 16,801	\$ 16,801

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$ -	N/A	\$ -
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	-	N/A	-
Victim Service Assessments Retained by City/County Treasurer	10,190	N/A	10,190
Victim Service Surcharges Retained by City/County Treasurer	6,611	N/A	6,611
Interest Earned	-	N/A	-
Grant Funds Received			
Grant from:	-	N/A	-
General Funds Transferred to Victim Service Fund	45,813	N/A	45,813
Contribution Received from Victim Service Contracts:			
(1) Town of	-	N/A	-
(2) Town of	-	N/A	-
(3) City of	-	N/A	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 62,614	N/A	\$ 16,801

CITY OF CLEMSON, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2021

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ 62,614	N/A	\$ 62,614
Operating Expenditures	-	N/A	-
Victim Service Contract(s):			
(1) Entity's Name	-	N/A	-
(2) Entity's Name	-	N/A	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter: <u>Cumbee Center to Assist Abused Persons</u>	-	N/A	-
(2) Rape Crisis Center:	-	N/A	-
(3) Other local direct crime victims service agency: <u>Child Advocacy Center</u>	-	N/A	-
Transferred to General Fund	-	N/A	-
Total Expenditures from Victim Service Fund/Program (B)	62,614	N/A	62,614
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	N/A	-
Less: Prior Year Fund Deficit Repayment	-	N/A	-
Carryforward Funds – End of Year	\$ -	N/A	\$ -

CITY OF CLEMSON - CLEMSON AREA TRANSIT

**SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Schedule 1

PT-21A199-07					
July 1, 2020 - June 30, 2021					
Budget	Section 5311	SMTF*	LOCAL	Budget Balance	
July 1, 2020 - June 30, 2021					
ADMINISTRATION					
Professional Serv	\$ 1,600	\$ -	\$ 1,600	\$ -	\$ -
Supplies	4,800	-	4,800	-	-
Utilities	32,000	-	32,000	-	-
Advertising & Promo	4,000	-	4,000	-	-
Total Admin.	42,400	-	42,400	-	-
OPERATIONS					
Miscellaneous	4,000	-	4,000	-	-
Total Ops.	4,000	-	4,000	-	-
CAPITAL					
Maint. Equipment	42,715	-	42,715	-	-
Total Cap.	42,715	-	42,715	-	-
Total program	\$ 89,115	\$ -	\$ 89,115	\$ -	\$ -
Approved Budget	\$ 89,115				
TI Federal Costs	-				
TI State Costs*	89,115				
TI Local Costs	-				

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Contents

	<u>Page</u>
Financial Trends	91 - 96
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	97 - 100
<i>These schedules contain information to help the reader assess the County's most significant local revenue sources.</i>	
Debt Capacity	101 - 105
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	106 and 107
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
Operating Information	108 - 110
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

Schedule 1
City of Clemson
Net Position by Component, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
Invested in capital assets, net of related debt	\$ 12,388,670	\$ 14,340,750	\$ 13,775,958	\$ 13,639,628	\$ 13,129,718	\$ 13,533,530.00	\$ 13,926,310	\$ 13,444,837	\$ 13,494,329	\$ 14,749,896
Restricted	153,006	155,476	127,012	103,122	8,695	25,625.00	68,026	152,319	266,848	7,803,843
Unrestricted	6,096,998	6,991,316	7,311,601	1,929,754	4,044,473	4,253,335.00	5,296,940	6,309,499	7,910,074	(17,174)
Total Governmental Activities Net Position	\$ 18,638,674	\$ 21,487,542	\$ 21,214,571	\$ 15,672,504	\$ 17,182,886	\$ 17,812,490.00	\$ 19,291,276	\$ 19,906,655	\$ 21,671,251	\$ 22,536,565
Business-type Activities										
Invested in capital assets, net of related debt	\$ 17,783,553	\$ 18,613,393	\$ 18,757,994	\$ 18,187,149	\$ 11,223,961	\$ 18,745,915.00	\$ 20,553,458	\$ 32,110,366	\$ 32,932,994	\$ 33,129,075
Restricted	1,094,499	1,008,288	902,444	1,431,454	975,987	1,039,848.00	1,177,305	1,261,978	1,399,813	661,672
Unrestricted	6,131,877	6,573,991	7,105,257	3,273,574	12,500,488	5,012,820.00	4,371,379	3,328,737	3,907,697	3,743,761
Total Business-type Activities Net Position	\$ 25,009,929	\$ 26,195,672	\$ 26,765,695	\$ 22,892,177	\$ 24,700,436	\$ 24,798,583.00	\$ 26,102,142	\$ 36,701,081	\$ 38,240,504	\$ 37,534,508
Primary Government										
Net investment in capital assets	\$ 30,172,223	\$ 32,954,143	\$ 32,533,952	\$ 31,826,777	\$ 24,353,679	\$ 32,279,445.00	\$ 34,479,768	\$ 45,555,203	\$ 46,427,323	\$ 47,878,971
Restricted	1,247,505	1,163,764	1,029,456	1,534,576	984,682	1,065,473.00	1,245,331	1,414,297	1,666,661	8,465,515
Unrestricted	12,228,875	13,565,307	14,416,858	5,203,328	16,544,961	9,266,155.00	9,668,319	9,638,236	11,817,771	3,726,587
Total Primary Government Net Position	\$ 43,648,603	\$ 47,683,214	\$ 47,980,266	\$ 38,564,681	\$ 41,883,322	\$ 42,611,073.00	\$ 45,393,418	\$ 56,607,736	\$ 59,911,755	\$ 60,071,073

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses										
<i>Governmental Activities:</i>										
General Government	\$ 2,935,243	\$ 3,272,222	\$ 3,286,304	\$ 3,257,501	\$ 3,545,321	\$ 4,675,601	\$ 3,890,487	\$ 4,284,386	\$ 4,379,295	\$ 3,956,919
Public Safety	3,314,838	3,293,682	3,480,770	3,813,284	4,029,537	4,331,359	4,679,649	5,516,495	5,939,058	5,824,820
Public Works	2,200,326	3,719,287	2,526,267	2,873,308	2,789,532	3,925,080	3,853,063	2,965,892	3,629,129	3,537,188
Culture and Recreation	1,656,778	2,074,569	3,387,372	1,756,398	2,353,053	1,990,507	2,010,607	1,981,697	2,907,007	2,266,021
Urban Redevelopment	9,762	362,661	19,977	16,188	27,665	40,926	26,997	63,041	18,748	958,610
Interest on Long-term Debt	246,178	210,520	173,128	138,512	88,095	86,092	63,779	60,959	56,986	137,514
Total Governmental Activities Expenses	10,363,125	12,932,941	12,873,818	11,855,191	12,833,203	15,049,565	14,524,582	14,872,470	16,930,223	16,681,072
<i>Business-type Activities:</i>										
Water	2,446,654	2,432,057	2,505,582	2,655,812	2,942,016	3,014,984	3,175,628	3,022,906	3,428,715	3,413,053
Stormwater	-	-	-	39,942	1,318,096	269,075	476,277	341,518	422,012	473,158
Wastewater	2,491,592	2,386,578	2,659,444	2,739,152	3,378,859	3,126,111	3,128,978	3,537,030	3,914,187	4,114,289
Sanitation	299,734	292,655	313,606	305,585	324,430	306,043	255,267	366,434	346,431	324,052
Transit	3,574,179	3,661,994	3,627,531	3,362,255	3,517,798	4,640,395	4,434,591	3,797,347	3,724,988	4,434,689
Parking Deck	81,991	88,427	99,252	103,637	104,227	160,345	172,074	161,873	162,212	119,182
Total Business-type Activities Expenses	8,894,150	8,861,711	9,205,415	9,206,383	11,585,426	11,516,953	11,642,815	11,227,108	11,998,545	12,878,423
Total Primary Government Expenses	\$ 19,257,275	\$ 21,794,652	\$ 22,079,233	\$ 21,061,574	\$ 24,418,629	\$ 26,566,518	\$ 26,167,397	\$ 26,099,578	\$ 28,928,768	\$ 29,559,495
Program Revenues										
<i>Governmental Activities:</i>										
<i>Charges for Services:</i>										
Refuse Collection	\$ 454,066	\$ 500,575	\$ 508,196	\$ 542,269	\$ 567,238	\$ 578,204	\$ 583,416	\$ 585,037	\$ 595,393	\$ 595,393
Other Public Works	471,622	518,131	525,752	559,825	584,794	595,760	600,972	602,593	17,556	263,053
Parks and Recreation	109,685	106,412	123,059	128,665	137,554	135,861	191,012	246,930	177,343	221,905
Other Activities	2,959,209	3,258,274	3,575,076	3,727,153	4,864,377	4,607,295	4,789,252	4,724,170	5,318,740	466,063
Operating Grants and Contributions	360,004	1,767,822	212,023	212,044	241,447	213,846	295,516	662,263	49,945	84,978
Capital Grants and Contributions	360,380	1,463,442	131,226	483,950	7,000	871,162	166,035	8,473,359	2,344,338	1,561,165
Total Governmental Activities Program Revenues	4,714,966	7,614,656	5,075,332	5,653,906	6,402,410	7,002,128	6,626,203	15,294,352	8,503,315	3,192,557
<i>Business-type Activities:</i>										
<i>Charges for Services:</i>										
Water	2,432,497	2,350,277	2,583,576	2,846,971	3,147,041	3,301,101	3,528,452	3,482,761	3,646,238	4,156,072
Stormwater	-	-	-	83,898	398,676	406,406	431,536	454,732	458,808	473,499
Wastewater	4,609,065	2,557,008	3,064,258	3,055,202	3,455,943	3,566,110	4,408,094	4,017,413	4,291,030	4,792,342
Sanitation	296,946	282,837	286,617	282,954	296,728	316,133	331,079	364,526	372,631	366,907
Transit	42,748	25,625	13,240	18,406	29,433	29,700	103,039	31,553	477,815	29,733
Parking Deck	86,826	85,641	87,608	93,081	115,961	132,872	178,316	189,590	130,709	138,260
Operating Grants and Contributions	4,599,791	4,262,214	3,274,439	3,370,683	3,337,491	3,820,776	3,768,108	2,797,278	3,017,738	4,490,905
Capital Grants and Contributions	102,558	652,438	708,600	188,258	1,775,839	250,632	1,229,872	706,777	665,081	199,858
Total Business-type Activities Program Revenues	12,170,431	10,216,040	10,018,338	9,939,453	12,557,112	11,823,730	13,978,496	12,044,630	13,060,050	14,647,576
Total Primary Government Program Revenues	\$ 16,885,397	\$ 17,830,696	\$ 15,093,670	\$ 15,593,359	\$ 18,959,522	\$ 18,825,858	\$ 20,604,699	\$ 27,338,982	\$ 21,563,365	\$ 17,840,133

Continued

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

Continued

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (5,648,159)	\$ (5,318,285)	\$ (7,798,486)	\$ (6,201,285)	\$ (6,430,793)	\$ (8,047,437)	\$ (7,898,379)	\$ 421,882	\$ (8,426,908)	\$ (13,488,515)
Business-type Activities	3,276,281	1,354,329	812,923	733,070	971,686	306,777	2,335,681	817,522	1,061,505	1,769,153
Total Primary Government Net Expense	<u>\$ (2,371,878)</u>	<u>\$ (3,963,956)</u>	<u>\$ (6,985,563)</u>	<u>\$ (5,468,215)</u>	<u>\$ (5,459,107)</u>	<u>\$ (7,740,660)</u>	<u>\$ (5,562,698)</u>	<u>\$ 1,239,404</u>	<u>\$ (7,365,403)</u>	<u>\$ (11,719,362)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Revenues										
Property Taxes	\$ 5,227,080	\$ 5,557,061	\$ 4,561,423	\$ 4,861,657	\$ 5,087,678	\$ 5,251,552	\$ 4,859,983	\$ 6,089,392	\$ 6,264,734	\$ 6,369,067
Local Option Sales Tax	1,119,299	1,289,819	1,279,399	1,330,243	1,537,036	1,680,027	1,680,027	1,743,665	2,060,610	2,029,406
Local Accommodations Tax	226,527	223,138	253,995	268,879	278,432	320,605	357,956	354,041	292,138	485,562
Intergovernmental	470,878	493,901	553,667	593,817	769,248	584,755	568,630	623,235	851,323	756,235
Unrestricted Investment Earnings	101,358	106,034	130,774	119,305	151,035	154,619	162,088	330,939	386,638	73,583
Other	428,762	242,662	434,719	404,115	884,951	391,445	627,914	835,900	659,393	5,451,050
Gain (Loss) on Disposal of Assets	-	-	-	-	-	-	-	-	-	15,601
Transfers	(2,892,212)	254,538	311,538	259,038	(767,205)	294,038	1,120,567	(9,783,675)	(323,332)	(458,552)
Total Governmental Activities	<u>4,681,692</u>	<u>8,167,153</u>	<u>7,525,515</u>	<u>7,837,054</u>	<u>7,941,175</u>	<u>8,677,041</u>	<u>9,377,165</u>	<u>193,497</u>	<u>10,191,504</u>	<u>14,721,952</u>
Business-type Activities:										
Investment Earnings	76,174	54,994	68,638	51,767	69,368	85,408	117,691	158,392	154,586	113,840
Gain (Loss) on Disposal of Assets	-	-	-	-	-	-	-	-	-	1,925
Other	-	-	-	-	-	-	-	(160,650)	-	-
Transfers	2,892,212	(254,538)	(311,538)	(259,038)	767,205	(294,038)	(1,120,567)	9,783,675	323,332	458,552
Total Business-type Activities	<u>2,968,386</u>	<u>(199,544)</u>	<u>(242,900)</u>	<u>(207,271)</u>	<u>836,573</u>	<u>(208,630)</u>	<u>(1,002,876)</u>	<u>9,781,417</u>	<u>477,918</u>	<u>574,317</u>
Total Primary Government	<u>\$ 7,650,078</u>	<u>\$ 7,967,609</u>	<u>\$ 7,282,615</u>	<u>\$ 7,629,783</u>	<u>\$ 8,777,748</u>	<u>\$ 8,468,411</u>	<u>\$ 8,374,289</u>	<u>\$ 9,974,914</u>	<u>\$ 10,669,422</u>	<u>\$ 15,296,269</u>
Changes in Net Position										
Governmental Activities	\$ (966,467)	\$ 2,848,868	\$ (272,971)	\$ 1,635,769	\$ 1,510,382	\$ 629,604	\$ 1,478,786	\$ 615,379	\$ 1,764,596	\$ 1,233,437
Business-type Activities	6,244,667	1,154,785	570,023	525,799	1,808,259	98,147	1,332,805	10,598,939	1,539,423	2,343,470
Total Primary Government	<u>\$ 5,278,200</u>	<u>\$ 4,003,653</u>	<u>\$ 297,052</u>	<u>\$ 2,161,568</u>	<u>\$ 3,318,641</u>	<u>\$ 727,751</u>	<u>\$ 2,811,591</u>	<u>\$ 11,214,318</u>	<u>\$ 3,304,019</u>	<u>\$ 3,576,907</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>General Fund</i>										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,908
Committed	89,126	144,227	201,256	263,538	331,746	373,420	370,478	334,142	365,163	786,317
Assigned	28,850	1,785	55,377	259,418	82,362	55,454	-	-	-	-
Unassigned	2,883,627	2,825,543	3,502,784	4,154,750	5,195,722	5,690,941	6,179,039	8,177,987	7,499,307	9,272,911
Total General Fund	\$ 3,001,603	\$ 2,971,555	\$ 3,759,417	\$ 4,677,706	\$ 5,609,830	\$ 6,119,815	\$ 6,549,517	\$ 8,512,129	\$ 7,864,470	\$ 10,176,136
<i>All Other Governmental Funds</i>										
Nonspendable, Reported In:										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,660
Restricted, Reported In:										
Special Revenue Funds	2,790,556	3,250,562	2,352,205	2,438,004	4,082,195	3,521,763	4,278,471	4,752,759	3,435,650	3,673,115
Tax Increment Fund	283,848	1,118,251	6,194	19,938	-	83,783	-	-	-	-
Police Station Expansion Fund	-	-	-	-	-	-	-	-	-	1,449,472
WWTP Expansion Fund	-	-	-	-	-	-	-	1,424,315	1,634,365	-
Transit Lono Grant Fund	-	-	-	-	-	-	-	935,533	-	-
Hospitality Tax Fund	-	-	1,412,305	1,496,655	-	-	-	-	-	-
Capital Project Funds	97,396	97,003	(1,568)	623,276	523,341	682,352	66,080	901,874	3,676,951	2,242,671
Debt Service Fund	153,006	155,476	127,012	103,122	28,862	25,625	68,026	152,319	266,848	321,677
Assigned, Reported In:										
Special Revenue Funds	581,174	271,420	122,870	246,203	164,894	120,936	908,119	38,106	-	105,059
Tax Increment Fund	-	24,914	-	-	-	-	-	-	-	-
Hospitality Tax Fund	-	-	5,350	114,048	-	-	-	-	-	-
Capital Project Funds	559,288	-	-	-	-	-	-	-	-	-
Unassigned, Reported In:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	(39,750)
Total All Other Governmental Funds	\$ 4,465,268	\$ 4,917,626	\$ 4,024,368	\$ 5,041,246	\$ 4,799,292	\$ 4,434,459	\$ 5,320,696	\$ 8,204,906	\$ 9,013,814	\$ 7,762,904

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Property Taxes	\$ 5,227,080	\$ 5,296,975	\$ 4,528,173	\$ 4,853,112	\$ 5,117,389	\$ 5,214,718	\$ 4,846,728	\$ 6,129,819	\$ 6,273,324	\$ 6,238,964
Local Option Sales Tax	1,119,299	1,289,819	1,279,399	1,330,243	1,537,036	1,680,027	1,680,027	1,743,665	2,060,610	2,029,406
Local Accommodations Tax	226,527	223,138	253,995	268,879	278,432	320,605	357,956	354,041	292,138	202,157
Hospitality Fees	1,094,957	1,125,361	1,256,903	1,335,003	1,390,948	1,469,807	1,516,158	1,663,694	1,433,983	1,485,405
Licenses and Permits	1,910,700	2,299,077	2,446,474	2,485,464	3,519,609	3,174,531	3,192,059	3,203,923	3,249,837	3,797,673
Intergovernmental	826,389	1,734,595	790,503	805,861	1,010,695	869,763	807,333	1,960,497	1,415,589	2,685,783
Federal Aid	360,380	305,550	-	-	-	800,000	198,323	6,360,612	2,012,180	-
State Aid	4,493	95,710	-	-	-	-	24,525	1,437,747	38,366	-
Charges for Services	673,946	714,476	736,949	778,065	815,355	875,540	988,493	962,090	900,616	1,400,065
Fines and Forfeitures	314,979	244,478	291,756	359,381	428,051	397,242	467,942	329,023	304,067	146,349
Investment Earnings	101,358	106,034	130,774	119,305	151,035	154,619	162,088	330,939	386,638	-
Contributions & Donations	4,000	527,128	65,413	-	-	-	-	-	-	73,583
Proceeds from Sale of Property	-	-	-	10,594	-	-	-	-	-	-
Other Revenues	304,888	231,205	272,793	330,718	414,691	267,829	532,582	844,325	1,266,387	167,972
Total Revenues	12,168,996	14,193,546	12,053,132	12,676,625	14,663,241	15,224,681	14,774,214	25,320,375	19,633,735	18,227,357
Expenditures										
General Government	2,403,514	2,525,063	2,718,450	2,672,241	2,908,878	4,398,621	3,280,042	3,184,316	3,357,227	2,766,745
Public Safety	3,118,552	3,129,270	3,850,549	3,549,033	3,799,998	6,787,160	5,286,732	5,029,960	5,722,557	5,313,110
Public Works	1,883,926	3,765,108	1,785,974	2,344,153	2,278,977	3,604,128	3,768,475	2,336,464	3,357,204	2,499,230
Culture and Recreation	848,754	1,136,837	1,157,581	928,100	1,367,880	1,215,784	1,295,919	1,495,579	2,402,460	1,669,754
Housing and Development	9,762	362,661	19,977	16,188	27,665	40,926	26,997	63,041	18,748	958,610
Project Administration	-	-	-	-	-	-	-	-	107,397	-
Equipment Services	136,743	150,704	140,424	134,764	162,025	145,391	154,173	163,565	189,163	-
Capital Outlay	1,650,552	1,312,448	53,783	149,508	72,432	63,543	194,502	10,706,318	12,677,402	5,176,826
Debt Service										
Interest	260,290	216,873	183,073	150,309	104,968	81,866	63,745	64,095	57,190	107,511
Principal	1,139,974	1,100,320	1,186,750	1,719,298	1,832,473	1,530,847	336,570	437,792	359,317	319,840
Fees	-	1,724	-	-	-	-	-	-	-	-
Intergovernmental	191,252	403,808	1,780,527	396,415	539,185	333,918	343,180	396,991	480,533	-
Other	197,953	330,958	130,978	140,487	111,385	196,383	170,207	395,774	266,378	681,882
Total Expenditures	11,841,272	14,435,774	13,008,066	12,200,496	13,205,866	18,398,567	14,920,542	24,273,895	28,995,576	19,493,508
Excess of Revenues										
Over (Under)										
Expenditures	327,724	(242,228)	(954,934)	476,129	1,457,375	(3,173,886)	(146,328)	1,046,480	(9,361,841)	(1,266,151)

Continued

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

Continued

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Other Financing Sources (Uses)										
Lease Purchase Agreements	\$ -	\$ 410,000	\$ 178,000	\$ -	\$ -	\$ -	\$ 341,700	\$ -	\$ -	\$ -
General Obligation Bonds	-	-	360,000	1,200,000	-	3,025,000	-	-	-	3,600,000
Issuance of Long-Term Debt	-	-	-	-	-	-	-	2,995,948	9,264,052	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	15,601
Transfers In	2,246,399	1,497,586	1,583,346	1,932,982	2,275,290	2,584,013	1,629,559	3,355,669	4,588,941	2,057,457
Transfers Out	(1,992,361)	(1,243,048)	(1,271,808)	(1,673,944)	(3,042,495)	(2,289,975)	(508,992)	(2,551,275)	(4,329,903)	(3,800,682)
Total Other Financing Sources (Uses)	<u>254,038</u>	<u>664,538</u>	<u>849,538</u>	<u>1,459,038</u>	<u>(767,205)</u>	<u>3,319,038</u>	<u>1,462,267</u>	<u>3,800,342</u>	<u>9,523,090</u>	<u>1,872,376</u>
Net Change In Fund Balances	<u>\$ 581,762</u>	<u>\$ 422,310</u>	<u>\$ (105,396)</u>	<u>\$ 1,935,167</u>	<u>\$ 690,170</u>	<u>\$ 145,152</u>	<u>\$ 1,315,939</u>	<u>\$ 4,846,822</u>	<u>\$ 161,249</u>	<u>\$ 606,225</u>
Debt Service As a Percentage of Noncapital Expenditures	14.0%	11.5%	11.3%	16.4%	15.1%	10.9%	3.1%	2.1%	2.7%	7.1%
<i>(Calculated by adding Debt Service Interest and Principal/Total Expenditures minus total capital outlay in governmental funds)</i>										

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

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value (b)	Total Direct Tax Rate (a)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2012	\$ 48,964,038	\$ 3,386,351	\$ 52,350,389	83.34	\$ 1,035,719,943	5.05%
2013	49,157,941	3,819,936	52,977,877	83.34	1,046,824,420	5.06%
2014	49,944,239	4,244,018	54,188,257	83.34	1,069,618,413	5.07%
2015	51,754,304	4,490,780	56,245,084	82.20	1,109,932,413	5.07%
2016	54,187,667	4,751,340	58,939,007	84.20	1,162,942,340	5.07%
2017	57,107,105	5,546,430	62,653,535	84.20	1,234,582,600	5.07%
2018	66,879,274	5,677,132	72,556,406	86.20	1,432,204,347	5.07%
2019	78,489,155	5,603,572	84,092,727	87.20	1,663,175,967	5.06%
2020	91,588,999	6,076,603	97,665,602	78.90	1,933,056,697	5.05%
2021	95,337,835	5,923,822	101,261,657	78.90	2,005,487,067	5.05%

Source: Pickens County Auditor's Office

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

(b) Total taxable assessed values include Tax Increment Finance District base assesment only through FY 2017.

Schedule 6
City of Clemson
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years
(rate presented as actual millage)

Fiscal Year	City Direct Rates				Overlapping Rates	
	Basic Rate	General Obligation Debt Service	Special Revenue Rate	Total Direct Rate	Pickens County School District	Pickens County
2012	80.96	1.90	0.48	83.34	170.50	59.00
2013	80.96	1.90	0.48	83.34	169.00	59.00
2014	80.96	1.90	0.48	83.34	169.00	59.00
2015	79.80	1.90	0.50	82.20	174.10	61.30
2016	81.80	1.90	0.50	84.20	173.40	61.30
2017	81.80	1.90	0.50	84.20	174.10	61.30
2018	82.50	3.20	0.50	86.20	176.90	61.30
2019	83.50	3.20	0.50	87.20	176.90	61.30
2020	75.84	2.50	0.46	78.80	171.20	57.50
2021	75.84	2.50	0.46	78.80	171.20	57.50

Source of Overlapping Rates: *Pickens County*

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

Taxpayer	2021		Taxpayer	2012	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
CCSHP Clemson, LLC	\$ 3,517,330	3.47%	Duke Energy Corporation	\$ 948,900	1.81%
Clemson Ridge, LLC	2,190,030	2.16%	Lowe's Home Center, Inc	723,520	1.38%
PHU Why 76 Clemson, LLC	2,080,470	2.05%	Clemson 1, LLC	587,580	1.12%
Duke Energy Carolinas	1,960,150	1.94%	Bellsouth Telecommunications	538,710	1.03%
Dukes Family Land Investments	1,907,250	1.88%	Tiger Towne Village, LLC	534,950	1.02%
CH Reality VIII-Preiss SH Clemson	1,895,880	1.87%	BCH Clemson, LLC	513,550	0.98%
Ibrahim Family Trust, LLC	1,890,000	1.87%	EDR Clemson Place, Limited Partnership	453,280	0.87%
CBC Tiger Towne DE, LLC	1,687,600	1.67%	Ingles Markets, Inc	373,430	0.71%
Clemson Lofts P1, LLC	1,349,650	1.33%	Clemson Area Retirement Center, Inc	365,890	0.70%
Celico Partnership DBA Verizon	<u>1,139,320</u>	<u>1.13%</u>	Tristate SC One, Limited Partnership	<u>345,430</u>	<u>0.66%</u>
Total	<u>\$ 19,617,680</u>	<u>19.37%</u>		<u>\$ 5,385,240</u>	<u>10.28%</u>

Source: Pickens County Auditor's Office

**Schedule 8
City of Clemson
Property Tax Levies and Collections, Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Receivable June 30	Estimated Tax Collections to Date	
		Amount	Percentage of Levy		Estimated Amount	Percentage of Levy
2012	\$ 3,317,771	\$ 3,296,380	99.36%	\$ 205,855	\$ 3,111,916	93.80%
2013	3,243,562	3,333,308	102.77%	227,418	3,016,144	92.99%
2014	3,374,611	3,328,212	98.63%	288,143	3,086,468	91.46%
2015	3,472,543	3,412,869	98.28%	276,433	3,196,110	92.04%
2016	3,813,648	3,753,777	98.43%	302,611	3,511,037	92.07%
2017	4,106,544	3,934,526	95.81%	339,141	3,767,403	91.74%
2018	5,205,756	4,804,223	92.29%	366,232	4,839,524	92.96%
2019	6,742,521	6,241,874	92.57%	383,039	6,359,482	94.32%
2020	6,200,179	6,172,279	99.55%	351,732	5,848,447	94.33%
2021	6,227,196	6,171,409	99.10%	276,352	5,950,844	95.56%

Source: Pickens County Office of Finance

Schedule 9
City of Clemson
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	General Obligation Bonds	Tax Increment Financing Bonds	Capital Leases	Water Revenue Bonds	USDA Rural Development Loans	Capital Leases			
2012	\$ 404,000	\$ 3,771,084	\$ 1,231,396	\$ 4,189,912	\$ -	\$ 94,782	\$ 9,691,174	3.17%	745
2013	306,000	3,114,960	1,295,201	3,938,721	-	22,735	8,677,617	2.62%	624
2014	536,000	2,423,347	1,108,333	3,684,465	-	-	7,752,145	2.26%	556
2015	1,204,000	1,700,253	643,861	4,708,340	-	-	8,256,454	2.55%	586
2016	602,000	945,936	167,706	6,616,961	-	-	8,332,603	2.51%	584
2017	2,900,000	-	309,702	6,261,147	-	-	9,470,849	2.70%	628
2018	2,760,000	-	454,832	6,932,823	-	168,300	10,315,955	2.83%	667
2019	2,605,000	-	172,040	5,532,091	2,995,948	84,736	11,389,815	3.17%	709
2020	2,435,000	-	242,000	5,153,677	12,000,827	-	19,831,504	5.52%	1,235
2021	5,835,000	-	122,160	4,767,410	11,795,758	-	22,520,328	5.60%	1,353

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

^(a) See Schedule 14 for personal income and population data.

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

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net</u>	<u>Percentage of Actual Taxable Value of Property ^(a)</u>	<u>Per Capita ^(b)</u>
2012	\$ 404,000	\$ 153,006	\$ 250,994	0.02%	\$ 18.00
2013	306,000	155,476	150,524	0.01%	10.68
2014	536,000	127,012	408,988	0.04%	28.65
2015	1,204,000	103,122	1,100,878	0.10%	73.04
2016	602,000	28,862	573,138	0.05%	37.06
2017	2,900,000	25,625	2,874,375	0.23%	179.00
2018	2,760,000	68,026	2,691,974	0.19%	161.69
2019	2,605,000	152,319	2,452,681	0.15%	143.41
2020	2,435,000	266,848	2,168,152	0.11%	123.89
2021	5,835,000	321,677	5,513,323	0.27%	311.82

Notes: ^(a) See Schedule 5 for actual taxable value of property

^(b) See Schedule 14 for personal income and population

Schedule 11
City of Clemson
Direct and Overlapping Governmental Activities Debt As of June 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt Repaid With Property Taxes			
Pickens County School District	\$ 226,358,472	7.62%	\$ 17,239,263
Pickens County General Obligation Debt	27,751,159	7.62%	2,113,504
Other Debt			
Pickens County - Other Debt	1,703,924	7.62%	<u>129,769</u>
Subtotal, Overlapping Debt			19,482,537
City Direct Debt			<u>5,957,160</u>
Total Direct and Overlapping Debt			<u><u>\$ 25,439,697</u></u>

Source: Pickens County and Pickens County School District

Notes: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were calculated by comparing the City's taxable assessed property value compared to the taxable assessed value for all three entities.

**Schedule 12
City of Clemson
Legal Debt Margin Information, Last Ten Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Limit	\$ 4,188,031	\$ 4,238,230	\$ 4,335,060	\$ 4,499,607	\$ 4,715,121	\$ 5,012,276	\$ 5,804,512	\$ 6,727,418	\$ 7,813,248	\$ 8,100,933
Total Net Debt Applicable to Limit	250,994	50,524	408,988	1,100,878	573,138	2,874,375	2,691,974	2,520,707	2,265,561	5,513,323
Legal Debt Margin	<u>\$ 3,937,037</u>	<u>\$ 4,187,706</u>	<u>\$ 3,926,072</u>	<u>\$ 3,398,729</u>	<u>\$ 4,141,983</u>	<u>\$ 2,137,901</u>	<u>\$ 3,112,538</u>	<u>\$ 4,206,711</u>	<u>\$ 5,547,687</u>	<u>\$ 2,587,609</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.99%	1.19%	9.43%	24.47%	12.16%	57.35%	46.38%	37.47%	29.00%	68.06%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value	\$ 101,261,657
Debt Limit (8% of assessed value)	8,100,933
Debt Applicable to Limit:	
General Obligation Bonds	5,835,000
Less: Amount Set Aside for Repayment of General Obligation Debt	321,677
Total Net Debt Applicable to Limit	<u>5,513,323</u>
Legal Debt Margin	<u>\$ 2,587,609</u>

Note: Under state finance law, the City's outstanding general obligation debt must not exceed 8 percent of total assessed property value. The general obligation debt subject to the limitation may be offset by amounts set aside for repayment of general obligation bonds.

Schedule 13
City of Clemson
Pledged-Revenue Coverage, Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Water Revenue Bonds</i>										
<i>Utility Service Charges</i>	\$ 2,411,340	\$ 2,300,173	\$ 2,510,704	\$ 2,821,837	\$ 3,065,833	\$ 3,249,508	\$ 3,312,093	\$ 3,416,952	\$ 3,530,589	\$ 4,207,188
<i>Less: Operating Expenses</i>	2,118,323	2,102,688	2,166,389	2,319,594	2,590,166	2,597,901	2,756,491	2,596,322	2,991,556	3,331,868
<i>Net Available Revenue</i>	293,017	197,485	344,315	502,243	475,667	651,607	555,602	820,630	539,033	875,320
<i>Debt Service</i>										
<i>Principal</i>	105,056	112,691	115,248	117,863	120,537	229,037	229,069	239,000	244,143	249,398
<i>Interest</i>	81,266	75,935	73,363	70,733	80,858	96,936	95,641	90,579	85,408	81,456
<i>Coverage</i>	1.57	1.05	1.83	2.66	2.36	2.00	1.71	2.49	1.64	2.65
<i>Wastewater Revenue Bonds and Capital Leases</i>										
<i>Utility Service Charges</i>	4,386,262	2,513,772	2,727,218	2,955,606	2,979,417	3,296,480	3,593,507	3,841,162	3,835,728	4,849,020
<i>Less: Operating Expenses</i>	2,028,092	1,933,792	2,213,642	2,293,004	2,844,205	2,575,870	2,577,504	2,916,743	3,220,181	4,780,285
<i>Net Available Revenue</i>	2,358,170	579,980	513,576	662,602	135,212	720,610	1,016,003	924,419	615,547	68,735
<i>Debt Service</i>										
<i>Principal</i>	184,958	188,500	139,008	78,283	125,500	126,777	129,254	1,161,733	134,270	341,948
<i>Interest</i>	17,025	12,735	9,540	10,097	41,292	33,819	49,137	28,914	46,132	247,666
<i>Coverage</i>	11.68	2.88	3.46	7.50	0.81	4.49	5.70	0.78	3.41	0.12
<i>Commercial Sanitation Capital Leases</i>										
<i>Utility Service Charges</i>	303,784	288,175	292,567	286,009	299,375	318,693	334,730	368,576	377,482	366,907
<i>Less: Operating Expenses</i>	249,574	263,859	290,261	273,044	280,803	262,536	210,379	278,470	286,159	275,250
<i>Net Available Revenue</i>	54,210	24,316	2,306	12,965	18,572	56,157	124,351	90,106	91,323	91,657
<i>Debt Service</i>										
<i>Principal</i>	21,379	22,047	22,734	-	-	-	-	83,564	84,736	-
<i>Interest</i>	1,536	853	148	-	-	-	1,381	1,824	523	-
<i>Coverage</i>	2.37	1.06	0.10	-	-	-	90.04	49.40	174.61	-
<i>Transit Capital Leases</i>										
<i>Contract Services</i>	4,662,556	4,298,200	3,839,880	3,397,119	3,790,776	3,850,476	3,900,405	2,795,688	3,524,401	4,520,638
<i>Less: Operating Expenses</i>	3,437,739	3,103,435	3,022,610	2,741,145	2,851,184	3,912,193	4,066,641	3,466,107	2,900,096	3,363,577
<i>Net Available Revenue</i>	1,224,817	1,194,765	817,270	655,974	939,592	(61,717)	(166,236)	(670,419)	624,305	1,157,061
<i>Debt Service</i>										
<i>Principal</i>	67,923	-	-	-	-	-	-	-	-	-
<i>Interest</i>	871	-	-	-	-	-	-	-	-	-
<i>Coverage</i>	17.80	-	-	-	-	-	-	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

Schedule 14
City of Clemson
Demographic and Economic Statistics, Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2012	13,946	\$ 342,820,572	\$ 24,582	8.0%
2013	14,089	324,399,225	23,025	8.0%
2014	14,276	331,702,860	23,235	5.2%
2015	15,072	350,197,920	23,235	5.2%
2016	15,466	364,842,940	23,590	4.2%
2017	16,058	359,345,924	22,378	4.3%
2018	16,649	402,189,893	24,157	2.7%
2019	17,102	435,040,676	25,438	2.7%
2020	17,501	486,265,285	27,785	3.2%
2021	17,681	525,532,363	29,723	4.2%

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

Employer	2021		2012	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
<i>Clemson University</i> ^(a)	5,698	32.23%	4,565	45.65%
<i>City of Clemson</i>	343	1.94%	321	3.21%
<i>Ingles Markets</i>	160	0.90%	195	1.95%
<i>Publix Market</i>	160	0.90%	<i>Not Established</i>	<i>Not Established</i>
<i>Clemson Elementary School</i>	108	0.61%	89	0.95%
<i>Chic-Fil-A</i>	58	0.33%	<i>Not Established</i>	<i>Not Established</i>
<i>Wal-Mart Neighborhood Store</i>	125	0.71%	<i>Not Established</i>	<i>Not Established</i>
<i>McDonald's</i>	50	0.28%	<i>Not Established</i>	<i>Not Established</i>
<i>Ruby Tuesday</i>	20	0.11%	106	1.06%
<i>McAlister's Deli</i>	30	0.17%	<i>Not Established</i>	<i>Not Established</i>
Total	6,752	38.18%	5,276	52.82%

Notes: ^(a) *Clemson University is technically not within the City's corporate boundaries. However, its impact is substantial, thus its employment base has been included as a principal employer.*

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

<u>Function/Program</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
<i>General Government</i>										
<i>Council</i>	1	0	0	0	0	0	0	0	0	0
<i>Municipal Court</i>	4	4	4	4	5	5	5	5	5	5
<i>Administration</i>	8	8	7	7	8	8	8	8	9	9
<i>Finance</i>	3	3	3	3	3	3	3	3	3	3
<i>Information Technology</i>	1	1	1	1	2	2	2	2	2	3
<i>Planning & Codes</i>	7	8	8	10	11	10	10	10	10	10
<i>Public Buildings</i>	2	2	2	2	2	2	2	2	2	2
<i>Police</i>										
<i>Officers</i>	26	28	28	29	29	30	34	34	34	34
<i>Telecommunicators</i>	6	6	6	6	7	7	8	8	8	8
<i>Other</i>	3	3	3	3	3	5	3	3	4	4
<i>Refuse Collection</i>										
<i>Residential Sanitation</i>	13	14	14	14	14	13	15	15	15	15
<i>Commercial Sanitation</i>	2	2	2	2	2	2	2	2	2	2
<i>Other Public Works</i>										
<i>Streets</i>	5	5	6	6	6	6	5	7	6	6
<i>Public Works Administration</i>	3	3	3	3	3	3	3	3	2	3
<i>Equipment Services</i>	2	2	2	2	2	2	2	2	2	2
<i>Engineering</i>	2	2	3	3	3	3	3	3	3	3
<i>Other</i>										
<i>Arts Center</i>	0	0	0	0	0	0	0	0	0	1
<i>African American Museum</i>	0	0	0	0	0	0	0	0	0	1
<i>Recreation</i>	7	7	7	7	8	7	7	8	7	7
<i>Water</i>	7	7	7	7	7	7	6	7	7	7
<i>Utility Billing</i>	7	7	7	7	7	8	8	8	9	9
<i>Wastewater Collection</i>	7	7	6	6	7	6	7	7	7	7
<i>Wastewater Treatment</i>	4	4	4	4	4	4	4	5	5	5
<i>Transit Administration</i>	6	6	6	6	6	5	6	6	6	6
<i>Transit Operations</i>	13	13	13	13	14	13	16	16	16	17
<i>Twelve Mile Park</i>	0	0	0	0	0	0	0	0	0	1
<i>Horticulture</i>	3	3	2	2	2	3	3	2	3	3
<i>Stormwater</i>	0	0	0	0	2	4	4	4	4	4
Total	142	145	144	147	157	158	166	170	171	177

Source: The City's Office of Human Resources

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

Function/Program	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<i>General Government</i>										
<i>Building Permits Issued</i>	594	1,224	902	1,029	1,156	1,074	1,529	835	500	645
<i>Building Inspections Conducted</i>	1,716	2,843	3,059	2,800	2,967	3,646	4,259	4,193	2,963	2,261
<i>Police</i>										
<i>Parking Violations</i>	4,586	5,010	6,135	6,566	6,708	6,888	5,382	6,421	3,346	4,235
<i>Traffic Violations</i>	6,075	5,175	8,096	8,799	8,547	9,030	11,849	8,285	3,838	2,971
<i>Fire</i>										
<i>Inspections</i>	2,134	1,415	1,128	1,197	1,128	872	701	842	495	413
<i>Refuse Collection</i>										
<i>Refuse Collected (lbs)</i>	9,789,537	5,379,355	5,427,081	5,741,730	5,661,088	11,543,311	12,030,591	11,998,846	12,152,520	12,580,360
<i>Recyclables Collected (lbs)</i>	1,463,920	818,448	1,403,343	1,376,040	1,402,629	1,661,498	1,425,002	1,292,816	915,380	1,130,140
<i>Other Public Works</i>										
<i>Street Resurfacing (miles)</i>	3.3	3.28	0.71	0.71	0.25	0	0	0	3.5	-
<i>Water</i>										
<i>New Taps</i>	147	260	117	102	165	104	238	105	97	229
<i>Water Main Breaks</i>	193	207	207	207	331	306	306	330	229	263
<i>Average Daily Consumption</i>	1,932,000	1,599,000	1,805,000	1,876,000	1,874,000	1,972,000	1,858,000	2,248,000	2,001,000	1,920,000
<i>Peak Daily Consumption</i>	2,381,000	2,260,000	2,707,000	2,604,000	2,623,000	2,624,000	2,311,000	2,678,000	2,498,000	2,500,000
<i>Wastewater</i>										
<i>Average Daily Sewage Treatment</i>	1,440,000	1,910,000	1,810,000	1,750,000	1,660,000	1,590,000	1,654,000	1,950,000	2,082,000	1,805,000
<i>Transit</i>										
<i>Total Route Miles</i>	517,056	699,790	665,555	582,678	588,628	685,121	740,225	718,817	586,475	598,815
<i>Passengers</i>	1,504,570	1,849,064	1,824,053	1,742,463	1,751,378	1,769,505	1,594,772	894,494	678,346	237,904

Source : Various City Departments

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

<u>Function/Program</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
<i>Police</i>										
Stations	1	1	1	1	1	1	1	1	1	1
Uniform Patrol Units	18	19	20	20	20	20	22	24	24	24
<i>Refuse Collection</i>										
Collection Trucks	5	5	5	5	6	6	5	5	5	5
<i>Other Public Works</i>										
Streets (miles)	64	64	64	64	69	69	69	69	69	69
Streetlights	294	307	327	340	350	360	382	382	382	382
Traffic Signals	1	1	1	1	1	1	1	1	1	1
<i>Parks and Recreation</i>										
Acreage	100	100	102	102	102	100	100	100	196	196
Playgrounds	7	7	7	7	7	7	7	7	7	9
Soccer Fields	6	6	6	6	6	4	5	5	5	5
Recreation Centers	1	1	1	1	1	1	1	1	1	1
<i>Water</i>										
Water Mains (miles)	109.5	111.4	112	112.8	113.2	113.3	114.1	118.6	119.25	120.2
Fire Hydrants	480	496	500	508	512	512	518	556	561	562
<i>Wastewater</i>										
Sewer Mains Gravity (miles)	103.7	105.1	105.6	106.2	106.8	107	107.7	105	105.62	106
Sewer Mains Force (miles)	9	9	9	9	9	9	9	5.5	5.5	6.5
Treatment Capacity (millions of gallons)	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	4
<i>Stormwater</i>										
Stormwater Lines (miles)	7	7.25	7.25	7.25	7.25	22.45	22.6	22.67	22.75	21.45
<i>Transit</i>										
Buses	23	26	26	23	25	28	29	19	25	23

Source : Various City Departments

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **City of Clemson, South Carolina** (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 15, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001 through 2021-008 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-009 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Clemson's Response to Findings

The City of Clemson's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Clemson's responses were not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
June 15, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the **City of Clemson, South Carolina's** (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
June 15, 2022

CITY OF CLEMSON, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Grant Identification Number</u>	<u>Expenditures</u>	<u>Passed through to Subrecipients</u>
U.S. Department of Agriculture				
Direct:				
Communities	10.760	N/A	\$ 2,002,263	\$ -
Total U.S. Department of Agriculture			<u>2,002,263</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
Direct:				
<i>CDBG Entitlement Grants Cluster Program</i>	14.228	4-CE-18-006	<u>428,975</u>	<u>-</u>
<i>Total CDBG Entitlement Grants Cluster</i>			<u>428,975</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>428,975</u>	<u>-</u>
U.S. Department of Justice				
Direct:				
Bulletproof Vest Partnership Program	16.607	N/A	<u>1,230</u>	<u>-</u>
Total U.S. Department of Justice			<u>1,230</u>	<u>-</u>
U.S. Department of Transportation				
Direct:				
<i>Highway Planning and Construction Cluster Federal Aid Highway Program</i>	20.205	P030355	<u>80,000</u>	<u>-</u>
<i>Total Highway Planning and Construction Cluster</i>			<u>80,000</u>	<u>-</u>
Federal Transit Administration of Public Safety:				
<i>Federal Transit Cluster</i>				
COVID-19 - 5307 Operating and Capital Grant	20.507	SC-2020-023-00	1,429,292	-
5307 Operating and Capital Grant	20.507	SC-2020-029-00	809,849	-
<i>Total Federal Transit Cluster</i>			<u>2,239,141</u>	<u>-</u>
Total U.S. Department of Transportation			<u>2,319,141</u>	<u>-</u>
U.S. Department of Treasury				
Passed through from the S.C. Department of Administration				
COVID-19 - Coronavirus Aid, Relief, and Economic Security Act	21.019	N/A	<u>60,041</u>	<u>-</u>
Total U.S. Department of Treasury			<u>60,041</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 4,811,650</u>	<u>\$ -</u>

CITY OF CLEMSON, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Clemson, South Carolina (the "City"), and is presented on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. The City reporting entity is described in Note 1 to the City's basic financial statements.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the ten percent de Minimis indirect cost rate for the year ended June 30, 2021.

NOTE 3. NON-CASH AWARDS AND LOANS

There were no federal awards expended in the form of noncash assistance during the fiscal year. There were also no loans or loan guarantees outstanding at year end.

CITY OF CLEMSON, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting: Material weaknesses identified? [X] Yes [] No

Significant deficiencies identified not considered to be material weaknesses? [X] Yes [] No

Noncompliance material to financial statements noted? [] Yes [X] No

Federal Awards

Internal Control over major programs: Material weaknesses identified? [] Yes [X] No

Significant deficiencies identified not considered to be material weaknesses? [] Yes [X] No

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? [] Yes [X] No

Identification of major programs:

Table with 2 columns: CFDA Number and Name of Federal Program or Cluster. Rows include 20.507 (U.S. Department of Transportation Federal Transit Cluster) and 14.228 (U.S. Department of Housing and Urban Development CDBG Entitlement Grants Cluster).

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? [] Yes [X] No

CITY OF CLEMSON, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II FINANCIAL STATEMENT FINDINGS

2021-001. Recognition of Revenues

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The City did not properly recognize revenues as they were earned in prior years.

Context: We addressed this matter with City officials, and they were able to determine the amount of revenue to be recognized in both the General Fund and the Wastewater Fund.

Effect: The City determined a restatement to increase beginning fund balance of the General Fund and net position of the Wastewater Fund in order to properly recognize revenues as of July 1, 2020. The restatements were determined to be \$808,092 and \$116,550 for the General Fund and Wastewater Fund, respectively.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure that accounts receivable, revenue, and unavailable revenue balances were properly reconciled and recorded.

Recommendation: We recommend the City review all relevant general ledger accounts throughout the fiscal year, and ensure all respective receivables, revenues, and unearned revenues are properly identified and stated at the end of each accounting period.

View of Responsible Officials and Planned Corrective Action: We concur with the finding. We are implementing the necessary controls and procedures to ensure that revenues and unearned revenues are properly identified, recorded, and reconciled in a timely manner and ensure that all transactions are being properly recognized during the correct period.

2021-002. Internal Balances

Criteria: Generally accepted accounting principles require the reporting of all liabilities when the goods have been received or services have been performed. Additionally, governmental accounting standards require the liabilities related to borrowings within a primary government be treated as fund liabilities.

Condition: The City did not properly address the above criteria as of June 30, 2020, as it related to the interfund balance between the City's General Fund and its Internal Service, Water, Wastewater, Transit, Stormwater, and Sanitation Funds. The interfund loans between the General Fund and the Water, Wastewater, Transit, Stormwater, and Sanitation Funds were reported incorrectly as of June 30, 2020. The interfund loan from the Internal Service Fund to the General Fund was not reported as a liability of the General Fund as June 30, 2020.

Context: We addressed this matter with City officials, and they were able to determine the amount owed to the respective funds as of June 30, 2020.

CITY OF CLEMSON, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II FINANCIAL STATEMENT FINDINGS (CONTINUED)

2021-002. Internal Balances (Continued)

Effect: A prior period adjustment to record an interfund payable from the General Fund to the Internal Service Fund and decrease fund balance was required in the General Fund in the amount of \$176,356 as of July 1, 2020. A prior period adjustment to adjust the interfund balances in the General Fund and the Enterprise Funds was required as follows:

- General Fund - \$73,094
- Water Fund - \$18,920
- Stormwater Fund - \$4,602
- Wastewater Fund - \$28,157
- Sanitation Fund - \$480
- Transit Fund - \$21,895

Cause: Interfund activity was not properly reconciled among the City's funds.

Recommendation: We recommend the City implement procedures to ensure a proper reconciliation and classification of interfund activity is performed on an ongoing basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We are implementing procedures to reconcile all interfund activity to ensure all activity is reflected and classified accurately in accordance with government accounting standards.

2021-003. Inventory

Criteria: Governmental accounting standards require that inventory items be recorded as an asset at the time of purchase and expensed when used.

Condition: The City was noted to have had instances of inventory purchases that were expensed before their use, resulting in a significant amount of inventory not being recorded on the City's Statements of Government-wide and Proprietary Net Position for its business-type activities as well as its Water, Stormwater, Wastewater, and Transit Funds. This treatment is inconsistent with City policies and procedures relating to inventory purchased under the consumption method.

Context: We addressed this matter with City officials, and they were able to determine the amount of inventory as of June 30, 2020, in the Water, Stormwater, Wastewater, and Transit Funds.

Effect: A prior period adjustment to record inventory and increase net position of the City's the Water (\$167,212), Stormwater (\$6,277), Wastewater (\$20,707), and Transit (\$108,834) Funds was required for a total of \$303,030 as of July 1, 2020.

Cause: Inventory on hand was not properly reconciled and recorded as an asset in the City's Water, Stormwater, Wastewater, and Transit Funds as of June 30, 2020.

CITY OF CLEMSON, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II FINANCIAL STATEMENT FINDINGS (CONTINUED)

2021-003. Inventory (Continued)

Recommendation: We recommend that the City implement the necessary controls related to inventory so as to ensure that inventory transactions are properly recorded in accordance with City policies and procedures as well as Governmental Accounting Standards Board pronouncements.

Views of Responsible Officials and Planned Corrective Action: We concur. The City is implementing and following the proper procedures to ensure all inventory transactions are properly reported.

2021-004 Management of Long-term Receivables

Criteria: Generally accepted accounting principles require long-term receivables to be recorded in the accounting period in which they are incurred.

Condition: The City did not properly record the activities associated with a note receivable agreement with the Town of Central from 2007.

Context: We addressed this matter with City officials, who determined the appropriate amount to be recorded for the note receivable as of July 1, 2020.

Effect: The City determined a restatement to increase the beginning net position of the City's business-type activities and the Water Fund in order to record the outstanding note in the amount of \$226,855 as of July 1, 2020.

Cause: There was a lack of appropriate controls implemented at the City during the prior fiscal year to ensure that all long-term receivables were properly reported in the accounting period in which they were incurred.

Recommendation: We recommend that the City implement the necessary controls to identify all long-term receivables that are issued in the name of the City to ensure such activities are properly reported in the period in which they occur.

View of Responsible Officials and Planned Corrective Action: We concur with the finding. We are implementing the necessary controls and procedures to identify all long-term receivables that are issued in the name of the City to ensure such activities are properly reported in the period in which they occur.

2021-005 Accounting for Joint Ventures

Criteria: Governmental Accounting Standards Board (GASB) Statement No. 14, *the Financial Reporting Entity*, states that a joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate specific activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility.

Condition: The City has previously reported their investment in the Pendleton/Clemson Waste Treatment Facility as an investment in a joint venture, accounted for under the equity method. The City's interest in the Treatment Facility does not meet all of the established criteria of a joint venture.

CITY OF CLEMSON, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II FINANCIAL STATEMENT FINDINGS (CONTINUED)

2021-005 Accounting for Joint Ventures (Continued)

Context: We addressed this matter with City officials, who determined the investment in a joint venture should not be recorded as of July 1, 2020.

Effect: The City determined a restatement to decrease the beginning net position of the City's business-type activities and Wastewater Fund in order to remove the investment in the amount of \$3,913,050 as of July 1, 2020.

Cause: There was a lack of appropriate controls implemented at the City during the prior fiscal year to ensure that established criteria were reviewed and properly reported.

Recommendation: We recommend that the City implement the necessary controls to regularly review agreements against established criteria to determine the proper accounting treatment.

View of Responsible Officials and Planned Corrective Action: We concur with the finding. We are implementing the necessary controls to regularly review agreements against established criteria to determine the proper accounting treatment.

2021-006. Failure to Report Checks to State Treasurer's Unclaimed Property Program

Criteria: All holders of property that is considered abandoned and subject to the State's custody as abandoned property under the Unclaimed Property Act must be reported to the South Carolina State Treasurer.

Condition: The City wrote several checks to parties that were not deposited and qualified as abandoned property under the Unclaimed Property Act. The City did not report these checks to the South Carolina State Treasurer.

Context: We addressed the matter with the City and they were able to determine the amount of unclaimed checks that needed to be reported to the State Treasurer.

Effect: The City determined a restatement to decrease the General Fund's beginning fund balance in order to report and send the unclaimed checks to the State Treasurer in the amount of \$112,280.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure that unclaimed property was properly reported.

Recommendation: We recommend the City implement procedures to ensure a proper reconciliation and classification of unclaimed property is performed on an ongoing basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We are establishing procedures to reconcile all unclaimed property to ensure proper reporting in accordance with the Unclaimed Property Act.

CITY OF CLEMSON, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II FINANCIAL STATEMENT FINDINGS (CONTINUED)

2021-007. Recording of Claims Liabilities in Internal Service Fund

Criteria: GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, states that a local government is required to report an estimated loss from a claim as an expenditure/expense and as a liability if it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonable estimated.

Condition: The City did not properly record a liability for claims incurred for their self-insurance plan in their Internal Service fund despite the claims meeting the established criteria.

Context: We addressed this matter with City officials, who determined a claims liability should be recorded as of July 1, 2020.

Effect: The City determined a restatement to decrease the beginning net position of the City's Internal Service Fund in order to remove the investment in the amount of \$161,786 as of July 1, 2020.

Cause: There was a lack of appropriate controls implemented at the City during the prior fiscal year to ensure that established criteria were reviewed and properly reported.

Recommendation: We recommend that the City implement the necessary controls to regularly review claims and judgements against established criteria to determine the proper accounting treatment.

View of Responsible Officials and Planned Corrective Action: We concur with the finding. We are implementing the necessary controls to regularly review claims and judgements against established criteria to determine the proper accounting treatment.

2021-008. Reporting of Governmental Activities at the Government-wide Level

Criteria: GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, states that government-wide financial statements must be prepared using the economic resources measurement focus and the accrual basis of accounting.

Condition: The City did not properly report unearned revenues using the accrual basis of accounting at the government-wide level.

Context: We addressed the matter with the City and they were able to determine the amount of unearned revenue that should be reported at July 1, 2020.

Effect: The City determined a restatement to decrease the beginning net position of the governmental activities in order to properly report unearned revenues in the amount of \$837,224.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure that governmental activities were properly reported at the government-wide level.

CITY OF CLEMSON, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II FINANCIAL STATEMENT FINDINGS (CONTINUED)

2021-008. Reporting of Governmental Activities at the Government-Wide Level (Continued)

Recommendation: We recommend that the City implement the necessary controls to regularly review relevant general ledger accounts against established criteria to determine the proper accounting treatment for the government-wide financial statements.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We are implementing the necessary controls to regularly review relevant general ledger accounts against established criteria to determine the proper accounting treatment for the government-wide financial statements.

2021-009. Segregation of Duties

Criteria: Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: During the fiscal year ended June 30, 2021, there was not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other financial cycles in the various funds possessed by the City. Further, we noted a general lack of segregation of duties. We noted bank statements were being reconciled by employees with no consistent review. In general, we noted that individuals are able to post deposits to the general ledger and also take those deposits to the bank. Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties among the various financial cycles in the funds possessed by the City can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The lack of segregation of duties is due to the limited number of individuals available to perform all of the duties as well as the lack of a properly developed integrated work plan with appropriate controls.

Recommendation: The duties among the various financial cycles associated with the various funds of the City should be segregated among employees to eliminate various overlapping duties.

Views of Responsible Officials and Planned Corrective Action: We concur. The City is in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among the financial cycles of the City.

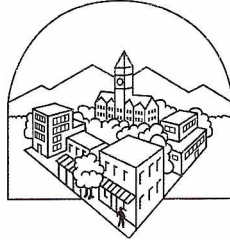
CITY OF CLEMSON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported.

SECTION IV
PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None reported.



MANAGEMENT CORRECTIVE ACTION PLAN

Section II – Financial Statement Findings

- Finding:** **2021-001 – Recognition of Revenues**
- Name of contact person:** Leslie Wilder – Director of Finance
- Corrective action:** We have implemented the necessary controls and procedures to ensure that revenues and unearned revenues are properly identified, recorded, and reconciled in a timely manner and ensure that all transactions are being properly recognized during the correct period.
- Proposed completion date:** Completed.
- Finding:** **2021-002 – Internal Balances**
- Name of contact person:** Leslie Wilder – Director of Finance
- Corrective action:** We will establish procedures to reconcile all interfund activity to ensure all activity is reflected and classified accurately in accordance with government accounting standards.
- Proposed completion date:** Completed.
- Finding:** **2021-003 – Inventory**
- Name of contact person:** Leslie Wilder – Director of Finance
- Corrective action:** The City will implement and follow the proper procedures to ensure all inventory transactions are properly reported.
- Proposed completion date:** Completed.
- Finding:** **2021-004 – Management of Long-term Receivables**
- Name of contact person:** Leslie Wilder – Director of Finance
- Corrective action:** We will implement the necessary controls and procedures to identify all long-term receivables that are issued in the name of the City to ensure such activities are properly reported in the period in which they occur.
- Proposed completion date:** Completed.
- Finding:** **2021-005 – Accounting for Joint Ventures**
- Name of contact person:** Leslie Wilder – Director of Finance

Corrective action: We will implement the necessary controls to regularly review agreements against established criteria to determine the proper accounting treatment.

Proposed completion date: Completed.

Finding: **2021-006 – Failure to Report Checks to State Treasurer’s Unclaimed Property Program**

Name of contact person: Leslie Wilder – Director of Finance

Corrective action: We will establish procedures to reconcile all unclaimed property to ensure proper reporting in accordance with the Unclaimed Property Act.

Proposed completion date: Completed.

Finding: **2021-007 – Recording of Claims Liabilities in Internal Service Fund**

Name of contact person: Leslie Wilder – Director of Finance

Corrective action: We will implement the necessary controls to regularly review claims and judgments against established criteria to determine the proper accounting treatment.

Proposed completion date: Completed.

Finding: **2021-008 – Reporting of Governmental Activities at the Governmental-wide Level**

Name of contact person: Leslie Wilder – Director of Finance

Corrective action: We will implement the necessary controls to regularly review relevant general ledger accounts against established criteria to determine the proper accounting treatment for the government-wide financial statements.

Proposed completion date: Completed.

Finding: **2021-009 – Segregation of Duties**

Name of contact person: Leslie Wilder – Director of Finance

Corrective action: We will review the respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among the financial cycles of the City.

Proposed completion date: Fiscal Year 2023.

Respectfully submitted,



David A. Blondeau
City Administrator



Leslie Wilder
Finance Director