

City of Clemson - Summary of FY 2015/2016 Year Ending Financial Condition

General Fund:	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Beginning Balance	3,759,417	4,677,204	4,677,204	5,320,335
Revenues	9,756,734	9,647,598	11,321,282	10,111,156
Expenditures	9,663,567	10,161,888	9,850,959	10,944,943
Proceeds of Lease-purchase or Bond financing:	573,820	(243,320)	-	284,000
Receivable for C Funds project:	-	-	-	-
Equity Transfers Net	250,800	261,000	(652,271)	284,800
Cash expenditure on prior year encumbrances:	-	(199,969)	(174,921)	(25,048)
Estimated Year End Balance:	4,677,204	3,980,625	5,320,335	5,030,300
Fund Balance Summary:				
Reserved for Encumbrances:	199,969	-	25,048	-
Reserved for Street Improvements:	68,550	-	32,000	-
Reserved for Electric OH-UG Conversion:	269,000	269,000	263,538	310,000
Reserved for Leased Prop Maint Reserve	67,375	67,500	77,187	77,500
Reserved for Health Insurance Reserve Program:	-	-	312,383	312,383
Reserved for North Clemson street & stormwater repairs:	-	-	110,438	110,438
Reserved for specific projects:	243,320	-	-	880,000
Unencumbered & Undesignated:	3,828,990	3,644,125	4,499,741	3,339,979

Notes:

- * The General Fund completed the year with a total fund balance of \$5,320,335, which was significantly higher than anticipated primarily due to one-time revenues from building permits and business licenses related to private investment growth. Local option sales tax receipts also showed a significant increase over the budgeted projections, which have caused the LOST Credit for FY 16/17 to increase significantly.
- * The estimated Unencumbered & Undesignated Fund Balance is \$4,499,741 for year-end of FY 15/16.
- * Actual expenditures for FY 15/16 were \$310,929 less than budgeted. Of that amount, \$223,000 was due to uncompleted capital project expenditures (\$100,000 for deferral of the Street Pothole patching truck & \$123,000 on the Highway 123 Retaining Wall project).
- * The budgeted expenditures do not reflect \$140,000 of allocation from the Street Department for Calhoun Streetscape, which was a transfer instead.
- * The increased reserve balance in the Leased Property Maintenance Reserve means that the condition of the City's leased buildings did not require major maintenance or repairs during the fiscal year.
- * The Reserved for Specific Projects in FY 16/17 is \$500,000 for Fire Station project and \$380,000 for Berkeley Pedestrian bridge project.

Water Utility Fund:	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Retained Earnings - Beginning:	899,989	1,185,341	1,185,341	1,483,040
Revenues	2,851,649	2,714,497	3,046,479	3,008,800
Expenditures	2,709,960	2,742,950	4,871,468	3,056,725
Non-operating Revenues/Expenses:	(134,783)	(134,700)	1,687,927	(280,425)
Equity Transfers Net	15,000	15,000	167,014	15,000
Add Back - Depreciation:	<u>263,446</u>	<u>282,000</u>	<u>267,747</u>	<u>280,000</u>
Retained Earnings - Ending:	1,185,341	1,319,188	1,483,040	1,449,690
Retained Earnings Summary:				
Reserved for Bond Ordinance:	295,000	410,000	410,000	410,000
Reserved for Encumbrances:	-	-	1,382	-
Unreserved:	890,341	909,188	1,071,658	1,039,690

Notes:

- * The Water Utility completed the year with Retained Earnings of \$1,483,040, which is an increase of \$297,000 from the prior year. Unreserved retained earnings increased by \$181,000. Reserves related to bond covenants increased due to a new SRF loan for water line replacements.
- * Both revenues and expenditures exceeded budget allocations due to the SRF loan proceeds and offsetting expenditures for capital investment in water line replacement projects installed at various locations in the City.
- * Revenues and expenditures were also inflated due to an unbudgeted College Avenue water line installation. Expenditures on that project were offset by a transfer from the General Fund and contribution by private developers.
- * Revenue from tap fees was \$89,000 greater than budgeted due to increased private development projects that occurred during the fiscal year, but accompanying expenses offset the revenue increase. A negative variance of \$42,000 in the supplies item was realized due to these expenses.
- * Actual water sales receipts exceeded the budget by \$152,000 for the year (+6% variance), which was due to higher consumption of water over the course of the year. Higher summer sales volumes reflect the drought condition that has been imbedded in the Upstate for many months.

Storm Water Utility:	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Retained Earnings - Beginning:	-	43,957	43,963	42,626
Revenues	83,899	394,260	697,836	404,204
Expenditures	39,942	369,278	1,342,996	345,215
Non-operating Revenues/Expenses:	-	4,000	4,109	2,000
Equity Transfers Net	-	-	634,159	35,000
Add Back - Depreciation:	-	15,000	5,555	9,000
Retained Earnings - Ending:	43,957	87,939	42,626	147,615
Retained Earnings Summary:				
Reserved for Bond Ordinance:	-	-		
Reserved for Encumbrances:	-	-		
Unreserved & Undesignated:	43,957	87,939	42,626	147,615

- * The new Storm Water Utility was created during FY 14/15 and the budget was created at the inception of the ordinance adoption by City Council.
- * Actual Storm Water revenues from utility billing was \$391,000, which is very close to the budgeted revenue. Total revenues are inflated due to an unbudgeted major project on College Avenue (\$1,150,000) that was paid from contributions from private developers and the General Fund.
- * The anticipated Retained Earnings will likely be less than projected for FY 16/17, because City Council authorized the purchase of a tract of land shortly after the start of the new fiscal year. The cost of that purchase was greater than anticipated during the budget adoption.

Wastewater Utility Fund:	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Retained Earnings - Beginning:	2,922,161	2,355,709	2,355,709	2,755,923
Revenues	2,894,093	2,792,300	3,475,349	3,041,080
Expenditures	4,371,467	3,278,216	3,944,664	3,440,370
Non-operating Revenues/Expenses:	(75,112)	(136,500)	(138,016)	(141,550)
Equity Transfers Net	-	-	196,070	-
Deduct: Non-cash Joint Venture Adjustment for PC WWTP:	-	-	-	-
Proceeds received during fiscal year of SRF Loan Proceeds:	558,000	-	327,262	-
Receivable - SRF Loan Proceeds committed to line replacement:	-	-	-	-
Add Back - Depreciation:	428,282	435,000	484,213	512,500
Cash expenditure of prior year encumbrances:	-	(138,287)	-	-
Retained Earnings - Ending:	2,355,957	2,030,006	2,755,923	2,727,583
Retained Earnings Summary:				
Reserved for encumbrances:	138,287	-	17,114	-
Reserved for Bond Ordinance:	322,000	322,000	958,000	958,000
Unreserved:	1,895,670	1,708,006	1,780,809	1,769,583

Notes:

- * The Wastewater Fund completed the fiscal year with total Retained Earnings of \$2,755,923, and Unreserved Retained Earnings of \$1,780,809. The budget was artificially inflated by the SRF Loan projects during FY 14/15 and 15/16.
- * The fiscal year budget was also inflated by the College Avenue sewer project, where private developers paid \$483,000 to the City for a sewer line capacity improvement project that was offset in the expenditure side of the budget.
- * The initial payments on the 2014 SRF loan were started in FY 15/16, with P&I payment total of \$119,750.
- * The FY 16/17 Budget does not include the costs related to Phase 1 of the Cochran Road WWPT expansion, which will involve the construction of a new office and laboratory building. However, at 6/30/16, there were \$1.26 million of Impact Fee revenue available for that project.
- * The cash position of the utility was \$2,076,151 at the end of the fiscal year.
- * When the City issues bonds for the Cochran Road WWTP expansion, a Bond Reserve account will need to be established as part of the closing process. This will require that the City deposit approximately \$615,000 of available cash into said account.

Commercial Sanitation Fund:	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Retained Earnings - Beginning:	462,438	251,690	251,694	265,561
Revenues	282,951	288,500	297,276	295,914
Expenditures	529,294	321,582	329,703	328,209
Non-operating Revenues/Expenses:	3,054	4,800	2,668	3,000
Proceeds - Lease purchase financing	-	-	-	-
Equity Transfers Net	-	-	-	-
Add Back - Depreciation:	<u>32,541</u>	<u>45,000</u>	<u>43,626</u>	<u>45,000</u>
Retained Earnings - Ending:	251,690	268,408	265,561	281,266
Retained Earnings Summary:				
Reserved for encumbrances:	-	-	-	-
Unreserved:	251,690	268,408	265,561	281,266

Notes:

* Net income for the Commercial Sanitation Fund for FY 15/16 was \$13,867, which was slightly less than budgeted (\$16,718).

Clemson Area Transit Fund:	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Retained Earnings - Beginning:	936,889	1,505,398	1,505,759	1,847,356
Revenues: State & Federal Grant Awards:	1,522,939	1,586,790	1,853,029	1,106,382
Revenues: Intergovernmental Contributions	1,847,745	1,800,405	1,889,462	1,841,933
Expenditures	3,449,362	3,664,770	4,037,119	3,599,194
Other operating Revenues/Expenses:	26,076	8,000	19,015	18,000
Payments for Lease purchase financing	-	-	-	-
Equity Transfers Net	-	-	-	-
Add Back - Depreciation:	<u>621,111</u>	<u>635,000</u>	<u>617,210</u>	<u>635,000</u>
Retained Earnings - Ending:	1,505,398	1,870,823	1,847,356	1,849,477
Retained Earnings Summary:				
Reserved for Encumbrances:	108,575	-	102,030	-
Reserved for future Capital - held for Seneca	30,000	70,000	100,000	170,000
Reserved for future Capital - held for Clemson University	-	-	-	-
Reserved for Lo/No Grant Award (June 2016 award)	-	-	-	727,000
Unreserved:	1,366,823	1,800,823	1,645,326	952,477

Notes:

1. Revenues for FY 16/17 do not include the contract with SCDOT for Amtrak bus service and the new Highpointe Bus Service. Those two new services will provide approximately \$505,000 of new revenue - and offsetting expenses for operations.
2. Retained earning decreased in FY 15/16 due to the unbudgeted purchase of a new Amtrak shuttle van (\$70,000). Fuel costs were lower than budgeted for the year - including the electric bus savings that are shared between Clemson and Seneca.
3. The reserve for the Town of Seneca was created by the cost-sharing formula of the fuel savings of the electric bus system. Under that savings plan, Seneca and CAT share the savings equally - which was \$70,000 for the year.
4. The final \$269,000 of the de-obligated grant funding was drawn in FY 15/16, which explains the increase in Retained Earnings.
5. The City and University received a \$3.9 million Low/No Emmissions Grant in June 2016. City Council pledged \$727,000 of unreserved retained earnings for local match on that grant - which is reflected in the reduction of Unreserved Retained Earnings in FY 16/17.

Hospitality Fee Fund:	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Beginning Balance	875,062	972,530	972,530	729,831
Revenues	680,211	630,000	705,790	675,000
Expenditures	389,743	520,851	407,989	455,901
Transfers to other funds:	(193,000)	(266,000)	(540,500)	(248,000)
Equity Transfers Net or Proceeds Long Term Debt	-	-	-	-
Ending Balance	972,530	815,679	729,831	700,930

Fund Balance Summary:

Reserved for new Downtown Welcome Center / Substation project:		250,000	250,000	250,000
Reserved for mast-arm traffic signal upgrades:	70,000	70,000	70,000	70,000
Unreserved & Undesignated:	902,530	495,679	409,831	380,930

Notes:

- * This financial position of this fund is lower than budgeted due to a \$250,000 contribution to the Calhoun Streetscape project, which was required when the bid for that project was significantly greater than had been anticipated.
- * A total of \$61,300 was contributed to non-profit organizations in FY 15/16 - of which \$52,000 was unbudgeted.
- * Actual Hospitality Fee receipts were \$695,473 in FY 15/16, compared to \$667,502 in FY 14/15.
- * Revenues for FY 15/16 were anticipated to see a reduction due to Littlejohn Coliseum being closed for the entire year and no graduations or games.
- * Anticipated mast-arm signalization projects are planned at Calhoun/College Avenue and Chapman Hill Rd / Issaqueena Trail intersection.

Hospitality Tax Fund:	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Beginning Balance	1,381,370	1,592,557	1,592,557	1,533,651
Revenues	688,862	632,000	752,953	675,000
Expenditures	434,317	654,340	896,033	484,500
Transfers to/from other funds:	<u>(43,358)</u>	<u>(58,358)</u>	<u>84,174</u>	<u>(190,000)</u>
Payment of prior year encumbrances:				<u>(802,715)</u>
Ending Balance	1,592,557	1,511,859	1,533,651	731,436

Fund Balance Summary:

Reserved for encumbrances - Calhoun Streetscape project:	-	-	802,715	-
Reserved for Keowee Trail/Catherine Smith Plaza Maint.	150,000	165,000	165,000	185,000
Reserved for new Calhoun District Streetscape project:	-	550,000	-	-
Unreserved & Undesignated:	1,442,557	796,859	565,936	546,436

Notes:

- * Calhoun Streetscape change orders in early FY 16/17 in the amount of \$58,000 are not reflected above, which will reduce the Unreserved & Undesignated Fund Balance to approximately \$488,000.
- * The Nettles Park improvement bonds were finalized in FY 15/16. The 2014 G.O. Bond issue will make final payments in FY 16/17, which the Hospitality Tax Fund has \$153,000 budgeted for the final payment.
- * Revenues for FY 15/16 were anticipated to see a reduction due to Littlejohn Coliseum being closed for the entire year and no graduations or games.

Local Option Accommodations Tax Fund:	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Beginning Balance	638,799	733,815	733,815	771,498
Revenues	279,439	257,500	288,999	276,000
Expenditures	27,266	50,000	69,016	45,700
Transfers to other funds:	<u>(157,157)</u>	<u>(113,357)</u>	<u>(182,300)</u>	<u>(74,800)</u>
Ending Balance	733,815	827,958	771,498	926,998

Fund Balance Summary:

Reserved for Downtown Welcome Center / Substation	-	400,000	400,000	400,000
Unreserved & Undesignated:	733,815	427,958	371,498	526,998

Notes:

- * The financial position of the Local Option Accommodations Tax Fund lower than anticipated, in part, due to higher than budgeted transfers to the Central-Clemson Indoor Recreation to cover capital improvements for that facility.
- * Actual Hospitality Tax receipts for FY15/16 were \$278,432, which competed to \$268,878 FY 14/15 receipts. This is significant due to the inactivity of Littlejohn Coliseum during the year. Staff had anticipated a reduction due to no basketball games or graduations.

Debt Service Fund:	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Beginning Balance	127,012	103,096	103,096	21,477
Revenues	117,570	116,413	129,056	124,319
Expenditures	(1,377,562)	(1,446,895)	(1,446,627)	(1,497,695)
Transfers from other funds:	1,236,076	1,236,055	1,235,952	1,394,675
Proceeds Long-term debt:	-	-	-	-
Ending Balance	103,096	8,669	21,477	42,776

Notes:

- * The Debt Service Fund carries forward a fund balance of \$21,477, which is slightly higher than budgeted for FY 15/16.
- * This fund will make a \$29,000 interest only payment for the Fire Station bond (issued in October 2016), which will reduce the anticipated fund balance to approximately \$14,000.
- * The City is well within the State mandated debt limitation of 8% of assessed valuation.
- * The final payment of the 2014 G.O. Bond issue will be paid in March 2017 (that issue is not being retired with property tax revenues).
- * The final payment of the TIF bonds will occur in May 2017.
- * The final payment of the 2013 G.O. Bond issue for purchase of land for the fire station will be paid in March 2018.
- * The only outstanding G.O. Bond issue at FY 18/19 will be the Fire Station G.O. Bond issue.
- * Staff has previously projected the need for a 1.3 mill property tax increase for debt service related to the Fire Station project, which would occur in FY 17/18.

Park and Greenspace Fund:	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Beginning Balance	117,519	137,497	137,499	171,386
Revenues	31,248	31,534	33,887	33,721
Expenditures	(11,270)	-	-	-
Transfers to other funds:	-	-	-	-
Equity Transfers Net	-	-	-	-
Ending Balance	137,497	169,031	171,386	205,107

Fund Balance Summary:

Unreserved & Undesignated:	137,497	169,031	171,386	205,107
----------------------------	---------	---------	---------	---------

Notes: Revenues were nearly identical to the forecasted amounts and with no planned expenditures for land acquisition in the new year. The \$11,000 land purchase in FY 14/15 was the Haselton property acquisition that is adjacent to the new Tottie's Place greenway. No purchases are planned in FY 16/17.

Parking Deck Fund	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Beginning Balance	442,640	498,540	498,540	512,230
Revenues	93,083	97,500	105,994	101,500
Expenditures	103,636	189,648	221,249	166,385
Operating Transfers:	-	44,000	44,000	-
Non-operating Revenues:	5,486	6,000	6,444	5,800
Add back depreciation:	60,967	63,200	78,501	81,000
Ending Balance	498,540	519,592	512,230	534,145

Fund Balance Summary:

Unreserved & Undesignated:	498,540	519,592	512,230	534,145
----------------------------	---------	---------	---------	---------

* The Parking Deck Fund performed very closely with the budget estimates and completed the year with a balance of \$512,230.

Central-Clemson Indoor Recreation Center:	Actual FY 14/15	Budgeted FY 15/16	Actual FY 15/16	Budgeted FY 16/17
Beginning Balance	973	(71,206)	(71,206)	(42,365)
Revenues	534,152	590,500	583,333	579,100
Expenditures	(591,046)	(567,781)	(671,492)	(555,976)
Transfers to/from other funds:	(15,285)	(15,285)	117,000	25,000
Proceeds of Long Term Debt:	-	0	-	0
Ending Balance	(71,206)	(63,772)	(42,365)	5,759

Notes:

- * The two City Councils of Central and Clemson took significant action in August 2016 to budget for capital improvements and major maintenance of the 18 year old facility. Total capital expenditures of \$150,400 are not included in the budget illustrated above but will be completed this fall and early winter. Operational support was increased in the budget with both cities scheduled to contribute \$25,000 for subsidy of the facility (increased by \$4,000 each).