

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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AUDITED BASIC FINANCIAL STATEMENTS  
AND  
OTHER FINANCIAL INFORMATION

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YEAR ENDED APRIL 30, 2022

WITH

REPORT OF INDEPENDENT AUDITOR

CITY OF BENNETTSVILLE, SOUTH CAROLINA

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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AUDITED BASIC FINANCIAL STATEMENTS  
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YEAR ENDED APRIL 30, 2022

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REPORT OF INDEPENDENT AUDITOR

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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## REPORT OF INDEPENDENT AUDITOR

The Honorable Mayor and Members of City Council  
City of Bennettsville, South Carolina

### Report on the Audited Financial Statements

#### *Unmodified opinion*

I 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 Bennettsville, South Carolina (the "City"), as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bennettsville, South Carolina, as of April 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of this report. I am required to be independent of the City and to meet my other ethical responsibilities in accordance with the relevant ethical requirements related to my audit. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *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. Management's responsibility also 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date (April 30, 2022), including any currently known information that may raise substantial doubt shortly thereafter.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements. In performing an audit in accordance with GAAS, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and Budgetary Comparison Schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, 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. I 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 inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

#### ***Other Financial Information***

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements as a whole. The accompanying supplementary information, of the combining and individual fund financial statements and schedules, as listed in the table of contents as Other Financial Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Bennettsville, South Carolina.

The combining and individual fund financial statements and other financial schedules are the responsibility of management and were derived from and relates 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 my opinion, the combining and individual fund financial statements and other financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Summarized Comparative Information***

The prior year summarized comparative information presented in the individual fund financial statements and schedules has been derived from the City's 2021 audited financial statements, and in my report dated November 8, 2021, I expressed an unmodified opinion on those financial statements.

  
Robert W. Wilcox, CPA, P.A.

October 30, 2022  
Columbia, South Carolina

CITY OF BENNETTSVILLE, SOUTH CAROLINA

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

CITY OF BENNETTSVILLE, SOUTH CAROLINA

**City of Bennettsville, South Carolina**  
**Management's Discussion and Analysis**  
**Year Ended April 30, 2022**

This section of the City of Bennettsville, South Carolina's (the "City") annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on April 30, 2022. Please read it in conjunction with City's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

Per the Government-wide *Statement of Net Position*, the City's total assets at year end April 30, 2022 were \$39.9 million and total liabilities equaled \$25.8 million. Total deferred outflows equaled \$2.6 million while total deferred inflows equaled \$2.8 million. The difference between these amounts equals total net position of \$13.9 million at April 30, 2022. Of the total net position, unrestricted (deficit) amounts totaled \$(5.9) million and were not available to support short term operations of the City. This is primarily due to the City's \$9.5 million net pension obligation liability.

Per the Government-wide *Statement of Activities*, the City's total net position decreased by \$1.1 million for the year ended April 30, 2022. The Governmental Activities resulted in a net decrease by \$350,088, while the Business-type Activities decreased by \$789,329, which included a transfer out of \$1.9 million to the Governmental Activities during the year.

**Overview of the Financial Statements**

Management's Discussion and Analysis (MD&A) serves as an introduction to the City's basic financial statements. Those financial statements have three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains other required 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.

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.

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 on the accrual basis of accounting when the underlying event gives rise to the change that 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., revenues receivable and earned but unused vacation leave).

## Overview of the Financial Statements (continued)

**Government-Wide Financial Statements (continued)** – Both of the Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (i.e., *governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (i.e., *business-type activities*). The “governmental activities” of the City include general government, public safety, public works, culture and recreation, and interest. The “business-type” activities of the City include a Combined Utility Enterprise Fund. The Government-wide financial statements can be found immediately following the discussion and analysis.

**Fund Financial Statements** – The “Fund financial statements” provide a more detailed look at the City’s most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other 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 three categories: Governmental funds, Proprietary funds, and Fiduciary funds.

**Governmental funds** – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the Government-wide financial statements. Most of the City’s governmental services are accounted for in the Governmental funds. However, unlike the Government-wide financial statements, these funds 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. The Governmental Fund financial statements can be found immediately following the ‘Government-wide’ financial statements.

**Proprietary funds** – *Enterprise funds* are used to report the same functions presented as *business-type activities* in the Government-wide financial statements. The City uses enterprise funds to account for its combined electric, gas, water and sewer utility. Proprietary funds provide the same type of information and the same basis of accounting as the Government-wide financial statements business type activities, only in more detail. The basic Proprietary Fund financial statements can be found immediately following the ‘Governmental Fund’ financial statements.

**Notes to Financial Statements** – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in both the Government-wide and Fund financial statements.

**Required Supplementary Information** – The City adopts an annual appropriated budget for its General Fund. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and can be found in the section entitled “Required Supplementary Information”.

## Overview of the Financial Statements (continued)

**Other Financial Information** – Following the basic financial statements, the notes to financial statements and the required supplementary information, this annual financial report also presents certain detail financial data of individual fund statements and schedules.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, total assets and deferred outflows exceeded total liabilities and deferred inflows by \$13.9 million at the close of April 30, 2022.

Below is a ‘condensed’ Statement of Net Position at April 30, 2022, which depicts the major components of the City’s assets, liabilities and net position (with comparative amounts for April 30, 2021).

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Cash and cash equivalents:						
Unrestricted	\$ 203,912	\$ 128,328	\$ 287,881	\$ 287,675	\$ 491,793	\$ 416,003
Restricted	178,757	178,090	2,777,000	1,359,287	2,955,757	1,537,377
Equity in pooled cash	400,442	736,098	1,586,762	226,154	1,987,204	962,252
Investments	—	—	1,895,795	2,015,063	1,895,795	2,015,063
Receivables and due from others, net	437,185	789,380	1,015,808	1,012,337	1,452,993	1,801,717
Inventories and prepaid items	108,008	61,849	558,684	545,651	666,692	607,500
Internal balances	2,245,452	2,163,627	(2,245,452)	(2,163,627)	—	—
Capital assets, net of accumulated depreciation	5,407,204	6,018,863	25,072,167	26,070,473	30,479,371	32,089,336
<b>Total assets</b>	<b>8,980,960</b>	<b>10,076,235</b>	<b>30,948,645</b>	<b>29,353,013</b>	<b>39,929,605</b>	<b>39,429,248</b>
<b>Deferred Outflows Resources</b>						
Pension related	1,748,316	1,460,450	863,237	731,901	2,611,553	2,192,351
<b>Liabilities</b>						
Current liabilities	798,303	1,397,378	3,324,304	3,196,298	4,122,607	4,593,676
Non-current liabilities	6,573,311	7,877,145	15,151,920	13,367,564	21,725,231	21,244,709
<b>Total liabilities</b>	<b>7,371,614</b>	<b>9,274,523</b>	<b>18,476,224</b>	<b>16,563,862</b>	<b>25,847,838</b>	<b>25,838,385</b>
<b>Deferred Inflows of Resources</b>						
Pension related	1,868,951	423,363	964,180	360,245	2,833,131	783,608
<b>Net Position</b>						
Net investment in capital assets	4,846,373	4,812,483	13,035,061	16,286,249	17,881,434	21,098,732
Restricted	909,906	869,603	932,914	380,904	1,842,820	1,250,507
Unrestricted (deficit)	(4,267,568)	(3,843,287)	(1,596,497)	(3,506,346)	(5,864,065)	(7,349,633)
<b>Total net position</b>	<b>\$ 1,488,711</b>	<b>\$ 1,838,799</b>	<b>\$12,371,478</b>	<b>\$13,160,807</b>	<b>\$13,860,189</b>	<b>\$14,999,606</b>

By far the largest portion of the City’s net position (\$17.9 million in 2022, and \$21.1 million in 2021) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles), 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.

## Government-Wide Financial Analysis (continued)

The Governmental Activities total net position totals \$1,488,711, and consists of net investment in capital assets \$4,846,373, restricted \$909,906, and unrestricted (deficit) of \$(4,267,568) at the end of 2022. The Business-type Activities total net position equaled \$12,371,478 and consists of net investment in capital assets \$13,035,061, restricted \$932,914, and unrestricted (deficit) of \$(1,596,497) at the end of 2022.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's total restricted net position, \$1,842,820, represents resources that are subject to external restrictions on how they may be used, which includes resources for the City's pension, housing, community development, capital projects and debt service. The remaining balance of *unrestricted net position*, if positive, may be used to meet the government's ongoing obligations to citizens and creditors.

The City's components of changes in net position (condensed from the Statement of Activities) for FY 2022 and FY 2021 are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
<b>Revenue</b>						
Program Revenue:						
Charges for services	\$ 1,188,911	\$ 850,164	\$ 15,884,082	\$ 15,571,331	\$ 17,072,993	\$ 16,833,196
Operating grants and contributions	218,435	133,984	17,910	—	236,345	133,984
Capital grants and contributions	40,852	719,881	1,384,062	737,728	1,424,914	1,457,609
General revenue:						
Property taxes and L.O.S.T	2,222,279	2,167,895	—	—	2,222,279	2,167,895
State shared and unallocated intergovernmental	859,614	850,164	—	—	859,614	850,164
Licenses and franchise fees	887,667	852,195	—	—	887,667	852,195
Other	(65,348)	256,781	50,388	297,829	(14,960)	554,610
Total revenue	<u>5,352,410</u>	<u>6,242,765</u>	<u>17,336,442</u>	<u>16,606,888</u>	<u>22,688,852</u>	<u>22,849,653</u>
<b>Expenses</b>						
General government	1,541,277	1,540,728	—	—	1,541,277	1,540,728
Public safety	4,084,024	3,999,149	—	—	4,084,024	3,999,149
Public works	1,576,714	2,096,543	—	—	1,576,714	2,096,543
Culture and recreation	361,328	410,239	—	—	361,328	410,239
Interest	21,399	35,466	312,135	350,155	333,534	385,621
Combined utility	—	—	15,931,392	14,683,645	15,931,392	14,683,645
Total expenses	<u>7,584,742</u>	<u>8,082,125</u>	<u>16,243,527</u>	<u>15,033,800</u>	<u>23,828,269</u>	<u>23,115,925</u>
Transfers	1,882,244	1,888,207	(1,882,244)	(1,888,207)	—	—
<b>Changes in net position</b>	<b>(350,088)</b>	<b>48,847</b>	<b>(789,329)</b>	<b>(315,119)</b>	<b>(1,139,417)</b>	<b>(266,272)</b>
Beginning net position	1,838,799	2,053,067	13,160,807	13,475,920	14,999,606	15,528,993
Ending net position	<u>\$ 1,488,711</u>	<u>\$ 1,838,799</u>	<u>\$ 12,371,478</u>	<u>\$ 13,160,807</u>	<u>\$ 13,860,189</u>	<u>\$ 14,999,606</u>

## Government-Wide Financial Analysis (continued)

Net position in Governmental Activities had a total decrease in 2022 of \$350,088 compared to an increase of \$48,847 in 2021. This was primarily due to the City’s efforts to manage spending with no new (or increase) in revenue. Net position in Business-type Activities decreased \$789,329 in 2022 compared to a decrease of \$315,119 in 2021 primarily due to increased electric and gas usage and related costs. Both periods included transfers to the Governmental Activities of \$1,882,244 in 2022, and \$1,888,207 in 2021.

Key Governmental Activities highlights are as follows: Total program revenue decreased by a net of \$(667,532) in 2022 primarily due to less grants received and Council-approved reduction in sanitation fees for services, while general revenues increased moderately. Total Governmental Activities revenues equaled \$5.4 million in 2022 compared to \$6.2 million in 2021. Total Governmental Activity expenses in 2022 equaled \$7.6 million compared to \$8.1 million in 2021, or a 0.6% decrease.

Key Business-type Activity highlights are as follows: Total program revenue increased by \$976,995 between 2022 and 2021 primarily due to seasonal temperature variations between years plus capital grants. The major cost drivers for the electric and gas systems are the costs of electricity and gas purchased for resale to the City’s customers. Overall system demand was less in 2022 except for gas sales. Total Business-type expenses equaled \$16.2 million in 2022 as compared to \$15.0 million in 2021, or an 8.0% increase.

**Expenses and Program Revenues – Governmental Activities** – Governmental expenses (totaling \$7.6 million) are funded in part by program-specific revenues of fees for services, grants and contributions. As shown below, Governmental Activities were overall funded by 19.1% ‘program revenues’, leaving 80.9% to be funded by ‘general revenues’. From the Statement of Activities, the following table details this activity for the City.

	(Expenses)	Program Revenue	Net (Expense)	% Funded by Program Revenues	% Required to be Funded by General Revenues
General government	\$ (1,541,277)	\$ —	\$ (1,541,277)	0%	100%
Public safety	(4,084,024)	262,341	(3,821,683)	6.4%	93.6%
Public works	(1,576,714)	1,100,181	(476,533)	70.0%	30.0%
Culture and recreation	(361,328)	85,676	(275,652)	23.7%	76.3%
Interest	(21,399)	—	(21,399)	0%	100%
<b>Totals</b>	<b>\$ (7,584,742)</b>	<b>\$ 1,448,198</b>	<b>\$ (6,136,544)</b>	<b>19.1%</b>	<b>80.9%</b>

## Government-Wide Financial Analysis (continued)

### General Revenues by Source – Governmental Activities

As shown in the table on the preceding page, General Revenues (without transfers) funded the City's Governmental Activities by 80.9% in 2022 (as compared to 73.8% for 2021), in the following categories.

	<u>2022</u>	<u>2021</u>
Property taxes, L.O.S.T, and Rollback	\$ 2,222,279	\$ 2,167,895
State shared revenue	859,614	850,164
Licenses and franchise fees	887,667	852,195
Investment earnings	13,592	12,925
Miscellaneous	(78,940)	243,856
Total	<u>\$ 3,904,212</u>	<u>\$ 4,127,035</u>

Transfers in from other funds equaled \$1,882,244 in 2022, and \$1,888,207 in 2021. Overall, the City experienced a 3.8% decrease in General Revenues including transfers in 2022 as compared to 2021.

**Expenses and Program Revenues – Business-type Activities** – The City's Combined Utility Enterprise Fund that comprises its Business-type Activities is used for all resources associated with supplying electricity, natural gas, water and providing sewage services to domestic, business and industrial customers within the City limits as well as some of the surrounding unincorporated areas of Marlboro County. Operating revenues totaled \$15.9 million in 2022 (as compared to \$15.6 million in 2021) and includes electric sales of \$9.5 million, natural gas sales of \$2.7 million, water sales of \$1.5 million plus \$1.8 million from sewer services, with the balance of .4 million consisting of penalties, reconnect fees and other revenues. Operating expenses totaled \$15.4 million in 2022 as compared to \$14.7 million in 2021. Operating income at year ended April 30, 2022, totaled \$474,025 (as compared to \$896,606 in 2021) due to increased electricity and gas cost plus increased depreciation. While over past years, the City has seen significant improvements and stability in electric revenue primarily due to an electric rate design adjustment increasing purchased power cost recovery, the system has seen no significant growth in its customer base or consumption patterns.

### General Fund Financial Analysis and Budgetary Highlights

Of the City's Governmental Funds, the City's General Fund is the primary fund. The General Fund's 'final' budgeted revenues totaled \$4,859,000 actual revenues achieved equaled \$4,906,688 or \$47,688 more than budget. The City had actual General Fund expenditures of \$7,268,308, compared to a 'final' budget of \$6,690,352 for an unfavorable variance of \$577,956 for the fiscal year ended April 30, 2022. Transfers in and out equaled a net of \$1,783,509 per the final budget, compared to actual \$1,778,082 in 2022.

## General Fund Financial Analysis and Budgetary Highlights (continued)

Increases in the cost of gas, diesel fuel, contributed significantly to the over original budget expenditures in the General Fund for Public Safety and Public Works. Also, increased actual costs for capital outlay contributed to non-favorable original budget to actual variances in the General Fund.

Details of the City's General Fund budget are shown in the section entitled "Required Supplementary Information" which follows the "Notes to Financial Statements" in this report. Below is a 'condensed' summary budget-to-actual table for fiscal year 2022 compared to 2021 actual amounts achieved.

General Fund	2022		Variances Positive (Negative)	2021
	Final Budget	Actual		Actual
<b>Revenue</b>				
Property taxes	\$ 1,172,000	\$ 1,197,001	\$ 25,001	\$ 1,235,725
Local option sales tax	316,000	1,025,278	709,278	932,170
Licenses, permits and franchise fees	833,500	887,667	54,167	852,195
Fines and forfeitures	85,100	41,488	(43,612)	43,156
Intergovernmental	1,109,560	576,813	(532,747)	590,563
Charges for services	1,156,600	1,007,779	(148,821)	1,089,157
User fees	11,440	46,791	35,351	13,621
Interest income and other	174,800	123,871	(50,929)	243,857
<b>Total revenue</b>	<b>4,859,000</b>	<b>4,906,688</b>	<b>47,688</b>	<b>5,000,444</b>
<b>Expenditures</b>				
Current:				
General government	1,162,179	1,132,253	29,926	1,075,209
Public safety	3,417,949	3,966,511	(548,562)	3,682,053
Public works	1,424,546	1,534,494	(109,948)	1,547,706
Culture and recreation	346,082	299,854	46,228	322,276
Capital outlay	10,000	5,600	4,400	7,600
Debt service	574,087	329,596	244,491	328,528
<b>Total expenditures</b>	<b>6,934,843</b>	<b>7,268,308</b>	<b>(333,465)</b>	<b>6,963,372</b>
Excess (deficiency) of revenue over (under) expenditures	(2,075,843)	(2,361,620)	(285,777)	(1,962,928)
Other financing sources and (uses)	2,028,000	1,778,082	(249,918)	1,775,082
<b>Net change in fund balance</b>	<b>\$ (47,843)</b>	<b>\$ (583,538)</b>	<b>\$ (535,695)</b>	<b>\$ (187,846)</b>

## General Fund Financial Analysis and Budgetary Highlights (continued)

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** – As of April 30, 2022, the City’s investment in capital assets for its Governmental Activities totaled \$14.3 million, less accumulated depreciation of \$8.9 million for a net carrying value of \$5.4 million. For its Business-type Activities, total investment in capital assets equaled \$51.3 million, less accumulated depreciation of \$26.3 million for a net carrying value of \$25.0 million. The City’s investment in capital assets includes land, buildings, utility system improvements, machinery and equipment, park facilities, vehicles and furniture. The City’s significant capital asset acquisition for the Governmental Activities was new public safety vehicles and equipment, but disposed of the former Police Department Complex on Main Street. The Business-type Activities (Combined Utility Fund), acquired vehicles and equipment during the year and is continuing with its major capital improvement plan for system infrastructure. Additionally, the Utility Fund acquired the former Marlboro Electric Cooperative building and complex located at Hwy 15/401 Bypass. Information on the City’s capital assets can be found in *Note 6* of this report.

**Long-Term Debt** – The City has outstanding general obligation bonds (Series 2014 totaling \$111,000), and revenue bonds (Series 2022A totaling \$7,421,000, and Series 2022B totaling \$2,436,000), along with two issuances of South Carolina Water Pollution Control Revolving Fund Loans (Series 2009A and Series 2009B totaling \$2,180,106), plus three lease-purchase installment obligations (2017A, 2017B and 2020 totaling \$449,828). During FY 21-22, the City issued Series 2022A Refunding Revenue Bonds to substantially defease the outstanding balance of the Series 2013 bonds. For Governmental Activities, total outstanding long-term debt equaled \$560,831 at April 30, 2022. The Business-type Activities had long-term debt outstanding of \$12,037,106. Additional information on the City’s long-term debt can be found in *Note 7* of this report. During 2016 the City implemented GASB #68 for its proportionate share of employee pension obligations. Net pension obligations at April 30, 2022 totaled \$6.0 million for Governmental Activities and \$3.6 million for Business-type Activities for a combined total of \$9.5 million.

### REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Manager, City of Bennettsville, South Carolina.

## BASIC FINANCIAL STATEMENTS

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF NET POSITION

APRIL 30, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets and Deferred Outflows</b>			
Assets:			
Cash and cash equivalents:			
Unrestricted	\$ 203,912	\$ 287,881	\$ 491,793
Restricted	178,757	2,777,000	2,955,757
Equity in pooled cash	400,442	1,586,762	1,987,204
Investments	—	1,895,795	1,895,795
Receivables, net:			
Accounts, grants and notes	368,842	1,015,808	1,384,650
Due from other governments	68,343	—	68,343
Internal balances, net	2,245,452	(2,245,452)	—
Inventories and prepaid items	108,008	558,684	666,692
Capital assets:			
Nondepreciable	572,233	615,277	1,187,510
Depreciable, net	4,834,971	24,456,890	29,291,861
<b>Total assets</b>	<u>8,980,960</u>	<u>30,948,645</u>	<u>39,929,605</u>
Deferred Outflows of Resources:			
Pension related	1,748,316	863,237	2,611,553
<b>Total Assets and Deferred Outflows</b>	<u><b>\$ 10,729,276</b></u>	<u><b>\$ 31,811,882</b></u>	<u><b>\$ 42,541,158</b></u>
 <b>Liabilities, Deferred Inflows and Net Position</b>			
Liabilities:			
Accounts payable	\$ 74,418	\$ 984,411	\$ 1,058,829
Accrued payroll and other payables	101,868	—	101,868
Accrued interest payable	433	54,160	54,593
Unearned revenue	199,586	1,449,817	1,649,403
Customer deposits and prepayments	40,200	238,610	278,810
Accrued compensated absences	371,652	150,252	521,904
Bonds and notes payable – due in less than one year	381,798	597,306	979,104
Bonds and notes payable – due in more than one year	179,033	11,439,800	11,618,833
Net pension obligations	6,022,626	3,561,868	9,584,494
<b>Total liabilities</b>	<u>7,371,614</u>	<u>18,476,224</u>	<u>25,847,838</u>
Deferred Inflows of Resources:			
Pension related	1,868,951	964,180	2,833,131
<b>Total liabilities and deferred inflows</b>	<u>9,240,565</u>	<u>19,440,404</u>	<u>28,680,969</u>

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF NET POSITION

— CONTINUED —

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Liabilities, Deferred Inflows and Net Position</b>			
<b>(continued)</b>			
Net position:			
Net investment in capital assets	4,846,373	13,035,061	17,881,434
Restricted for:			
Pensions	513,391	257,197	770,588
Debt and capital projects	—	675,717	675,717
Housing and community development	365,691	—	365,691
Fire and law enforcement activities	30,824	—	30,824
Unrestricted (deficit)	<u>(4,267,568)</u>	<u>(1,596,497)</u>	<u>(5,864,065)</u>
Total net position	<u>1,488,711</u>	<u>12,371,478</u>	<u>13,860,189</u>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b><u>\$ 10,729,276</u></b>	<b><u>\$ 31,811,882</u></b>	<b><u>\$ 42,541,158</u></b>

*See accompanying notes to financial statements.*

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED APRIL 30, 2022

Functions and Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
General government	\$ (1,541,277)	\$ —	\$ —	\$ —	\$ (1,541,277)	\$ (1,541,277)
Public safety	(4,084,024)	134,341	128,000	—	(3,821,683)	(3,821,683)
Public works	(1,576,714)	1,007,779	51,550	40,852	(476,533)	(476,533)
Culture and recreation	(361,328)	46,791	38,885	—	(275,652)	(275,652)
Interest	(21,399)	—	—	—	(21,399)	(21,399)
Total governmental activities	(7,584,742)	1,188,911	218,435	40,852	(6,136,544)	(6,136,544)
Business-type activities:						
Combined utility	(16,243,527)	15,884,082	17,910	1,384,062	—	1,042,527
Total business-type activities	(16,243,527)	15,884,082	17,910	1,384,062	—	1,042,527
Total functions and programs	\$ (23,828,269)	\$ 17,072,993	\$ 236,345	\$ 1,424,914	(6,136,544)	1,042,527
						(5,094,017)
<b>General Revenue and Transfers</b>						
General Revenue:						
Property taxes and L.O.S.T.					2,222,279	—
State shared and intergovernmental (unrestricted)					859,614	—
Business licenses and other franchise fee/tax					887,667	—
Unrestricted investments earnings					13,592	42,964
Gain (loss) on disposal/contribution of assets					14,102	—
Miscellaneous					(93,042)	7,424
Transfers in (out)					1,882,244	(1,882,244)
					5,786,456	(1,831,856)
<b>Changes in net position</b>					<b>(350,088)</b>	<b>(789,329)</b>
Net Position – beginning of year					1,838,799	13,160,807
Net Position – end of year					\$ 1,488,711	\$ 12,371,478
						\$ 13,860,189

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

APRIL 30, 2022

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and cash equivalents:				
Unrestricted	\$ 52,976	\$ 68,056	\$ 82,880	\$ 203,912
Restricted	21,430	4,564	152,763	178,757
Equity in pooled cash	322,474	1,430,615	(1,352,647)	400,442
Receivables:				
Property taxes	930,626	—	—	930,626
Other and notes	300,362	—	1,088,548	1,388,910
Less, allowances for doubtful accounts	(1,135,354)	—	(208,548)	(1,343,902)
Due from other governments	68,343	—	—	68,343
Due from other funds	3,659,969	153,715	1,352,647	5,166,331
Inventory and prepaid items	108,008	—	—	108,008
<b>Total assets</b>	<b>\$ 4,328,834</b>	<b>\$ 1,656,950</b>	<b>\$ 1,115,643</b>	<b>\$ 7,101,427</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 44,742	\$ 29,676	\$ —	\$ 74,418
Accrued payroll and related payables	101,868	—	—	101,868
Due to other funds	999,671	1,892,876	28,332	2,920,879
Due to other governments	—	—	—	—
Unearned revenue	199,586	—	—	199,586
Deposits	17,100	—	23,100	40,200
<b>Total liabilities</b>	<b>1,362,967</b>	<b>1,922,552</b>	<b>51,432</b>	<b>3,336,951</b>
Fund balances:				
Non-spendable	108,008	—	—	108,008
Restricted	4,330	—	118,977	123,307
Committed	—	—	—	—
Assigned	25,000	—	71,158	96,158
Unassigned (deficit)	2,828,529	(265,602)	874,076	3,437,003
<b>Total fund balances</b>	<b>2,965,867</b>	<b>(265,602)</b>	<b>1,064,211</b>	<b>3,764,476</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,328,834</b>	<b>\$ 1,656,950</b>	<b>\$ 1,115,643</b>	<b>\$ 7,101,427</b>

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

— CONTINUED —

**Reconciliation to amounts reported for governmental activities in the  
Statement of Net Position (See Note 13):**

Total Governmental Funds fund balances	\$ 3,764,476
Capital assets, net of accumulation depreciation, used in governmental activities are not financial resources and therefore, are not reported in these funds.	5,407,204
Certain receivables are not financial resources and therefore, are not reported in these funds.	(606,792)
Certain deferred outflows related to pensions are not available to pay for current, expenditures and deferred inflows related to pensions are not due and payable in the current period and, therefore, are not reported in the funds.	(120,635)
Long-term liabilities, including bonds/notes payable, compensated absences and pension obligation are not due and payable in the current period and therefore are not reported in these funds.	<u>(6,955,542)</u>
Net position, end of year – Governmental Activities	<u>\$ 1,488,711</u>

*See accompanying notes to financial statements.*

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES-

GOVERNMENTAL FUNDS

YEAR ENDED APRIL 30, 2022

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenue</b>				
Taxes, penalties and fees	\$ 1,197,001	\$ —	\$ —	\$ 1,197,001
Local options sales tax	1,025,278	—	—	1,025,278
Licenses, permits and franchise fees	887,667	—	—	887,667
Fines and forfeitures	41,488	—	92,853	134,341
Intergovernmental – grants, state shared and other	576,813	28,434	449,686	1,054,933
Charges for services – solid waste and lot clearing	1,007,779	—	—	1,007,779
User fees – community/fitness centers and other rent	46,791	—	—	46,791
Interest income	5	263	315	583
Contributions and other	123,866	—	—	123,866
<b>Total revenue</b>	<b>4,906,688</b>	<b>28,697</b>	<b>542,854</b>	<b>5,478,239</b>
<b>Expenditures</b>				
Current:				
General government	1,132,253	—	51,864	1,184,117
Public safety	3,966,511	—	—	3,966,511
Public works	1,534,494	—	—	1,534,494
Culture and recreation	299,854	—	47,940	347,794
Capital outlay	5,600	67,772	—	73,372
Debt service	329,596	—	—	329,596
<b>Total expenditures</b>	<b>7,268,308</b>	<b>67,772</b>	<b>99,804</b>	<b>7,435,884</b>
Excess (deficiency) of revenue over expenditures	(2,361,620)	(39,075)	443,050	(1,957,645)
<b>Other Financing Sources (Uses)</b>				
Insurance reimbursements	—	12,418	—	12,418
Transfers in	2,083,000	149,000	—	2,232,000
Transfers (out)	(304,918)	(105,444)	(428,814)	(839,176)
<b>Total other financing sources (uses)</b>	<b>1,778,082</b>	<b>55,974</b>	<b>(428,814)</b>	<b>1,405,242</b>
<b>Net change in fund balances</b>	<b>(583,538)</b>	<b>16,899</b>	<b>14,236</b>	<b>(552,403)</b>
Fund balances, beginning of year	3,549,405	(282,501)	1,049,975	4,316,879
Fund balances, end of year	<u>\$ 2,965,867</u>	<u>\$ (265,602)</u>	<u>\$ 1,064,211</u>	<u>\$ 3,764,476</u>

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES-

GOVERNMENTAL FUNDS

— CONTINUED —

**Reconciliation to amounts reported for governmental activities in the Statement of Activities (See Note 13):**

Net change in fund balances – total governmental funds	\$ (552,403)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(611,659)
Certain revenues and expenses are not reported as source and uses of current financial resources. This is the amount of such accruals.	167,615
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>646,359</u>
Change in Net Position – Governmental Activities	<u>\$ (350,088)</u>

*See accompanying notes to financial statements.*

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

APRIL 30, 2022

	<u>Business-type Activities – Enterprise Fund Combined Utility</u>
<b>Assets and Deferred Outflows</b>	
Current assets:	
Cash and cash equivalents	\$ 287,881
Equity in pooled cash	1,586,762
Investments	1,895,795
Accounts receivable, net	1,015,808
Inventories and prepaid items	558,684
Due from other funds	199,353
	<u>5,544,283</u>
Current restricted assets:	
Restricted cash and cash equivalents	2,610,867
Santee Cooper Settlement fund	166,133
	<u>2,777,000</u>
Total current assets	<u>8,321,283</u>
Non-current assets:	
Capital assets, not subject to depreciation	615,277
Capital assets subject to depreciation, net	24,456,890
Total non-current assets	<u>25,072,167</u>
Deferred Outflows of Resources:	
Pension related	863,237
Total deferred outflows	<u>863,237</u>
<b>Total assets and deferred outflows</b>	<b><u>\$ 34,256,687</u></b>
<b>Liabilities, Deferred Inflows and Net Position</b>	
Current liabilities:	
Accounts payable	\$ 984,411
Accrued payroll and withholdings payable	—
Due to other funds	2,444,805
Customer deposits and prepayments	238,610
	<u>3,667,826</u>
Current liability payable from restricted assets:	
Accrued interest payable	54,160
Bonds payable – current portion	597,306
Unearned revenue – ARPA	1,449,817
	<u>2,101,283</u>
Total current liabilities	<u>5,769,109</u>
Long-term (non-current) liabilities:	
Accrued compensated absences	150,252
Revenue bonds payable	11,439,800
Net pension liabilities	3,561,868
Total long-term liabilities	<u>15,151,920</u>
Total liabilities	<u>20,921,029</u>

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CITY OF BENNETTSVILLE, SOUTH CAROLINA  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
YEAR ENDED APRIL 30, 2022

	<b>Business-type Activities – Enterprise Fund Combined Utility</b>
<b>Operating Revenue (pledged as security for notes and bonds)</b>	
Sales and services:	
Water	\$ 1,512,004
Sewer	1,761,354
Electric	9,474,422
Gas	2,758,892
Penalties, reconnect fees and other revenue	377,410
<b>Total operating revenue</b>	<b>15,884,082</b>
<b>Operating Expenses</b>	
Water plant	948,751
Water distribution	390,720
Wastewater plant and collection	523,180
Sewer/Stormwater collection	186,619
Electricity purchase and transmission	8,201,508
Gas purchase and distribution	2,556,335
Administration	520,248
Billing office	578,838
Non-departmental	192,353
Depreciation expense	1,311,505
<b>Total operating expenses</b>	<b>15,410,057</b>
Operating income	474,025
<b>Non-Operating Revenue (Expenses)</b>	
FEMA grant reimbursement	7,424
Non-operating revenue	17,910
Interest income	42,964
Interest expense	(312,135)
Fiscal agent fees	(12,106)
Amortization of bond premium	3,858
Change in accrued income and unrealized gain (loss)	(82,015)
Cost of debt issuance	(120,036)
Gain (loss) on bond refunding	(311,036)
<b>Total non-operating revenue (expenses)</b>	<b>(765,172)</b>
Income before contributions and transfers	(291,147)
<b>Capital contributions</b>	
Capital grants	1,278,618
Contributed capital	105,444
<b>Total capital contributions</b>	<b>1,384,062</b>
<b>Transfers</b>	
Transfers (out) to other funds	(1,882,244)
<b>Change in net position</b>	<b>(789,329)</b>
Net position, beginning of year	13,160,807
Net position, end of year	<b>\$ 12,371,478</b>

*See accompanying notes to financial statements.*

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED APRIL 30, 2022

	<u>Business-type Activities – Enterprise Fund Combined Utility</u>
<b>Cash Flows from Operating Activities</b>	
Cash received from:	
Combined utility sales and services, penalties, reconnect fees and other revenue	\$ 15,897,099
Cash paid to (for):	
Employee salaries and related costs, and combined utility operations	(14,191,422)
Net cash provided by (used in) operating activities	<u>1,705,677</u>
<b>Cash Flows from Non-capital Financing Activities</b>	
ARPA funding received	1,449,817
Transfer to General Fund and Debt Service Fund	(1,882,244)
Non-operating revenue and expenses, net	(360,219)
Net cash provided by (used in) non-capital financing activities	<u>(792,646)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(207,755)
Capital grants and capital contributions	130,625
Proceeds from bond issue	9,857,000
Interest paid on capital related debt and fiscal agent fees	(366,220)
Principal payments under bonds and capital leases	(7,553,965)
Net cash provided by (used in) capital and related financing activities	<u>1,859,685</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	42,964
Change in purchases/sales of investments and accrued income	(37,253)
Net cash provided by (used in) investing activities	<u>5,711</u>
Net increase (decrease) in cash and cash equivalents	2,778,427
Cash and cash equivalents, beginning of year (of which \$1,359,287 is restricted)	1,873,216
Cash and cash equivalents, end of year (of which \$2,777,000 restricted)	<u>4,651,643</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	474,025
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation expense	1,311,505
Changes in certain assets and liabilities:	
(Increase) decrease in accounts receivable	(3,471)
(Increase) decrease in inventory and prepaid items	(13,033)
Increase (decrease) in accounts payable/accrued expenses	(14,269)
Increase (decrease) in accrued compensated absences	8,421
Increase (decrease) in customer deposits	(16,488)
Increase (decrease) in internal balances due to other funds	81,825
(Increase) decrease in deferred outflows of resources	(131,336)
Increase (decrease) in deferred inflows of resources	603,935
Increase (decrease) in net pension liabilities	(595,437)
Net cash provided by (used in) operating activities	<u>\$ 1,705,677</u>

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

APRIL 30, 2022

	<u>Custodial Fund</u> <u>Firemen's 1%</u> <u>Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 52,888
Total assets	<u>\$ 52,888</u>
<b>Net Position</b>	
Amounts held for City Firemen's	\$ 52,888
Total net position	<u>\$ 52,888</u>

*See accompanying notes to financial statements.*

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
YEAR ENDED APRIL 30, 2022

	<b>Custodial Fund Firemen's (1%) Fund</b>
<b>Additions</b>	
Contributions:	
Amounts collected from the State	\$ 34,345
Total additions	34,345
<b>Deductions</b>	
Payments made for City firemen's association activities	33,405
Total deductions	33,405
<b>Change in net position</b>	<b>940</b>
Net position, beginning of year	51,948
Net position, end of year	\$ 52,888

*See accompanying notes to financial statements.*

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2022

**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The City of Bennettsville, South Carolina (the “City”) was founded in 1819, under the laws of the State of South Carolina for the incorporation of municipal governments and as amended by Act 283 of the 1975 Code (Home Rule City Act). The City operates under the council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health, culture-recreation, public improvements, planning and zoning and general administrative services.

The financial statements of 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.

**B. Basis of Presentation – Basis of Accounting**

*Government-wide Statements:* The Statement of Net Position and the Statement of Activities display information about the City. These statements include the financial activities of the overall government. These statements distinguish between the governmental and business-type activities of the City. Governmental Activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type Activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

The City reports the General Fund as the “major” governmental fund and the Combined Utility Fund as the “major” proprietary fund.

A schedule of non-major funds is presented separately as part of Other Financial Information. Because of the basis of accounting and reporting differences, summary reconciliations to the Government-wide financial statements are presented at the end of each applicable fund financial statement.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**1. Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation (Continued)**

*Governmental Funds*

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

Special Revenue Funds – The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally (or donor) restricted to expenditures for specified purposes.

Capital Projects Fund – The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by the proprietary fund.

*Proprietary Funds*

Enterprise Fund – The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City operates a combined utility enterprise fund for its water, sewer, electricity and gas sales and services.

*Fiduciary Funds*

Fiduciary fund reporting focuses on net position and changes in net position, and is used to report assets held in a trustee or custodial capacity for others and therefore cannot be used to support the government's own programs. The City currently uses a custodial fund to account for the City's Firemen's (1%) Fund.

Custodial Fund – The Custodial Fund is used to account for assets held by the City for the City's Firemen's (1%) Fund and to account for the 1% fire insurance premiums passed-through from the State for the exclusive benefit of the City's firemen. These activities have been excluded from the City's Government-wide financial statements because the City cannot use those assets to finance its operations.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**1. Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting (Continued)**

*Government-wide and Proprietary Fund Financial Statements* – The ‘government-wide’, and Proprietary Fund financial statements are reported using the economic resources measurement focus and use the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. The City’s policy for applying expenses that can use both restricted and unrestricted resources is to first apply the expense to restricted resources then to unrestricted resources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Governmental Fund Financial Statements* – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases or installment note contract obligations are reported as other financing sources.

Taxes are billed in October and are payable at that time. Property taxes attach as enforceable liens on property as of December 31. All unpaid taxes levied become delinquent January 16 of the following year. Property tax revenues are recognized when levied to the extent that they result in current receivables. In keeping with the modified accrual method of accounting, it has been determined that taxes receivable should reflect only those deemed collectible within 60 days.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**1. Summary of Significant Accounting Policies (Continued)**

**D. Budgets and Budgetary Accounting**

Budgets and Encumbrances – Generally, budgets are adopted on a basis consistent with generally accepted accounting principles. A legal operating budget is prepared annually for the General Fund and Combined Utility Fund. Informal budgetary controls are maintained for other funds.

The City Administrator is authorized to administer the budget and transfer amounts within and between departments and funds as necessary and designate continuing projects from fund balances or additional unbudgeted revenue and transfers.

The General Fund operated under a final budget totaling \$6,690,352. Actual expenditures totaled \$7,268,308, and transfers-out of \$304,918. The Combined Utility Fund operated under a budget totaling \$16,267,376, (which included operating and non-operating expenses, transfers, debt service and capital outlay). Actual operating expenses totaled \$15,393,215 (including a non-budgetary charge of \$1,311,505 for depreciation), plus non-operating expenses totaled \$765,172, (net of non-operating revenue), and transfers-out totaled \$1,882,244.

**E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses**

Cash and Cash Equivalents and Investments

Cash includes amounts held in demand deposits. For purpose of the statement of cash flows, the City considers all savings and short-term investments purchased with maturities of three months or less to be cash equivalents. State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds and repurchase agreements. Investments are reported at fair value.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable includes amounts due from other governments and is stated net of their allowance for uncollectible accounts.

Inventory

Inventory, consisting of materials and supplies for use in the City’s combined utility system, is valued at cost or estimated historical cost on a first-in, first-out (FIFO) basis. Inventory consists of expendable supplies held for consumption. Reported inventory expenditures or expenses are recognized when inventories are consumed.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions result in loans or advances between individual funds. The lending fund reports amounts ‘due from other funds’, while the borrowing fund reports amounts ‘due to other funds’ and have been eliminated in the “Government-wide” financial statements. Such amounts between the Governmental activities and the Business-type activities are reported as “internal balances” on the Statement of Net Position.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**1. Summary of Significant Accounting Policies (Continued)**

**E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (Continued)**

Restricted Assets

Restricted accounts include monies or other resources, the use of which is restricted by legal or contractual requirements. In the Enterprise Fund restricted assets arise from certain bond and contract ordinances.

Capital Assets and Depreciation

Capital assets, which include land, buildings, improvements, machinery and equipment, and infrastructure assets, are reported in the applicable Governmental or Business-type Activities columns in the Government-wide financial statements. Capital assets of the City that are not specifically related to activities reported in proprietary or fiduciary funds have been reported as assets in the governmental funds column of the Government-wide financial statement. Capital assets are defined by the City as those assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

All capital assets are valued at historical cost if purchased or constructed, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets has been provided based on the estimated useful lives of the class of assets, or individual assets using the straight line method with service lives as follows:

Buildings	– 25 to 40 years
Improvements	– 10 to 20 years
Equipment	– 5 to 10 years
Combined utility systems	– 40 to 50 years

Interest costs incurred during the construction phase of capital assets are reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Long-term Obligations

In the Government-wide financial statements, and the Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental Activities, Business-type Activities, or Proprietary Fund type Statement of Net Position. Long-term debt represents unmatured principal of general obligation and revenue bond indebtedness, and outstanding portions due on long-term contracts. Other long-term obligations represent outstanding net present value portions due on capital lease obligations, and long-term portions of claims or judgments. Liabilities arising from interfund activities do not constitute general long-term liabilities. Bond issuance costs, as well as bond premiums and discounts, are expensed during the period pursuant to GASB Statement 65.

In the Governmental Fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs as expenditures of the current period. The face amount of the debt issued, along with any bond premium and discounts, is reported as Other Financing Sources.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**1. Summary of Significant Accounting Policies (Continued)**

**E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (Continued)**

Compensated Absences (Accrued Vacation and Sick Leave)

The vacation policy of the City is to provide for vacation leave annually depending on length of service. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded within those funds as the leave is earned.

The sick leave policy of the City is to provide for unlimited accumulation of earned sick leave. Sick leave does not vest. Since none of the entities have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the City.

Net Position and Fund Balances

In the Government-wide financial statements, the difference between the City's total assets and total liabilities represents net position. Net position for both the governmental and proprietary fund types displays three components – investment in capital assets, (net of related debt); restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for future operations.

In the Fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. "Nonspendable" fund balances include those amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact. "Restricted" fund balances include those amounts that are legally restricted by outside parties, laws, governments, or enabling legislation for use for a specific purpose. "Committed" fund balances are amounts that can only be used for specific purposes due to constraints imposed by formal action of the City Council which is the City's highest level of decision making authority. "Assignments" of fund balance present management's intent, but are neither restricted nor committed. "Unassigned" fund balance is the residual classification representing fund balance that has not been restricted, committed, or assigned to a specific purpose.

Property Taxes

The City assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real property and personal property of every description owned and used in the City, except that which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as a part of the budget adoption process.

Real property and all personal property other than vehicles are assessed for property tax purposes as of December 31 of each year. The basis for value of taxable property within the City is taken from the records of the Marlboro County Assessor. Taxes are levied on July 1 with the passage of the fiscal year budget and millage ordinance, billed in October, and are due by January 15 in the year following their levy. A penalty of 3% is added to the tax bill on January 16; with an additional 7% added on February 2; and an additional 5% added to the tax bill on March 17.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. **Summary of Significant Accounting Policies (Continued)**

**E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (Continued)**

Property Taxes (continued)

New vehicle property taxes are assessed and levied within 120 days of the registration date of the vehicle and payment is due upon receipt of the property tax notice. Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Department of Transportation and payment is due before the end of the month of the scheduled renewal.

For Government-wide financial statements, property taxes are recognized as revenue in the year for which they are levied. For Government Fund financial statements, City property tax revenues are recognized for the budget period to which they apply when they become measurable and available. Delinquent and unpaid property taxes are reported as receivables, less amounts estimated to be uncollectible.

Program and General Revenue

The City charges public fees for building permits and inspections, and admission fees for certain recreational activities. These fees as well as fines for traffic violations and grant revenues are recorded as program revenue in the Statement of Activities.

General revenue reported by the City include property taxes, state-shared taxes, business licenses and other government imposed non-exchange fees (e.g. franchise fees, which are general revenue fees in lieu of business licenses).

Unearned Revenue

In the Government-wide financial statements, and in the Governmental Fund and Proprietary Fund types, certain assets are recognized in connection with a transaction before the earnings process is complete. These assets are generally offset by a corresponding liability entitled unearned revenue. Unearned revenue in the Government-wide and in the Governmental Fund financial statements certain assets that are not yet available to finance expenditures for the current fiscal period are classified as unearned revenue.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement Plan (SCRS) and South Carolina Police Officers Retirement Plan (PORS) and additional to/deductions from plans fiduciary net position have been determined on the same basis as they are reported by the related plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**1. Summary of Significant Accounting Policies (Continued)**

**E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (Continued)**

Deferred Inflows/Outflows of Resources

Pursuant to GASB Concepts Statement No. 4, “deferred outflow of resources” is a consumption of net position (assets minus liabilities) by the government that is applicable to a future period, while an ‘asset’ is a resource with present service capacity that the government presently controls. A “deferred inflow of resources” is an acquisition of net position (assets minus liabilities) by the government that is applicable to a future reporting period, while a ‘liability’ is a present obligation to sacrifice resources that the government has little or no discretion to avoid. Deferred outflows and inflows of resources are reported separate from assets and liabilities, respectively, in the Statement of Net Position.

Comparative Data and Reclassifications

Comparative data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the City’s financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used to determine depreciation expense and the allowance for doubtful accounts among other accounts. Actual results could differ from those estimates.

**2. Deposits and Investments**

As of April 30, 2022, the City had the following cash and investment balances:

Cash on hand	\$ 4,043
Carrying amount of deposits	3,304,790
Investments	<u>4,074,604</u>
<b>Totals</b>	<b><u>\$ 7,383,437</u></b>
Statement of Net Position balances:	
Cash and cash equivalents:	\$ 491,793
Unrestricted	
Restricted	2,955,757
Fiduciary	52,888
Equity in pooled cash	1,987,204
Investments	<u>1,895,795</u>
<b>Totals</b>	<b><u>\$ 7,383,437</u></b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. **Deposits and Investments (Continued)**

Deposits

The City’s policy, by law, requires all financial institutions that receive City funds to secure the deposits by deposit insurance or collateral securities to protect the City against any loss.

Custodial credit risk for deposits is the risk that in the event of a depository institution’s failure, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. Deposits include cash and cash equivalents on deposits in banks or the State Treasurer Investment Pool and non-negotiable certificates of deposits. At April 30, 2022, the carrying amount of the City’s deposits with financial institutions equaled \$3,304,790, and the bank balances totaled \$3,650,629. Of the bank balances, approximately \$1,386,243 was covered by federal depository insurance with the balance collateralized by securities held by the financial institution in the City’s name.

Investments

Statutes authorize the City to invest in certificates of deposit, repurchase agreements, passbook savings accounts, bankers’ acceptance agreements, and other available bank investments, provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds. In addition, the City can invest in direct debt securities of the United States government.

Types of investments at April 30, 2022 were certificates of deposit of various financial institutions, securities of the U.S. Treasury or agencies, mutual funds of governmental agency securities, and corporate bonds and notes as follows:

	<u>Fair Value</u>	<u>Maturity</u>
Certificate of deposit – 1.00%	\$ 154,568	4/27/2024
Federal government agencies’ securities	1,309,169	Varies
Money market (debt service trust) funds	2,610,867	Varies
Total fair value	<u>\$ 4,074,604</u>	

Custodial credit risk of investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of April 30, 2022, none of the City’s investments were exposed to custodial credit risk.

*Interest Rate Risk.* 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.

*Concentration of Credit Risk.* The City places no limit on the amount it may invest in any one issuer. All of the City’s investments were held and managed by two financial institutions as of April 30, 2022.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**3. Restricted Assets**

Restricted cash and cash equivalents reported for the Governmental Activities totaled \$178,757 at April 30, 2022. Of this total, \$4,564 was restricted to the purchase of specific items of equipment under installment purchase contracts or capital leases; \$17,100 for community center deposits; \$92,483 for housing-related assistance; and \$64,610 restricted for municipal court, fire, and law enforcement activities. Restricted cash and cash equivalents reported in the Business-type Activities totaled \$2,777,000 at April 30, 2022. Of this total, \$2,405,185 was for projects authorized by the Combined Utility System Revenue Bonds, Series 2022B, plus the Series 2009 A and B Debt Service Reserve Funds totaling \$205,682. The remaining balance of \$166,133 represents funds received from the South Carolina Public Service Authority (Santee Cooper) as part of their settlement to the City for the failed nuclear-power plant project.

**4. Receivables**

Accounts receivable at April 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Property taxes	\$ 930,626	\$ —
Sanitation fees	127,614	—
Notes	481,756	—
Lot clearing fees and other	172,748	—
Combined Utility Accounts	—	1,443,117
Total receivables	1,712,744	1,443,117
Less, allowance for uncollectible accounts	(1,343,902)	(427,309)
Receivables, net	<u>\$ 368,842</u>	<u>\$ 1,015,808</u>

Notes receivable at April 30, 2022, including the applicable allowances for uncollectible accounts and imputed interest are as follows:

	<b>Governmental Activities</b>
Upper Story Housing ( <i>see Note 14</i> )	\$ 880,000
Housing rehabilitation	111,836
Housing assistance	81,723
CDBG Repayment Fund	14,989
Total notes receivable	1,088,548
Less, allowance for uncollectible accounts and unrealized imputed interest	(606,792)
Notes receivable, net	<u>\$ 481,756</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**5. Due to/from Other Funds – Internal Balances**

Short-term interfund receivables and payables at April 30, 2022, were as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 3,659,969	\$ (999,671)
Special Revenue Fund	—	(28,332)
Capital Project Fund	153,715	(1,892,876)
Debt Service Fund	1,352,647	—
Utility Fund	199,353	(2,444,805)
Total interfund balances	<u>5,365,684</u>	<u>(5,365,684)</u>
Less, eliminations	<u>(2,920,879)</u>	<u>2,920,879</u>
Internal balances, net	<u><u>\$ 2,245,452</u></u>	<u><u>\$ (2,245,452)</u></u>

The above 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.

**Transfers to/from Other Funds**

Transfers in (out) for the year ended April 30, 2022 are summarized below:

	<b>Transfers In</b>	<b>Transfers (Out)</b>
General Fund	\$ 2,083,000	\$ (304,918)
Special Revenue Funds	—	(383,000)
Capital Project Fund	149,000	—
Debt Service Fund	338,162	—
Utility Fund	—	(1,882,244)
	<u><u>\$ 2,570,162</u></u>	<u><u>\$ (2,570,162)</u></u>

Transfers between the major funds, other non-major governmental funds and enterprise funds were primarily to support the operations and debt service of the funds. For the year ended April 30, 2022, net transfers between Governmental Activities and Business-type Activities totaled \$1,882,244, \$1,700,000 budgeted for indirect overhead operating activities, \$94,000 for Capital Projects Fund, and \$88,244 for lease-purchase debt services. Additionally, the Governmental Activities transferred capital assets to the Business-type Activities totaling \$105,444, during the year ended April 30, 2022, which is being reported as both transfer-out and contributed capital, respectively.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**6. Capital Assets**

A summary of the changes in the City’s capital assets during the year ended April 30, 2022, are as follows:

**A. Governmental Activities:**

	<u>Balance</u> <u>April 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>April 30, 2022</u>
Capital assets not being depreciated:					
Land	\$ 572,233	\$ —	\$ —	\$ —	\$ 572,233
Construction in process	—	—	—	—	—
Total capital assets not being depreciated	<u>572,233</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>572,233</u>
Capital assets being depreciated:					
Land improvements	118,195	—	—	—	118,195
Buildings and improvements	3,047,425	20,500	—	—	3,067,925
Facades, parking and improvements	4,387,993	—	—	—	4,387,993
Furniture, fixtures, and equipment	2,641,239	69,515	—	—	2,710,754
Vehicles	3,449,925	—	—	—	3,449,925
Totals capital assets being depreciated	<u>13,644,777</u>	<u>90,015</u>	<u>—</u>	<u>—</u>	<u>13,734,792</u>
Less, accumulated depreciation for:					
Land improvements	(102,973)	(1,769)	—	—	(104,742)
Buildings and improvements	(1,274,564)	(88,133)	—	—	(1,362,697)
Facades, parking and improvements	(3,275,971)	(133,769)	—	—	(3,409,740)
Furniture, fixtures, and equipment	(1,780,565)	(122,845)	—	—	(1,903,410)
Vehicles	(1,764,074)	(355,158)	—	—	(2,119,232)
Total accumulated depreciation	<u>(8,198,147)</u>	<u>(701,674)</u>	<u>—</u>	<u>—</u>	<u>(8,899,821)</u>
Total capital assets being depreciated, net	<u>5,446,630</u>	<u>(611,659)</u>	<u>—</u>	<u>—</u>	<u>4,834,971</u>
Net capital assets – Governmental Activities	<u>\$ 6,018,863</u>	<u>\$ (611,659)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,407,204</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**6. Capital Assets (Continued)**

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

General government	\$ 397,148
Public safety	211,204
Public works	74,377
Culture and recreation	18,945
Total depreciation expense	<u>\$ 701,674</u>

**B. Business-Type Activities:**

	<u>Balance</u> <u>April 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>April 30, 2022</u>
Capital assets not being depreciated:					
Land	\$ 447,359	\$ —	\$ —	\$ —	\$ 447,359
Construction in progress	1,489,428	301,999	—	(1,623,509)	167,918
Total capital assets not being depreciated	<u>1,936,787</u>	<u>301,999</u>	<u>—</u>	<u>(1,623,509)</u>	<u>615,277</u>
Capital assets being depreciated:					
Buildings and improvements	2,061,004	—	—	—	2,061,004
Systems improvements	42,815,845	—	—	1,623,509	44,439,354
Equipment and vehicles	4,211,959	11,200	—	—	4,223,159
Total capital assets being depreciated	<u>49,088,808</u>	<u>11,200</u>	<u>—</u>	<u>1,623,509</u>	<u>50,723,517</u>
Less, accumulated depreciation for:					
Buildings and improvements	(622,089)	(45,554)	—	—	(667,643)
Systems improvements	(21,389,252)	(1,065,612)	—	—	(22,454,864)
Equipment and vehicles	(2,943,781)	(200,339)	—	—	(3,144,120)
Total accumulated depreciation	<u>(24,955,122)</u>	<u>(1,311,505)</u>	<u>—</u>	<u>—</u>	<u>(26,266,627)</u>
Total capital assets being depreciated, net	<u>24,133,686</u>	<u>(1,300,305)</u>	<u>—</u>	<u>1,623,509</u>	<u>24,456,890</u>
Net capital assets – Business-type activities	<u>\$ 26,070,473</u>	<u>\$ (998,306)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 25,072,167</u>

Depreciation expense for Business-type Activities and the Proprietary Fund equaled \$1,311,505 for the year ended April 30, 2022.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**7. Long-Term Debt**

General Obligation Bonds

All general obligation bonds serviced by the City's General Fund are collateralized by the full faith, credit, and taxing power of the City.

Lease Purchase (Installment) Notes

The City periodically enters into installment financing arrangements with local institutions for the purpose of acquiring certain vehicles and equipment. The notes are secured by liens on the related capital assets.

Revenue Bonds

The City's revenue bonds, including the State Revolving Fund (SRF) Loans, are secured by a pledge of revenue generated by the Combined Utility System along with the System's capital assets.

Revenue Bond Covenants

There are a number of limitations and restrictions contained in the City's revenue bond ordinances. In 2004, the City adopted a General Bond Ordinance where it requires, among other requirements, for the City to prescribe and maintain rates and charges for services and facilities furnished by the Combined Utility system which, together with other income, are reasonably expected to yield annual Net Revenues (as defined in the General Bond Ordinance) in the current fiscal year equal to at least the sum of 120% of the annual principal and interest requirements in such fiscal year for all bonds outstanding.

Security for Revenue Bonds and SRF Loans

As stated earlier and pursuant to the General Bond Ordinance and applicable Supplement Ordinances, the City's Revenue Bonds and SRF Loans are secured by and payable from a pledge of the Combined Utility System's Net Revenues (as defined in the General Bond Ordinance). The pledge and liens securing the SRF Loans are on parity in all respects with the pledge and liens securing the revenue bonds.

Redemptions

The Series 2022A Bonds shall be subject to optional redemption prior to their stated maturities in whole at any time on or after February 1, 2029, at the outstanding principal amount together with interest thereon, without penalty or premium. The Series 2022B Bonds has the optional redemption in whole at any time on or after February 1, 2029, at the outstanding principal amount together with interest thereon, without penalty or premium. The City may prepay any outstanding SRF Loan balances plus accrued interest thereon without penalty.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**7. Long-Term Debt (Continued)**

Events and Remedies of Default

Pursuant to the General Bond Ordinance, an event of default can occur when - (i) payment of principal and interest on any Bond is not made when the same is due and payable, (ii) payment of principal and interest on any Junior Lien Bond is not made when the same is due and payable, (iii) the City does not comply with its Rate Covenant subject to certain exceptions as described in the General Bond Ordinance, (iv) the City is incapable of fulfilling its obligations under the General Bond Ordinance, or Supplement Bond Ordinance(s), including a failure to operate the Combined Utility System in an efficient and businesslike fashion so as to materially impair the operations of the System if such cannot be corrected within a sixty (60) day period after written notice, or (v) the City defaults under any reimbursement agreement between the City and a provider of a surety bond, insurance policy or letter of credit. Upon the occurrence of an Event of Default, the Trustee may, and shall upon the written request of the Bond Holders of not less than twenty-five (25%) in the aggregate principal amount of outstanding bonds, declare all outstanding principal and accrued interest of Bonds be immediately due and payable from all moneys and securities then held by the City.

Refunded Series 2013 Revenue Bonds

The City issued Series 2022A, Combined Utility System Refunding Revenue Bonds, to ‘advanced refund’ the outstanding amounts of the Series 2013 Revenue Bonds. At the date of delivery, April 7, 2022, proceeds of the Series 2022A Bonds, net of costs of issuance, were deposited with U.S. Bank National Association, as Trustee, to redeem \$6,980,000 principal amount outstanding (along with interest of \$541,075 due through call date) of the Series 2013 Bonds maturing February 1, 2023 through 2034, inclusive. The refunding resulted in a cash flow deficit of \$333,036 from the old remaining debt service to the new debt service requirements, and an economic (present value) gain of \$100,075.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**7. Long-Term Debt (continued)**

Long-term debt of the City at April 30, 2022 consists of the following:

**A. Governmental Activities**

Series 2014 General Obligation Bond, dated 8/29/14, due in semi-annual installments through August 2023, interest at 2.188%.	\$ 111,000
Lease Purchase Contract 2017A - \$1,610,500, dated 5/25/17, due in quarterly principal and interest (at 1.86% per annum) installments of \$84,540 through June 1, 2022.	84,148
Lease Purchase Contract 2017B - \$125,000, dated 11/30/17, due in quarterly principal and interest (at 2.77% per annum) installments of \$6,630 through December 1, 2022.	18,668
Lease Purchase Contract 2019 - \$885,000, dated 5/23/19, due in quarterly principal and interest (at 2.65% per annum) installments of \$47,316 through May 1, 2024.	347,012
	<u>560,831</u>
Less, current portions (due within one year)	<u>(381,798)</u>
<b>Net long-term debt – Governmental Activities</b>	<b><u>\$ 179,033</u></b>

**B. Business-Type Activities**

Series 2009A South Carolina Water Pollution Control Revolving Fund Loan, dated 8/31/09, due in quarterly installments of \$20,146 through October 1, 2030; interest at 1.85%.	\$ 612,599
Series 2009B South Carolina Drinking Water Revolving Fund Loan, dated 8/31/09, due in quarterly installments of \$25,366 through September 1, 2040; interest at 1.88%.	1,567,507
Series 2022A Combined Utility System Refunding Revenue Bond (Taxable Series), dated 4/7/2022 payable semi-annually with interest fixed at 3.25% per annum; final payment due February 2036.	7,421,000
Series 2022B Combined Utility System Revenue Bond, dated 4/7/2022, payable semi-annually with interest fixed at 2.79% per annum; final payment due February 2040.	2,436,000
	<u>12,037,106</u>
Less, current portions (due within one year):	<u>(597,306)</u>
<b>Net long-term debt – Business-type Activities</b>	<b><u>\$ 11,439,800</u></b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

C. Changes in Long-Term Debt

Changes in the long-term debt of the City during the year ended April 30, 2022, were as follows:

	<u>Outstanding 4/30/21</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding 4/30/22</u>
<b>Governmental Activities:</b>				
Series 2014 G.O. Bond	\$ 220,000	\$ —	\$ (109,000)	\$ 111,000
Installment note contract – 2017A	\$ 416,870	\$ —	\$ (332,722)	\$ 84,148
Installment note contract – 2017B	\$ 45,370	\$ —	\$ (25,702)	\$ 18,668
Installment note contract – 2019	\$ 524,140	\$ —	\$ (177,128)	\$ 347,012
<b>Business-type Activities:</b>				
Series 2009A SRF Loan	\$ 680,661	\$ —	\$ (68,062)	\$ 612,599
Series 2009B SRF Loan	\$ 1,638,410	\$ —	\$ (70,903)	\$ 1,567,507
Series 2013 Refunding Revenue Bond	\$ 7,415,000	\$ —	\$ (7,415,000)	\$ —
Series 2022A Refunding Revenue Bond	\$ —	\$ 7,421,000	\$ —	\$ 7,421,000
Series 2022B Revenue Bond	\$ —	\$ 2,436,000	\$ —	\$ 2,436,000

D. Accrued Compensated Absences

Changes in accrued compensated absences (vacation payable) are as follows:

	<u>Balances 4/30/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances 4/30/22</u>
Governmental Activities:	\$ 391,290	\$ —	\$ (19,638)	\$ 371,652
Business-type Activities	141,830	8,422	—	150,252
	\$ 533,120	\$ 8,422	\$ (19,638)	\$ 521,904

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

E. Annual Requirements for Long-Term Debt

The annual debt service requirements to amortize the City’s long-term debt, except accrued compensated absences, are summarized below:

Fiscal Year	Installment Note – 2017A		
	Principal	Interest	Total
2023	\$ 84,148	\$ 391	\$ 84,539
	<u>\$ 84,148</u>	<u>\$ 391</u>	<u>\$ 84,539</u>

Fiscal Year	Installment Note – 2017B		
	Principal	Interest	Total
2023	\$ 18,668	\$ 206	\$ 18,874
	<u>\$ 18,668</u>	<u>\$ 206</u>	<u>\$ 18,874</u>

Fiscal Year	Installment Note – 2019		
	Principal	Interest	Total
2023	\$ 181,864	\$ 7,399	\$ 189,263
2024	165,148	2,531	167,679
	<u>\$ 347,012</u>	<u>\$ 9,930</u>	<u>\$ 356,942</u>

Fiscal Year	G.O. Bond – Series 2014		
	Principal	Interest	Total
2023	\$ 111,000	\$ 2,429	\$ 113,429
	<u>\$ 111,000</u>	<u>\$ 2,429</u>	<u>\$ 113,429</u>

Fiscal Year	SRF Loan - Series 2009A		
	Principal	Interest	Total
2023	\$ 69,288	\$ 11,296	\$ 80,584
2024	70,557	10,027	80,584
2025	71,871	8,713	80,584
2026	73,231	7,353	80,584
2027	74,640	5,944	80,584
2028	76,098	4,486	80,584
2029	77,608	2,976	80,584
2030	79,172	1,412	80,584
2031	20,134	12	20,146
	<u>\$ 612,599</u>	<u>\$ 52,219</u>	<u>\$ 664,818</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

E. Annual Requirements for Long-Term Debt (continued)

<b>SRF Loan – Series 2009B</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 72,018	\$ 29,445	\$ 101,463
2024	73,211	28,252	101,463
2025	74,432	27,031	101,463
2026	75,703	25,760	101,463
2027	77,020	24,443	101,463
2028-2032	406,537	100,778	507,314
2033-2037	447,770	59,545	507,314
2038-2041	340,816	14,306	355,120
	<b><u>\$1,567,507</u></b>	<b><u>\$ 309,560</u></b>	<b><u>\$1,877,063</u></b>

<b>Series 2022A – Refunding Revenue Bond</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 456,000	\$ 196,966	\$ 652,966
2024	415,000	226,363	641,363
2025	429,000	212,875	641,875
2026	443,000	198,933	641,933
2027	457,000	184,535	641,535
2028-2032	2,640,000	688,677	3,328,677
2033-2036	2,581,000	208,391	2,789,391
	<b><u>\$7,421,000</u></b>	<b><u>\$1,916,740</u></b>	<b><u>\$9,337,740</u></b>

<b>Series 2022B Revenue Bond</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ —	\$ 53,515	\$ 53,515
2024	—	65,528	65,528
2025	—	65,528	65,528
2026	—	65,528	65,528
2027	—	65,528	65,528
2028-2032	—	327,640	327,640
2033-2037	659,000	325,004	984,004
2038-2040	1,777,000	96,436	1,873,436
	<b><u>\$2,436,000</u></b>	<b><u>\$1,064,707</u></b>	<b><u>\$ 3,500,707</u></b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**8. Net Position and Fund Balances**

Net position of the Government-wide and Proprietary Fund financial statements represent the difference between assets and liabilities as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b><u>Net Investment in Capital Assets:</u></b>		
Net capital assets	\$ 5,407,204	\$ 25,072,167
Less, long-term debt payable	(560,831)	(12,037,106)
Total net investment in capital assets	<u>\$ 4,846,373</u>	<u>\$ 13,035,061</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b><u>Restricted for:</u></b>		
Pensions	\$ 513,391	\$ 257,197
Debt services	—	509,584
Capital projects	—	166,133
Housing and community development	92,483	—
Upper Story Housing notes receivable	880,000	—
Less, unrealized imputed interest	(606,792)	—
Fire prevention and education	4,330	—
Municipal court	26,494	—
Total restricted	<u>\$ 909,906</u>	<u>\$ 932,914</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Net Position and Fund Balances (continued)

As described in *Note 1*, Governmental Funds fund balances are reported in classifications based on the specific purposes for which those funds can be spent as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b><u>Non-spendable:</u></b>				
Inventory and prepaid items	\$ 108,008	\$ —	\$ —	\$ 108,008
<b><u>Restricted for:</u></b>				
Housing assistance	—	—	92,483	92,483
Fire prevention and education	4,330	—	—	4,330
Municipal court	—	—	26,494	26,494
	<u>4,330</u>	<u>—</u>	<u>118,977</u>	<u>123,307</u>
<b><u>Assigned to:</u></b>				
Police department	—	—	16	16
Tourism and hospitality	—	—	71,142	71,142
Underground storage tanks (UST)	25,000	—	—	25,000
	<u>25,000</u>	<u>—</u>	<u>71,158</u>	<u>96,158</u>
<b><u>Unassigned (deficit)</u></b>	<u>2,828,529</u>	<u>(265,602)</u>	<u>874,076</u>	<u>3,437,003</u>
<b>Totals</b>	<b><u>\$ 2,965,867</u></b>	<b><u>\$ (265,602)</u></b>	<b><u>\$ 1,064,211</u></b>	<b><u>\$ 3,764,476</u></b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**9. Employee Retirement**

All employees, excluding public safety department employees (police and fire officers), are eligible for membership in the South Carolina Governmental Employees' Retirement System (SCRS). Public safety department employees are covered by the South Carolina Police Officers' Retirement System (PORS). Both are a cost-sharing, multiple employer public employee retirement system administered by the South Carolina Public Employee Benefit Authority (PEBA). Actuarial determinations are made by the administrators for the system.

Plan Descriptions

Benefits of the retirement systems are established by state statutes. Under current statutes, member employees who retire at age 65 or after 28 years (public safety employees after 25 years) of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 1.82 percent of the employee's highest twenty consecutive quarters of compensation for non-public safety employees and 2.14 percent for public safety employees.

Benefits

Member employees who are at least 55 years of age may elect early retirement with reduced benefits. In either case, any unrecovered contributions are payable upon death and benefit payments increase 4 percent each year following an increase in the Consumer Price Index of at least 3 percent. Full service or early retirees may elect other optional methods of benefit distributions, including lump sum distributions, benefit levels coordinated with the retiree's social security benefits and distributions to a named beneficiary. Benefits are fully vested on reaching five years of service. The retirement systems also provide death and disability benefits to all member employees.

Funding Policy

The SCRS plan measurement year ended June 30, 2021, is used for determining pension liability for City's fiscal year ended April 30, 2022. State statutes determine the levels of contributions required by both employees and employers.

For the plan's measurement year ended June 30, 2021, SCRS contribution rate for non-public safety employees was 9.00 percent of pensionable wages, and the employer contribution rate was 15.41 percent plus .15 percent for incidental death benefit coverage, for a total rate of 15.56 percent of pensionable wages. For PORS, the contribution rate for public safety employees was 9.75 percent of pensionable wages, and the employer contribution rate was 17.84 percent, plus .20 percent for group life and .20 percent for accidental death benefits coverage, for a total rate of 18.24 percent of pensionable wages. The South Carolina General Assembly passed legislation which postponed the one percent increase in the SCRS and PORS contribution rates that were scheduled effective July 1, 2020 for the measurement year ended June 30, 2021. Therefore, the employer rate remained at a total of 15.56% for SCRS and 18.24 for PORS.

Effective July 1, 2017, the employee contribution rates were capped at 9.00 percent for SCRS and 9.75 percent for PORS.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Employee Retirement (Continued)

Funding Policy (continued)

Based on the COVID-19 pandemic, the SC General Assembly passed a resolution suspending the postponing the statutory employer rate increase scheduled for July 1, 2020 by one year. Effective July 1, 2021, the City made its SCRS employer required contributions at a rate of 16.41 percent, plus .15 percent for incidental death benefit coverage, and its PORS employer required contributions at a rate of 18.84 percent, plus .20 percent for group life and .20 percent for accidental death benefits coverage. The City’s total “pensionable” wages for the years ended April 30, 2022, 2021 and 2020 were approximately \$5,260,099, \$5,169,774, and \$5,098,168, respectively, and contributed 100% of the required contributions for each year as shown in the table below.

	SCRS			PORS		
	2022	2021	2020	2022	2021	2020
Wages:						
Pensionable	\$ 3,161,633	\$ 3,184,321	\$ 3,131,263	\$ 2,098,466	\$ 1,985,453	\$ 1,966,905
Contribution Rates:						
Employees	9.00%	9.00%	9.00%	9.75%	9.75%	9.75%
Employer	16.41%	15.41%	15.41%	18.84%	17.84%	17.84%
Contributions:						
Employees	\$ 284,545	\$ 287,372	\$ 281,814	\$ 204,600	\$ 193,582	\$ 191,773
Employer	\$ 513,413	\$ 496,483	\$ 477,660	\$ 391,488	\$ 361,539	\$ 347,827

For the plan measurement period July 1, 2021 to June 30, 2022, SCRS contribution rate for non-public safety employees is 9.00 percent of pensionable wages, and the employer contribution rate is 16.41 percent plus .15 percent for incidental death benefit coverage, for a total rate of 16.56 percent of pensionable wages. For PORS, the contribution rate for public safety employees is 9.75 percent of pensionable wages, and the employer contribution rate is 18.84 percent, plus .20 percent for group life and .20 percent for accidental death benefits coverage, for a total rate of 19.24 percent of pensionable wages.

Net Pension Liabilities, Pension Expenses, Deferred Outflows/Inflows of Resources

At April 30, 2022, the City reported a liability of \$9,584,494 for the measurement period June 30, 2021 for its proportionate share of the net pension liabilities, of which \$6,152,687 was for SCRS (\$2,590,819 in the Governmental Activities and \$3,561,868 in the Business-type Activities) and \$3,431,807 was for PORS (all in Governmental Activities).

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Employee Retirement (Continued)

Net Pension Liabilities, Pension Expenses, Deferred Outflows/Inflows of Resources (continued)

The net pension liabilities were measured by PEBA as of June 30, 2021 and the total pension liabilities used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, PEBA reported the City's proportion of the collective net pension liability was 0.028031% for SCRS and 0.133382% for PORS.

For the year ended April 30, 2022, the City recognized pension expense \$648,148 of which, \$648,148 was for SCRS (\$123,010 in Governmental Activities and \$183,864 in the Business-type Activities) and \$341,274 PORS (all Governmental Activities), respectively. Components of the changes in net pension liability follows:

Components of Change in Net Pension Liability (NPL)

Changes in the net pension liability for the measurement period, June 30, 2021, follows:

	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Pension expense:			
Service cost	\$ 292,483	\$ 275,744	\$ 568,227
Interest on total pension liability	1,045,767	766,081	1,811,848
Changes in plan benefits	—	—	—
Plan administrative costs	4,982	4,162	9,144
Plan member contributions	(264,972)	(202,939)	(467,911)
Expected return on plan assets	(536,066)	(455,974)	(992,040)
Recognition of net amortization:			
Plan performance, net	26,089	62,807	88,896
Assumption changes, net	113,326	126,528	239,854
Investment experience, net	(247,709)	(205,283)	(452,992)
Allocated proportion change, net	(142,403)	(34,167)	(176,570)
Other	15,377	4,315	19,692
Total pension expense	<u>306,874</u>	<u>341,274</u>	<u>648,148</u>
PEBA employer contributions	(468,494)	(347,224)	(815,718)
Non-member contributions	(31,573)	(18,609)	(50,182)
	<u>(500,067)</u>	<u>(365,833)</u>	<u>(865,900)</u>
Changes in deferred items (net of amortization):			
Outflow – Plan performance	22,158	25,149	47,307
Outflow – Assumption changes	328,003	192,176	520,179
Outflow – Investment experience	(150,012)	(118,839)	(268,851)
Outflow – Allocated proportion change	6,823	73,690	80,513
Inflow – Plan Performance	18,781	8,284	27,065
Inflow – Assumption changes	—	—	—
Inflow – Investment experience	(1,270,610)	(1,091,901)	(2,362,511)
Inflow – Allocated proportion change	228,213	57,710	285,923
	<u>(816,644)</u>	<u>(853,731)</u>	<u>(1,670,375)</u>
<b>Total change in net pension liability</b>	<b><u>\$(1,009,837)</u></b>	<b><u>\$ (878,290)</u></b>	<b><u>\$(1,888,127)</u></b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Employee Retirement (Continued)

Net Pension Liabilities, Pension Expenses, Deferred Outflows/Inflows of Resources (continued)

At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources Related to Pensions</b>		
	<b>SCRS</b>	<b>PORS</b>	<b>Total</b>
Differences between expected and actual plan performance	\$ 104,804	\$ 116,747	\$ 221,551
Changes of assumptions	336,778	244,773	581,551
Net difference between projected and actual earnings on pension plan investments	453,561	377,936	831,497
Changes in allocated proportion	132,676	73,690	206,366
Total before City Contributions	<u>1,027,819</u>	<u>813,146</u>	<u>1,840,965</u>
City contributions subsequent to the measurement date	436,196	334,392	770,588
Total	<u>\$ 1,464,015</u>	<u>\$ 1,147,538</u>	<u>\$ 2,611,553</u>
	<b>Deferred Inflows of Resources Related to Pensions</b>		
	<b>SCRS</b>	<b>PORS</b>	<b>Total</b>
Differences between expected and actual plan performance	\$ 8,304	\$ 10,688	\$ 18,992
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on pension plan investments	1,347,320	1,147,332	2,494,652
Changes in allocated proportion	279,587	39,900	319,487
Total	<u>\$ 1,635,211</u>	<u>\$ 1,197,920</u>	<u>\$ 2,833,131</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Employee Retirement (Continued)

Net Pension Liabilities, Pension Expenses, Deferred Outflows/Inflows of Resources (continued)

The \$770,588 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		<b>Deferred Outflows of Resources Related to Pensions</b>		
		<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
<b><u>Year ended April 30:</u></b>				
	2023	\$ 410,300	\$ 282,787	\$ 693,087
	2024	344,975	272,765	617,740
	2025	270,459	238,895	509,354
	2026	2,085	18,699	20,784
		<u>\$ 1,027,819</u>	<u>\$ 813,146</u>	<u>\$ 1,840,965</u>

  

		<b>Deferred Inflows of Resources Related to Pensions</b>		
		<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
<b><u>Year ended April 30:</u></b>				
	2023	\$ 492,599	\$ 326,396	\$ 818,995
	2024	470,310	298,329	768,639
	2025	336,550	287,410	623,960
	2026	335,752	285,785	621,537
		<u>\$ 1,635,211</u>	<u>\$ 1,197,920</u>	<u>\$ 2,833,131</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. **Employee Retirement (Continued)**

Actuarial Assumptions

The total pension liabilities in the GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* measured as of June 30, 2021, was based on the July 1, 2020 actuarial valuation. That valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry-age normal	Entry-age normal
Asset Valuation Method	5-year smoothed	5-year smoothed
Amortization Method	Level percent of pay	Level percent of pay
Amortization Period	Max of 28 years, variable	Max of 28 years, variable
Inflation	2.25 percent	2.25 percent
Salary Increases	3.0 – 11.0 percent plus step-rate increases for members with less than 21 years of service including inflation	3.5% to 9.5% plus step-rate increases for members with less than 15 years of service including inflation
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation	7.0 percent, net of pension plan investment expense, including inflation
Benefit increases	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
Mortality	The 2020 Public Retirees of South Carolina Mortality Tables for Males and Females projected at 80% of Scale UMP from the year 2020. Male rates at 97% for non-educators and 95% for educators. Female rates a 107% for non-educators and 94% for educators.	The 2020 Public Retirees of South Carolina Mortality Tables for Males and Females both projected at 80% of Scale UMP from the year 2020. Male and female rates at 127% and 107%, respectively.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**9. Employee Retirement (Continued)**

Actuarial Assumptions (continued)

Member and employer contribution rates for SCRS and PORS are determined in accordance with Section 9-1-1085 and 9-11-225 of the South Carolina Code, respectively. Contribution rates determined by an actuarial valuation are effective for the fiscal year beginning 24 months after the valuation date. The Retirement System Funding and Administration Act of 2017 (the “Act”) was signed into law on April 25, 2017, and became effective on July 1, 2017. This legislation amended Title 9 of the South Carolina Code of Laws. In addition to setting the employee and employer rates for the plan year beginning July 1, 2017, the Act also scheduled the employer contributions to increase by 1.0 percent each year for each of the subsequent five fiscal years for an ultimate rate of 18.56% and 21.24% by July 2022 (subsequently delayed to 2023), for SCRS and PORS, respectively.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial study on data through June 30, 2015. 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 plans (SCRS and PORS) was most recently issued for the period ending June 30, 2019 for first use in the July 1, 2021 (plan year ended June 30, 2022) actuarial valuation.

The June 30, 2021 total pension liability, net pension liability and sensitivity information were determined based on the July 1, 2020, actuarial valuations, as adopted by the PEBA Board and State Fiscal Accountability Authority which utilized membership data as of July 1, 2020. The total pension liability was rolled forward from the valuation date to the plan’s fiscal year ended June 30, 2021, using generally accepted actuarial principles.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 20 year capital market assumptions. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. **Employee Retirement (Continued)**

Long-term Expected Rate of Return (continued)

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the SCRS and PORS Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. Expected returns are net of investment fees. The expected real rates of investment return (5.18%), along with the expected inflation rate (2.25%), form the basis for the target asset allocation (7.43%) adopted annually by the RSIC (at the beginning of the 2021 fiscal year – July 1, 2020) which is summarized in the table below.

For actuarial purposes, the (7.0%) assumed long-term expected rate of return used in the calculation of the total pension liability is calculated by weighting the expected future real rates of return by the target allocation percentage (4.75%) and then adding the actuarial expected inflation (2.25%).

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
<b>Public Equity</b>	<b>46.0%</b>	6.87%	3.16%
<b>Bonds</b>	<b>26.0%</b>	0.27%	0.07%
<b>Private Equity</b>	<b>9.0%</b>	9.68%	0.87%
<b>Credit</b>	<b>7.0%</b>	5.47%	0.39%
<b>Rate Sensitive</b>	<b>12.0%</b>		
Real estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
Total expected return	<u>100.0%</u>		<u>5.18%</u>
Inflation for actuarial purposes			<u>2.25%</u>
Total expected nominal return			<u>7.43%</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**9. Employee Retirement (Continued)**

Discount Rate

The discount rate used to measure the total pension liabilities as of June 30, 2021, was 7.0 percent (meeting statutory requirement). 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, each System’s fiduciary net position was projected to be available to make all 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 total pension liability.

Sensitivity Analysis

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.0 percent) or 1 percentage point higher (8.0) percent than the current rate:

	<b>City’s proportionate share of the net pension liabilities to changes in the discount rate</b>		
	<b>1% Decrease (7.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
SCRS	\$ 8,059,254	\$ 6,152,687	\$ 4,567,936
PORS	\$ 4,979,113	\$ 3,431,807	\$ 2,164,327

Pension Plans Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PEBA financial report. A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS and PORS, which is issued and publicly available on the website [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting in writing a request to the PEBA, South Carolina Retirement System, 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 comprehensive annual financial report of the State.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**10. Post-Employment Benefits Other Than Pension**

Plan Description

In addition to the pension benefits described in *Note 7*, the City does not maintain a formal policy whereby an employee who qualifies under the South Carolina Retirement System’s Regular Service retirement will have the opportunity to participate in a defined benefit other post-employment benefit (OPEB) plan, hereafter referred to as “OPEB” or the “program”. Such program would offer retired employees’ premium payments for the State’s employee group health insurance plan (including dental) at reduced cost, and to provide coverage for the retired employee until the earlier of (1) the retired employee reaches age 65, or (2) the retired employee qualifies for health insurance under another plan. The City, through its City Council, would establish benefits, funding policy, and administer such a program.

Annual Other Post-Employment Benefit (OPEB) Cost

Accordingly, the City has not obtained an actuarial valuation for the program, which would have determined the annual required contribution (“ARC”) level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

**11. Due From (To) Other Governments**

The following are due from (to) other governments:

	<b>Governmental Activities</b>
Due from state government	\$ 68,343
Due to state government	—
Net, due from (to) other governments	<u>\$ 68,343</u>

**12. Risk Management**

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the South Carolina State Insurance Reserve Fund. Through the Fund, the City maintains property insurance at replacement value and contents coverage at actual value. The City also maintains tort and fleet auto coverage through the Fund. The City has also transferred a portion of its risk of loss for health insurance and workers compensation claims to various state agencies and commercial insurance carriers. For the year ended April 30, 2022, the City incurred \$976,239 in health care premiums and approximately \$167,821 worker’s compensation premiums.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**13. Contingencies and Commitments**

**Litigation**

The City is party to legal proceedings that normally occur in governmental operations. City officials believe the legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

**Federal and State Assisted Programs**

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Such audits could result in the refund of grant monies to the grantor agencies. However, management believes that any required refunds would be immaterial and no provision has been made in the accompanying financial statements for the refund of grant monies.

**Facilities Abandonment Charge**

The City's contract with its electric supplier, dated January 27, 2015, contains a facilities abandonment charge in the event the contract is terminated prior to the time scheduled under the contract. The charge would result in the return of \$3.1 million of credits initially provided the City during the first five years of service, plus any other early termination charges. The City does not have a plan to terminate the contract.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**14. Reconciliation of Government-wide and Fund Financial Statements**

A. Explanations of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The Governmental Fund Balance Sheet includes a reconciliation between fund balance amounts and Net position-Governmental Activities. The details of the reconciled amounts are as follows:

*Capital assets in governmental activities are not financial resources and therefore are not reported in the fund financial statements:*

Capital assets	\$ 14,307,025
Less, accumulated depreciation	<u>(8,899,821)</u>
Net amount reported	<u>\$ 5,407,204</u>

*Other assets not available to pay for current period expenditures and therefore are not reported in the funds:*

Mortgages receivable	\$ (880,000)
Less, imputed interest	<u>273,208</u>
Net amount reported	<u>\$ (606,792)</u>

*Deferred outflows related to pensions are not included in the pension liability as of the measurement date, and therefore are reported in the fund financial statements but deferred at the government-wide level.*

1,748,316

*Deferred inflows related to pensions are not due and payable in the current period and, therefore, are not reported in the fund financial statements*

(1,868,951)

Net amount reported \$ (120,635)

*Long-term liabilities, are not due and payable in the current period and therefore are not reported in the fund financial statements:*

Accrued interest payable	\$ (433)
Long-term debt	(560,831)
Accrued compensated absences	(371,652)
Net pension liabilities	<u>(6,022,626)</u>
Net amount reported	<u>\$ (6,955,542)</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**14. Reconciliation of Government-wide and Fund Financial Statements (Continued)**

B. Explanations of Differences Between the Governmental Fund Statement of Revenue, Expenses and Changes in Fund Balances and the Government-wide Statement of Activities

The Governmental Fund Statement of Revenue, Expenses and Changes in Fund Balances includes a reconciliation between net changes in fund balance and Changes in Net position-Governmental Activities. The details of the reconciled amounts are as follows:

*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 depreciation exceeds capital outlay in the current period.*

Capital outlay expenditures	\$ 90,015
Gain on disposal of assets	—
Less, depreciation expense	(701,674)
	<hr/>
Net amount reported	<u>\$ (611,659)</u>

*Some revenue and expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:*

Change in accrued compensated absences	\$ 19,638
Pension expenses	134,968
Imputed interest realized	13,009
	<hr/>
Net amount reported	<u>\$ 167,615</u>

*The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items:*

Accrued interest	\$ 810
Principal repayments – bonds and installment note obligations	645,549
Lease purchase contract	—
	<hr/>
Net amount reported	<u>\$ 646,359</u>

**15. Notes Receivable – Upper Story Housing**

During the year ended April 30, 2002, the City of Bennettsville applied for and received funds from a CDBG grant for \$330,000, a grant from the South Carolina State Housing and Finance Development Authority for \$350,000, and a HOME grant for \$200,000 for the purpose of redeveloping downtown upper story housing.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**15. Notes Receivable – Upper Story Housing (continued)**

These funds, individually, were disbursed to the developer, Bennettsville Downtown Limited Partnership (a North Carolina Limited Partnership), in the form of three secured mortgage loans as follows:

Non-interest bearing mortgage loan note dated February 15, 2002, due in 20 annual installments of \$17,500 beginning December 31, 2037. Collateralized by first lien security interest on various Main Street and Broad Street properties.	\$ 350,000
Non-interest bearing mortgage loan note dated February 15, 2002, due in 20 annual installments of \$10,000 beginning December 31, 2034. Collateralized by third lien security interest on various Main Street and Broad Street properties.	200,000
Non-interest bearing mortgage loan note dated February 15, 2002, due in 20 annual installments of \$273,208 beginning December 31, 2037, with all remaining unpaid balances due and payable December 31, 2056. Collateralized by a fourth lien security interest on various Main Street and Broad Street properties.	330,000
	<u>\$ 880,000</u>

These mortgage notes have been recorded in the Government-wide Financial Statements – Governmental Activities equal to \$273,208, net of unrealized imputed interest of \$606,792 at April 30, 2022. The outstanding principal balance of these notes (\$880,000) have been reported as a Special Revenue Fund and reserved fund balance for the Upper Story Housing project in housing assistance.

**16. Subsequent Events and Commitments**

During Fiscal Year 2021-2022, the City received \$1,924,167 in American Recovery and Protection Act (ARPA) funds. Subsequently, the City received an additional \$1,924,167, for a total of \$3,848,334. All ARPA funds must be expended for authorized projects by December 31, 2026.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BENNETTSVILLE, SOUTH CAROLINA

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED APRIL 30, 2022

	<u>Budget</u>			<b>Variances Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenue</b>				
Taxes, penalties and fees	\$ 1,172,000	\$ 1,172,000	\$ 1,197,001	\$ 25,001
Local option sales tax	316,000	316,000	1,025,278	709,278
Licenses, permits and franchise fees	833,500	833,500	887,667	54,167
Fines and forfeitures	85,100	85,100	41,488	(43,612)
Intergovernmental	1,109,560	1,109,560	576,813	(532,747)
Charges for services	1,156,600	1,156,600	1,007,779	(148,821)
Users fees	11,440	11,440	46,791	35,351
Interest income and other	174,800	174,800	123,871	(50,929)
<b>Total revenue</b>	<b>4,859,000</b>	<b>4,859,000</b>	<b>4,906,688</b>	<b>47,688</b>
<b>Expenditures</b>				
Current:				
General government	1,162,179	1,162,179	1,132,253	29,926
Public safety	3,417,949	3,417,949	3,966,511	(548,562)
Public works	1,424,546	1,424,546	1,534,494	(109,948)
Culture and recreation	346,082	346,082	299,854	46,228
Capital outlay	104,632	104,632	5,600	99,032
Debt service	234,964	234,964	329,596	(94,632)
<b>Total expenditures</b>	<b>6,690,352</b>	<b>6,690,352</b>	<b>7,268,308</b>	<b>(577,956)</b>
Excess (deficiency) of revenue over expenditures	(1,831,352)	(1,831,352)	(2,361,620)	(530,268)
<b>Other Financing Sources (uses)</b>				
Transfers in	2,083,000	2,083,000	2,083,000	—
Transfers (out)	(299,491)	(299,491)	(304,918)	(5,427)
<b>Total other financing sources (uses)</b>	<b>1,783,509</b>	<b>1,783,509</b>	<b>1,778,082</b>	<b>(5,427)</b>
<b>Net change in fund balance</b>	<b>(47,843)</b>	<b>(47,843)</b>	<b>(583,538)</b>	<b>(535,695)</b>
Fund balance, beginning of year	3,549,405	3,549,405	3,549,405	—
Fund balance, end of year	\$ 3,501,562	\$ 3,501,562	\$ 2,965,867	\$ (535,695)

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
NOTES TO BUDGETARY COMPARISON SCHEDULE

APRIL 30, 2022

The City follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedule:

1. A proposed operating budget for the fiscal year is prepared. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Prior to April 30, the budget is legally enacted through passage of an ordinance for the following fiscal year.
3. Formal budgetary integration is employed as a management control device during the year for the General Fund.
4. Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. The City Council adopts a summary budget for proprietary funds.
6. The City Council may authorize supplemental appropriations during the year.
7. The Administrator is authorized to make "line item" transfers within the budget. Such transfers were made during the year.
8. Appropriations lapse at the end of each fiscal year.

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)  
 LAST TEN FISCAL YEARS\*(1)

<b>City's Fiscal Year:</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>PEBA Plan Year:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's proportion of the net pension liability	N/A	0.028430%	0.028031%	0.030483%	0.029304%	0.031050%	0.031963%	0.032601%	0.032458%	N/A
City's proportion share of the net pension liability	N/A	\$ 6,152,687	\$ 7,162,524	\$ 6,960,535	\$ 6,566,119	\$ 6,989,854	\$ 6,827,250	\$ 6,182,937	\$ 5,588,192	N/A
City's covered-employee payroll	\$ 3,161,633	\$ 3,184,321	\$ 3,131,263	\$ 3,204,511	\$ 3,018,133	\$ 3,154,959	\$ 3,023,323	\$ 3,050,056	\$ 2,916,853	N/A
City's proportion share of the net pension liability as a percentage of its covered-employee payroll	N/A	193.2%	228.7%	217.2%	217.6%	221.6%	225.8%	202.7%	191.6%	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%	N/A

\*The amounts presented for each fiscal year determined as of measurement year that occurred within the fiscal year.

(1) Because prior year data is unavailable, the city has elected to present information prospectively.

N/A – Not available

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
SCHEDULE OF THE CITY'S CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)  
LAST TEN FISCAL YEARS<sup>(1)</sup>

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 544,986	\$ 528,056	\$ 509,223	\$ 432,089	\$ 400,515	\$ 357,602	\$ 348,548	\$ 326,149	\$ 304,811	N/A
Less: State provided revenue credit <sup>(2)</sup>	\$ (31,573)	\$ (31,573)	\$ (31,573)	\$ (31,573)	\$ (31,573)	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	\$ 513,413	\$ 496,483	\$ 477,660	\$ 456,704	\$ 400,515	\$ 357,602	\$ 348,548	\$ 326,149	\$ 304,811	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
City's covered-employee payroll	\$ 3,161,633	\$ 3,184,321	\$ 3,131,263	\$ 3,204,511	\$ 3,018,113	\$ 3,154,959	\$ 3,023,323	\$ 3,050,056	\$ 2,916,853	N/A
Contributions as a percentage of pensionable wages	16.2%	15.6%	15.3%	14.3%	13.3%	11.3%	11.5%	10.7%	10.4%	N/A

<sup>(1)</sup> Because prior year data is unavailable, the city has elected to present information prospectively.

<sup>(2)</sup> Because the employer rate was increased by more than the maximum allowed, pension funding credits were provided annually by the State of South Carolina beginning with the twelve month period ended 6/30/2018.

N/A – Not available

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
POLICE OFFICERS RETIREMENT SYSTEM (PORS)

LAST TEN FISCAL YEARS\*<sup>(1)</sup>  
(Dollar amount in thousands)

<u>City's Fiscal Year:</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>PEBA Plan Year:</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's proportion of the net pension liability (asset)	N/A	0.133382%	0.129970%	0.131284%	0.132760%	0.138470%	0.141970%	0.14531%	0.14797%	N/A
City's proportion share of the net pension liability (asset)	N/A	\$ 3,431,807	\$ 4,310,097	\$ 3,762,517	\$ 3,761,799	\$ 3,793,388	\$ 3,601,059	\$ 3,167,026	\$ 2,832,759	N/A
City's covered employee payroll	\$ 2,098,466	\$ 1,985,453	\$ 1,966,905	\$ 1,869,844	\$ 1,866,506	\$ 1,850,227	\$ 1,881,759	\$ 1,796,652	\$ 1,780,968	N/A
City's proportion share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	172.80%	219.13%	201.2%	201.5%	205.0%	191.4%	176.3%	159.1%	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	70.4%	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%	N/A

\*The amounts presented for each fiscal year determined as of the measurement year that occurred within the fiscal year.

<sup>(1)</sup> Because prior year data is unavailable, the city has elected to present information prospectively.  
N/A – Not available

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
 SCHEDULE OF THE CITY'S CONTRIBUTIONS  
 POLICE OFFICERS RETIREMENT SYSTEM (PORS)

LAST TEN FISCAL YEARS<sup>(1)</sup>  
 (Dollar amount in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 410,097	\$ 380,148	\$ 366,436	\$ 330,224	\$ 316,550	\$ 254,708	\$ 249,890	\$ 231,801	\$ 219,704	N/A
Less: State provided revenue credit <sup>(2)</sup>	\$ (18,609)	\$ (18,609)	\$ (18,609)	\$ (18,609)	\$ (18,609)	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	\$ 391,488	\$ 361,539	\$ 347,827	\$ 311,615	\$ 297,941	\$ 254,708	\$ 249,890	\$ 231,801	\$ 219,704	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
City's covered-employee payroll	\$ 2,098,466	\$ 1,985,453	\$ 1,966,905	\$ 1,869,844	\$ 1,866,506	\$ 1,850,227	\$ 1,881,759	\$ 1,796,652	\$ 1,780,968	N/A
Contributions as a percentage of covered-employee payroll	18.7%	18.2%	17.7%	16.7%	16.0%	13.8%	13.3%	12.9%	12.3%	N/A

<sup>(1)</sup> Because prior year data is unavailable, the city has elected to present information prospectively.

<sup>(2)</sup> Because the employer rate was increased by more than the maximum allowable increase, pension funding credits were provided annually by the State of South Carolina beginning with the twelve month period ended 6/30/2018.

N/A – Not available

CITY OF BENNETTSVILLE, SOUTH CAROLINA

SCHEDULE OF THE CITY'S CONTRIBUTIONS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

APRIL 30, 2022

**A. Pensions**

SCRS & PORS: Changes of benefit terms: Plan measurement years: 2022 – N/A. 2017– 2021 – None.

Changes to assumptions:

SCRS & PORS: Investments: Plan measurement years 2022 – N/A. 2021 – the assumed investment return was changed from 7.25% - 7.00% effective July 1, 2021. 2020 – None. 2019 – None. 2018 – the assumed investment return was changed from 7.5% - 7.25% effective July 1, 2017.

SCRS & PORS: Mortality: Plan measurement years 2022 – N/A. 2021 – the mortality tables were changed from the 2016 Public Retirees of South Carolina Mortality Tables. 2020 to the newly developed 2020 Public Retirees of South Carolina Mortality Tables with future improvements in mortality adjusted at 80% of Scale UMP projected from the next plan year. 2020 – None. 2019 – None. 2018 – the mortality tables were changed from the RP-2000 Mortality Table to the newly developed 2016 Public Retirees of South Carolina Mortality Tables.

SCRS: Projected salary increases: Plan measurement years 2022 – N/A. 2021 – changed to 3.0% - 11.0% for members with less than 21 years of service from 3.5% - 12.5% for members with less than 21 years of service. 2020 – None. 2019 – None. 2018 – changed to 3.0% - 12.5% for members with less than 21 years of service from 3.5% - 12.5% for members with less than 25 years of service.

PORS: Projected salary increases: Plan measurement years 2022 – N/A. 2021 – changed to 3.5% - 10.5% for members with less than 15 years of service from 3.5% to 9.5% for members with less than 15 years of service. 2020 – None. 2019 – None. 2018 – changed to 3.5% - 9.5% for members with less than 15 years of service from 4.0% - 10.0% for members with less than 12 years of service.

SCRS & PORS: Asset Valuation Method: Plan measurement years 2022 – N/A. 2021 - None. 2020 – None. 2019 – None. 2018 – changed to 5-year smoothed from 20% difference recognition.

SCRS & PORS: Inflation: Plan measurement years 2022 – N/A. 2021 - None. 2020 – None. 2019 – None. 2018 – changed to 2.25% from 2.75%.

## OTHER FINANCIAL INFORMATION

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINING 'NON-MAJOR' GOVERNMENTAL  
FINANCIAL STATEMENTS

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

APRIL 30, 2022

	Special Revenue Funds									Totals	Debt Service Fund
	Housing Rehabilitation Fund	Housing Assistance Fund	CDBG Repayment Fund	Upper Story Housing Fund	Tourism & Business Fund	Hospitality Fund	Municipal Court	Confiscated Drugs Fund	Police Donations Fund		
<b>Assets</b>											
Cash and cash equivalents:											
Unrestricted	\$ —	\$ —	\$ —	\$ —	\$ 9,117	\$ 73,763	\$ —	\$ —	\$ —	\$ 82,880	\$ —
Restricted	41,002	27,184	24,297	—	—	—	29,617	30,647	16	152,763	—
Equity in pooled cash	—	—	—	—	—	—	—	—	—	—	(1,352,647)
Due from other funds	—	—	—	—	—	—	—	—	—	—	1,352,647
Notes receivables-housing assistance loans	111,836	81,723	14,989	880,000	—	—	—	—	—	1,088,548	—
Less, allowance for doubtful accounts	(111,836)	(81,723)	(14,989)	—	—	—	—	—	—	(208,548)	—
<b>Total assets</b>	<b>\$ 41,002</b>	<b>\$ 27,184</b>	<b>\$ 24,297</b>	<b>\$ 880,000</b>	<b>\$ 9,117</b>	<b>\$ 73,763</b>	<b>\$ 29,617</b>	<b>\$ 30,647</b>	<b>\$ 16</b>	<b>\$1,115,643</b>	<b>\$ —</b>
<b>Liabilities and Fund Balances</b>											
Liabilities:											
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Deposits	—	—	—	—	—	—	3,123	19,977	—	23,100	—
Due to other funds	—	—	—	—	—	11,738	—	16,594	—	28,332	—
<b>Total liabilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>11,738</b>	<b>3,123</b>	<b>36,571</b>	<b>—</b>	<b>51,432</b>	<b>—</b>
Fund balances:											
Restricted for:											
Housing assistance	41,002	27,184	24,297	—	—	—	—	—	—	92,483	—
Court Administration	—	—	—	—	—	—	26,494	—	—	26,494	—
Assigned to:											
Police department	—	—	—	—	—	—	—	—	16	16	—
Tourism and community development	—	—	—	—	9,117	62,025	—	—	—	71,142	—
Unassigned (deficit)	—	—	—	880,000	—	—	—	(5,924)	—	874,076	—
<b>Total fund balances</b>	<b>41,002</b>	<b>27,184</b>	<b>24,297</b>	<b>880,000</b>	<b>9,117</b>	<b>62,025</b>	<b>26,494</b>	<b>(5,924)</b>	<b>16</b>	<b>1,064,211</b>	<b>—</b>
<b>Total liabilities and fund balances</b>	<b>\$ 41,002</b>	<b>\$ 27,184</b>	<b>\$ 24,297</b>	<b>\$ 880,000</b>	<b>\$ 9,117</b>	<b>\$ 73,763</b>	<b>\$ 29,617</b>	<b>\$ 30,647</b>	<b>\$ 16</b>	<b>\$1,115,643</b>	<b>\$ —</b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED APRIL 30, 2022

	Special Revenue Funds									Totals	Debt Service Fund
	Housing Rehabilitation Fund	Housing Assistance Fund	CDBG Repayment Fund	Upper Story Housing Fund	Tourism & Business Fund	Hospitality Fund	Municipal Court	Confiscated Drugs Fund	Police Donations Fund		
<b>Revenue</b>											
Fines and forfeitures	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 91,000	\$ 1,853	\$ —	\$ 92,853	\$ —
Intergovernmental	—	—	—	—	91,922	357,764	—	—	—	449,686	—
Interest income	66	145	36	—	51	12	2	3	—	315	—
Total revenue	66	145	36	—	91,973	357,776	91,002	1,856	—	542,854	—
<b>Expenditures</b>											
General government:											
Surcharges and assessments	—	—	—	—	—	—	49,574	—	—	49,574	—
Miscellaneous	987	—	—	—	—	—	—	1,303	—	2,290	—
Culture and recreation:											
Tourism related	—	—	—	—	990	46,950	—	—	—	47,940	—
Capital outlay	—	—	—	—	—	—	—	—	—	—	—
Debt retirement	—	—	—	—	—	—	—	—	—	—	338,162
Total expenditures	987	—	—	—	990	46,950	49,574	1,303	—	99,804	338,162
Excess (deficiency) of revenue over expenditures	(921)	145	36	—	90,983	310,826	41,428	553	—	443,050	(338,162)
<b>Other Financing Sources (Uses)</b>											
Transfers in (out)	—	—	—	—	(83,000)	(300,000)	(45,814)	—	—	(428,814)	338,162
<b>Net change in fund balances</b>	<b>(921)</b>	<b>145</b>	<b>36</b>	<b>—</b>	<b>7,983</b>	<b>10,826</b>	<b>(4,386)</b>	<b>553</b>	<b>—</b>	<b>14,236</b>	<b>—</b>
Fund balances (deficit), beginning of year	41,923	27,039	24,261	880,000	1,134	51,199	30,880	(6,477)	16	1,049,975	—
Fund balances (deficit), end of year	\$ 41,002	\$ 27,184	\$ 24,297	\$ 880,000	\$ 9,117	\$ 62,025	\$ 26,494	\$ (5,924)	\$ 16	\$ 1,064,211	\$ —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

INDIVIDUAL FUND  
FINANCIAL SCHEDULES

CITY OF BENNETTSVILLE, SOUTH CAROLINA

GENERAL FUND

CITY OF BENNETTSVILLE, SOUTH CAROLINA

GENERAL FUND

BALANCE SHEET

APRIL 30, 2022

(With comparative amounts at year ended April 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents:		
Unrestricted	\$ 52,976	\$ 36,737
Restricted	21,430	16,070
Equity in pooled cash	322,474	446,548
Receivables:		
Property taxes	930,626	262,758
Sanitation	127,614	124,926
Other and notes	172,748	171,644
Less, allowances for doubtful accounts	(1,135,354)	(401,383)
Due from other governments	68,343	226,001
Due from other funds	3,659,969	3,654,651
Inventory and prepaid items	108,008	61,849
<b>Total assets</b>	<b><u>\$ 4,328,834</u></b>	<b><u>\$ 4,599,801</u></b>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 44,742	\$ 71,622
Accrued payroll and related payables	101,868	56,438
Due to other funds	999,671	749,754
Unearned revenue – business licenses	199,586	159,682
Deposits	17,100	12,900
Total liabilities	<u>1,362,967</u>	<u>1,050,396</u>
Fund balances:		
Non-spendable	108,008	61,849
Restricted	4,330	3,170
Committed	—	—
Assigned – UST Program	25,000	25,000
Unassigned	2,828,529	3,459,386
Total fund balances	<u>2,965,867</u>	<u>3,549,405</u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 4,328,834</u></b>	<b><u>\$ 4,599,801</u></b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

GENERAL FUND  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

YEAR ENDED APRIL 30, 2022  
 (With comparative actual amounts at year ended April 30, 2021)

	Final Budget	Actual	Variance Positive (Negative)	Prior Year
<b>Revenue</b>				
Taxes, penalties and fees	\$ 1,172,000	\$ 1,197,001	\$ 25,001	\$ 1,235,725
Local option sales tax	981,000	1,025,278	44,278	932,170
Licenses, permits, and franchise fees	833,500	887,667	54,167	852,195
Fines and forfeitures	85,100	41,488	(43,612)	43,156
Intergovernmental:				
Grants	—	38,885	38,885	35,874
State shared	316,000	409,928	93,928	426,689
Other intergovernmental	128,000	128,000	—	128,000
Charges for service:				
Solid waste collection fees	1,140,000	991,544	(148,456)	1,072,197
Lot clearing fees	14,000	16,235	2,235	16,960
User fees:				
Community and fitness center	12,600	6,846	(5,754)	2,856
Other rental fees	1,440	39,945	38,505	10,765
Interest income	—	5	5	3
Sale of capital assets	30,000	14,102	(15,898)	90,975
Contributions	80,000	51,550	(28,450)	52,060
Other	65,360	58,214	(7,146)	100,819
<b>Total revenue</b>	<b>4,859,000</b>	<b>4,906,688</b>	<b>47,688</b>	<b>5,000,444</b>
<b>Expenditures</b>				
Current:				
General government:				
City council	117,929	104,933	12,996	89,357
City attorney	23,937	23,937	—	23,937
Municipal judge and court	140,235	139,330	905	146,743
City administrator	217,329	244,982	(27,653)	247,083
Planning and zoning	186,454	200,813	(14,359)	193,884
Finance	216,869	199,942	16,927	207,834
Human resources	38,400	35,465	2,935	37,740
Non-departmental	221,026	182,851	38,175	128,631
Total general government	1,162,179	1,132,253	29,926	1,075,209
Public safety:				
Police	2,546,152	2,723,172	(177,020)	2,627,234
Fire	871,797	1,243,339	(371,542)	1,054,819
Total public safety	3,417,949	3,966,511	(548,562)	3,682,053
Public works:				
Streets and sanitation	1,162,710	1,269,013	(106,303)	1,290,577
Maintenance shop	65,668	64,878	790	64,416
Beautification and recycling	196,168	200,603	(4,435)	192,713
Total public works	1,424,546	1,534,494	(109,948)	1,547,706
Culture and recreation:				
Recreation and parks	346,082	299,854	46,228	322,276
Total culture and recreation	346,082	299,854	46,228	322,276
Capital outlay – all departments	104,632	5,600	99,032	7,600
Debt service	234,964	329,596	(94,632)	328,528
<b>Total expenditures</b>	<b>6,690,352</b>	<b>7,268,308</b>	<b>(577,956)</b>	<b>6,963,372</b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

GENERAL FUND  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Prior Year</u>
Excess (deficiency) of revenue over expenditures	(1,831,352)	(2,361,620)	(530,268)	(1,962,928)
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,083,000	2,083,000	—	2,120,000
Transfers (out)	(299,491)	(304,918)	(5,427)	(344,918)
Total other financing sources (uses)	1,783,509	1,778,082	(5,427)	1,775,082
<b>Net change in fund balance</b>	<b>(47,843)</b>	<b>(583,538)</b>	<b>(535,695)</b>	<b>(187,846)</b>
Fund balance, beginning of year	3,549,405	3,549,405	—	3,737,251
Fund balance, end of year	<u>\$ 3,501,562</u>	<u>\$ 2,965,867</u>	<u>\$ (535,695)</u>	<u>\$ 3,549,405</u>

**CAPTIAL PROJECTS FUND**

CITY OF BENNETTSVILLE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

BALANCE SHEET

APRIL 30, 2022

(With comparative amounts at April 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents:		
Unrestricted	\$ 68,056	\$ 32,005
Restricted	4,564	4,684
Equity in pooled cash	1,430,615	1,304,036
Due from other governments	—	145,235
Due from other funds	153,715	153,715
<b>Total assets</b>	<b><u>\$ 1,656,950</u></b>	<b><u>\$ 1,639,675</u></b>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 29,676	\$ 29,300
Due to other funds	1,892,876	1,892,876
Total liabilities	<u>1,922,552</u>	<u>1,922,176</u>
Fund balances:		
Non-spendable	—	—
Restricted	—	—
Committed	—	—
Assigned	—	—
Unassigned (deficit)	(265,602)	(282,501)
Total fund balances	<u>(265,602)</u>	<u>(282,501)</u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,656,950</u></b>	<b><u>\$ 1,639,675</u></b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED APRIL 30, 2022

(With comparative actual amounts at year ended April 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Revenue</b>		
Intergovernmental:		
Grants	\$ 28,434	\$ 586,879
Interest income	263	320
Sale of capital assets	—	—
Contributions	—	—
<b>Total revenue</b>	<u>28,697</u>	<u>587,199</u>
<b>Expenditures</b>		
Capital outlay:		
General government	30,175	328,751
Public safety	32,597	39,447
Public works	—	22,284
Culture and recreation	5,000	96,829
Debt service	—	19,651
<b>Total expenditures</b>	<u>67,772</u>	<u>506,962</u>
Excess (deficiency) of revenue over expenditures	<u>(39,075)</u>	<u>80,237</u>
<b>Other Financing Sources (Uses)</b>		
Insurance reimbursement	12,418	103,112
Transfers in	149,000	270,200
Transfers (out)	(105,444)	(75,237)
<b>Total other financing sources (uses)</b>	<u>55,974</u>	<u>298,075</u>
<b>Net change in fund balance</b>	<b>16,899</b>	<b>378,312</b>
Fund balance, beginning of year	<u>(282,501)</u>	<u>(660,813)</u>
Fund balance, end of year	<u>\$ (265,602)</u>	<u>\$ (282,501)</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

BALANCE SHEET

APRIL 30, 2022

(With comparative amounts at April 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets and Deferred Outflows</b>		
Current assets:		
Cash and cash equivalents	\$ 287,881	\$ 287,675
Equity in pooled cash	1,586,762	226,154
Investments	1,895,795	2,015,063
Accounts receivable, net	1,015,808	1,012,337
Inventories and prepaid items	558,684	545,651
Due from other funds	199,353	192,934
	<u>5,544,283</u>	<u>4,279,814</u>
Current restricted assets:		
Restricted cash and cash equivalents	2,610,867	211,232
Santee Cooper Settlement fund	166,133	1,148,055
	<u>2,777,000</u>	<u>1,359,287</u>
Total current assets	<u>8,321,283</u>	<u>5,639,101</u>
Non-current assets:		
Capital assets, not subject to depreciation	615,277	1,936,787
Capital assets subject to depreciation, net	24,456,890	24,133,686
Total non-current assets	<u>25,072,167</u>	<u>26,070,473</u>
Deferred Outflows of Resources:		
Pension related	863,237	731,901
Total deferred outflows	<u>863,237</u>	<u>731,901</u>
<b>Total assets and deferred outflows</b>	<b><u>\$ 34,256,687</u></b>	<b><u>\$ 32,441,475</u></b>
<b>Liabilities, Deferred Inflows and Net Position</b>		
Current liabilities:		
Accounts payable	\$ 984,411	\$ 998,680
Accrued payroll and withholdings payable	—	—
Due to other funds	2,444,805	2,356,561
Customer deposits and prepayments	238,610	255,098
	<u>3,667,826</u>	<u>3,610,339</u>
Current liability payable from restricted assets:		
Accrued interest payable	54,160	78,731
Bonds payable – current portion	597,306	573,965
Unearned revenue – ARPA/Santee Cooper Settlement	1,449,817	1,147,993
	<u>2,101,283</u>	<u>1,800,689</u>
Total current liabilities	<u>5,769,109</u>	<u>5,411,028</u>
Long-term (non-current) liabilities:		
Accrued compensated absences	150,252	141,831
Revenue bonds payable	11,439,800	9,210,259
Net pension liabilities	3,561,868	4,157,305
Total long-term liabilities	<u>15,151,920</u>	<u>13,509,395</u>
Total liabilities	<u>20,921,029</u>	<u>18,920,423</u>

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

BALANCE SHEET

— CONTINUED —

	<u>2022</u>	<u>2021</u>
<b>Liabilities, Deferred Inflows and Net Position (continued)</b>		
Deferred Inflows of Resources:		
Pension related	964,180	360,245
Total deferred inflows	<u>964,180</u>	<u>360,245</u>
Net position:		
Net investment in capital assets	13,035,061	16,286,249
Restricted for debt, capital projects and pensions	932,914	380,904
Unrestricted (deficit)	<u>(1,596,497)</u>	<u>(3,506,346)</u>
Total net position	<u>12,371,478</u>	<u>13,160,807</u>
<b>Total liabilities, deferred inflows and net position</b>	<b><u>\$ 34,256,687</u></b>	<b><u>\$ 32,441,475</u></b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION-  
BUDGET AND ACTUAL

YEAR ENDED APRIL 30, 2022

(With comparative actual amounts at year ended April 30, 2021)

	Final Budget	Current Year	Variance Positive (Negative)	Prior Year
<b>Operating Revenue</b>				
Sales and services:				
Water	\$ 1,600,000	\$ 1,512,004	\$ (87,996)	\$ 1,538,046
Sewer	1,900,000	1,761,354	(138,646)	1,814,839
Electric	10,076,000	9,474,422	(601,578)	9,599,447
Gas	2,600,000	2,758,892	158,892	2,242,028
Penalties, reconnect fees and other revenue	669,742	377,410	(292,332)	376,971
<b>Total operating revenue</b>	<b>16,845,742</b>	<b>15,884,082</b>	<b>(961,660)</b>	<b>15,571,331</b>
<b>Operating Expenses</b>				
Water plant	968,765	948,751	20,014	1,006,754
Water distribution	364,570	390,720	(26,150)	399,481
Wastewater treatment plant	435,749	521,180	(87,431)	552,792
Sewer/Stormwater collection	148,906	186,619	(37,713)	165,710
Electricity purchase and transmission	8,398,895	8,201,508	197,387	8,129,324
Gas purchase and distribution	1,916,504	2,556,335	(639,831)	1,812,965
Administration	566,937	520,248	46,689	585,995
Billing office	577,478	578,838	(1,360)	621,948
Non-departmental	757,474	192,353	565,121	186,519
Depreciation expense	—	1,311,505	(1,311,505)	1,213,237
<b>Total operating expenses</b>	<b>14,135,278</b>	<b>15,410,057</b>	<b>(1,274,779)</b>	<b>14,674,725</b>
Operating income	2,710,464	474,025	(2,236,439)	896,606
<b>Non-Operating Revenue (Expenses)</b>				
FEMA grant reimbursements	—	7,424	7,424	253,139
Non-operating revenue	18,500	17,910	(590)	20,491
Interest income	60,000	42,964	(17,036)	24,199
Interest expense	(338,098)	(312,135)	(25,963)	(350,155)
Fiscal agent fees	—	(12,106)	12,106	(12,778)
Amortization of bond premium	—	3,858	3,858	3,858
Change in accrued income and unrealized gain (loss)	—	(82,015)	(82,015)	—
Cost of debt issuance	—	(120,036)	(120,036)	—
Gain (loss) on bond refunding	—	(311,036)	(311,036)	—
<b>Total non-operating revenue (expenses)</b>	<b>(259,598)</b>	<b>(765,172)</b>	<b>(505,574)</b>	<b>(61,246)</b>
Income before contributions and transfers	2,450,866	(291,147)	(2,742,013)	835,360
<b>Capital contributions</b>				
Capital grants	—	1,278,618	1,278,618	737,728
Contributed capital	—	105,444	105,444	75,237
<b>Total capital contributions</b>	<b>—</b>	<b>1,384,062</b>	<b>1,384,062</b>	<b>812,965</b>
<b>Transfers</b>				
Transfers (out) to other funds	(1,794,000)	(1,882,244)	(88,244)	(1,963,444)
<b>Change in net position</b>	<b>656,866</b>	<b>(789,329)</b>	<b>(1,446,195)</b>	<b>(315,119)</b>
Net position, beginning of year	13,160,807	13,160,807	—	13,475,926
Net position, end of year	<u>\$ 13,817,673</u>	<u>\$ 12,371,478</u>	<u>\$ (1,446,195)</u>	<u>\$ 13,160,807</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
 SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES  
 YEAR ENDED APRIL 30, 2022

<b>Court Fines and Assessments</b>	
Court fines and assessments collected	\$ 81,944
Court fines and assessments remitted to State Treasurer	<u>(39,058)</u>
Total court fines and assessments retained by the City	<u>\$ 42,886</u>
<b>Surcharges and Assessments retained for Victims Services</b>	
Total assessments collected	\$ 3,341
Total surcharges collected	<u>1,616</u>
Total surcharges and assessments retained for victims services	<u>\$ 4,957</u>
<b>Funds Allocated to Victims Services</b>	
Carryover funds from prior year	\$ —
Surcharges and assessments retained	4,957
Expenditures for victims services	<u>(4,957)</u>
Unexpended victim's rights assistance funds	<u>\$ —</u>