

CITY OF BENNETTSVILLE, SOUTH CAROLINA

**AUDITED BASIC FINANCIAL STATEMENTS
AND
OTHER FINANCIAL INFORMATION**

YEAR ENDED APRIL 30, 2023

WITH

REPORT OF INDEPENDENT AUDITOR

ROBERT E. MILHOUS, C.P.A., P.A. & ASSOCIATES

**A PROFESSIONAL ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS**



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REPORT OF INDEPENDENT AUDITOR

CITY OF BENNETTSVILLE, SOUTH CAROLINA

ROBERT E. MILHOUS, C.P.A., P.A. & ASSOCIATES

A Professional Association Of
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

POST OFFICE BOX 1960, COLUMBIA, SOUTH CAROLINA 29202

Phone: (803) 772-5300

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, 2023, 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, 2023, 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, 2023), 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.

Other Matters

Emphasis of Matter

As discussed in *Note 18* to the financial statement, the Governmental Activities, Business-type Activities and the Proprietary Fund Net Position has been restated to correct prior-period reported errors and to implement new GASB standards. My opinion is not modified with respect to this matter.

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 2022 audited financial statements, as restated, and in my report dated October 30, 2022, I expressed an unmodified opinion on those financial statements.



January 23, 2024
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, 2023

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, 2023. 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, 2023 were \$41.1 million and total liabilities equaled \$27.5 million. Total deferred outflows equaled \$3.2 million while total deferred inflows equaled \$2.4 million. The difference between these amounts equals total net position of \$14.4 million at April 30, 2023. Of the total net position, unrestricted (deficit) amounts totaled \$(7.4) million and were not available to support short term operations of the City. This is primarily due to the City's \$10.3 million net pension obligation liability.

Per the Government-wide *Statement of Activities*, the City's total net position increased by \$.5 million for the year ended April 30, 2023. The Governmental Activities resulted in a net increase of \$184,255, while the Business-type Activities increased by \$345,855 which included a transfer out of \$1.6 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. → Electricity, Natural Gas, Water & Sewer

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 \$14.4 million at the close of April 30, 2023.

Below is a 'condensed' Statement of Net Position at April 30, 2023, which depicts the major components of the City's assets, liabilities and net position (with comparative amounts for April 30, 2022).

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Assets						
Cash and cash equivalents:						
Unrestricted	\$ 169,225	\$ 203,912	\$ 113,446	\$ 287,881	\$ 282,671	\$ 491,793
Restricted	180,923	178,757	3,358,827	2,777,000	3,539,750	2,955,757
Equity in pooled cash	1,778,796	400,442	740,056	1,586,762	2,518,852	1,987,204
Investments	—	—	2,048,241	1,895,795	2,048,241	1,895,795
Receivables and due from others, net	420,014	437,185	1,263,141	1,015,808	1,683,155	1,452,993
Inventories and prepaid items	117,442	108,008	490,565	558,684	608,007	666,692
Internal balances	2,331,634	2,245,452	(2,331,634)	(2,245,452)	—	—
Capital assets, net of accumulated depreciation	5,292,023	5,407,204	24,670,048	25,072,167	29,962,071	30,479,371
Right-to-use leased assets, net	543,317	—	—	—	543,317	—
Total assets	10,833,374	8,980,960	30,352,690	30,948,645	41,186,064	39,929,605
Deferred Outflows Resources						
Pension related	2,159,265	1,748,316	1,021,872	863,237	3,181,137	2,611,553
Liabilities						
Current liabilities	2,396,917	798,303	3,056,983	3,324,304	5,453,900	4,122,607
Non-current liabilities	7,317,975	6,573,311	14,731,742	15,135,078	22,049,717	21,708,389
Total liabilities	9,714,892	7,371,614	17,788,725	18,459,382	27,503,617	25,830,996
Deferred Inflows of Resources						
Pension related	1,556,709	1,868,951	868,504	964,180	2,425,213	2,833,131
Net Position						
Net investment in capital assets	5,094,095	4,846,373	13,230,248	13,035,061	18,324,343	17,881,434
Restricted	752,235	909,906	2,729,187	2,662,382	3,481,422	3,572,288
Unrestricted (deficit)	(4,125,292)	(4,267,568)	(3,242,102)	(3,325,965)	(7,367,394)	(7,593,533)
Total net position	\$ 1,721,038	\$ 1,488,711	\$12,717,333	\$12,371,478	\$14,438,371	\$13,860,189

By far the largest portion of the City's net position (\$18.3 million in 2023, and \$17.9 million in 2022) 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 \$1,721,038, and consists of net investment in capital assets \$5,094,095, restricted \$725,235, and unrestricted (deficit) of \$(4,125,292) at the end of 2023. The Business-type Activities total net position equaled \$12,717,333 and consists of net investment in capital assets \$13,230,248, restricted \$2,729,187, and unrestricted (deficit) of \$(3,242,102) at the end of 2023.

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, of \$3,481,422, 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 2023 and FY 2022 are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenue						
Program Revenue:						
Charges for services	\$ 1,458,856	\$ 1,188,911	\$ 17,436,175	\$ 15,884,082	\$ 18,895,031	\$ 17,072,993
Operating grants and contributions	942,547	218,435	548,042	1,317,868	1,490,589	1,536,303
Capital grants and contributions	99,891	40,852	747,686	547,969	847,577	588,821
General revenue:						
Property taxes and L.O.S.T	2,241,145	2,222,279	—	—	2,241,145	2,222,279
State shared and unallocated intergovernmental	865,905	859,614	—	—	865,905	859,614
Licenses and franchise fees	1,001,622	887,667	—	—	1,001,622	887,667
Other	28,166	(65,348)	103,676	60,874	131,842	(4,474)
Total revenue	6,638,132	5,352,410	18,835,580	17,810,793	25,473,712	23,163,203
Expenses						
General government	1,871,372	1,572,325	—	—	1,871,372	1,572,325
Public safety	3,796,598	4,271,476	—	—	3,796,598	4,271,476
Public works	1,754,095	1,662,022	—	—	1,754,095	1,662,022
Culture and recreation	374,662	369,420	—	—	374,662	369,420
Interest	305,685	21,399	314,474	312,135	620,159	333,534
Combined utility	—	—	16,526,716	16,093,843	16,526,716	16,093,843
Total expenses	8,102,412	7,896,642	16,841,190	16,405,978	24,943,602	24,302,620
Transfers	1,648,535	1,882,244	(1,648,535)	(1,882,244)	—	—
Changes in net position	184,255	(661,988)	345,855	(477,429)	530,110	(1,139,417)
Beginning net position	1,488,711	1,838,799	12,371,478	13,160,807	13,860,189	14,999,606
Restatement - prior year (Note 18)	48,072	311,900	—	(311,900)	48,072	—
Ending net position	\$ 1,721,038	\$ 1,488,711	\$ 12,717,333	\$ 12,371,478	\$ 14,438,371	\$ 13,860,189

Government-Wide Financial Analysis (continued)

Net position in Governmental Activities had a total increase in 2023 of \$184,255 compared to a decrease of \$(350,088) before restatement in 2022. This was primarily due to the City's efforts to manage spending with new ARPA and other grant revenue. Net position in Business-type Activities increased \$345,855 in 2023 compared to a decrease of \$(789,329) before restatement in 2022 primarily due to increased electric and gas revenue and grant revenue. Both periods included transfers to the Governmental Activities of \$1,648,535 in 2023, and \$1,882,244 before restatement in 2022.

Key Governmental Activities highlights are as follows: Total program revenue increased by approximately \$1.0 million in 2023 primarily due to operating and capital grants. Total Governmental Activities revenues equaled \$6.6 million in 2023 compared to \$5.4 million in 2022. Total Governmental Activity expenses in 2023 equaled \$8.1 million compared to \$7.6 million in 2022.

Key Business-type Activity highlights are as follows: Total program revenue increased by \$981,985 between 2023 and 2022 primarily due to seasonal temperature variations between years plus operating and 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 similar in 2023 compared to 2022 except for gas sales. Total Business-type expenses equaled \$16.8 million in 2023 as compared to \$16.4 million in 2022.

Due to the City receiving ARPA grant revenue of \$3.9 million, the City paid its employees a combined premium (hazard) pay totaling \$660,221 in fiscal year 2022 and 2023 (\$437,808 in Governmental Activities and \$222,413 in Business-type Activities). Unspent amounts totaled \$2,752,228 (\$1,250,982 in Combined Utility Fund and \$1,501,246 in Capital Projects Fund at April 30, 2023) and have been reported as unearned revenue in the Statement of Net Position.

Expenses and Program Revenues – Governmental Activities – Governmental expenses (totaling \$8.1 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 30.9% 'program revenues', leaving 69.1% 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	\$ (1,871,372)	\$ —	\$ (1,871,372)	0%	100%
Public safety	(3,796,598)	561,967	(3,234,631)	15%	85%
Public works	(1,754,095)	1,916,545	162,450	100%	0%
Culture and recreation	(374,662)	22,782	(351,880)	6%	94%
Interest	(305,685)	—	(305,685)	0%	100%
Totals	<u>\$ (8,102,412)</u>	<u>\$ 2,501,294</u>	<u>\$ (5,601,118)</u>	<u>30.9%</u>	<u>69.1%</u>

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 69.1% in 2023 (as compared to 80.9% for 2022), in the following categories.

	2023	2022
Property taxes, L.O.S.T, and Rollback	\$ 2,241,145	\$ 2,222,279
State shared revenue	865,905	859,614
Licenses and franchise fees	1,001,622	887,667
Investment earnings	15,584	13,592
Miscellaneous	12,582	(78,940)
Total	<u>\$ 4,136,838</u>	<u>\$ 3,904,212</u>

Transfers in from other funds equaled \$1,648,535 in 2023, and \$1,882,244 before restatement in 2022. Overall, the City experienced a 6.0% increase in General Revenues in 2023 as compared to 2022.

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 \$17.4 million in 2023 (as compared to \$15.9 million in 2022) and includes electric sales of \$10.4 million, natural gas sales of \$3.3 million, water sales of \$1.6 million plus \$1.8 million from sewer services, with the balance of .3 million consisting of penalties, reconnect fees and other revenues. Operating expenses totaled \$16.5 million in 2023 as compared to \$15.6 million in 2022. Operating income at year ended April 30, 2023, totaled \$939,924 (as compared to \$311,574 in 2022) 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 \$5,042,275 actual revenues achieved equaled \$5,346,160 or \$303,885 more than budget. The City had actual General Fund expenditures of \$8,158,880 (with capital outlay of new leased vehicle assets and ARPA premium (hazard) payroll), compared to a 'final' budget of \$7,174,559 for an unfavorable variance of \$(984,321) for the fiscal year ended April 30, 2023. Transfers in and out equaled a net of \$2,100,343 per the final budget, compared to actual \$2,626,422 (\$2,164,398 plus \$462,024 of the new leased vehicles) in 2023.

General Fund Financial Analysis and Budgetary Highlights (continued)

Increases in the cost of gas and 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 2023 compared to 2022 actual amounts achieved.

	2023		Variances Positive (Negative)	2022
	Final Budget	Actual		Restated Actual
General Fund				
Revenue				
Property taxes	\$ 1,245,225	\$ 1,368,062	\$ 122,837	\$ 1,197,001
Local option sales tax	936,068	873,083	(62,985)	1,025,278
Licenses, permits and franchise fees	840,500	1,001,622	161,122	887,667
Fines and forfeitures	38,900	51,895	12,995	41,488
Intergovernmental	553,764	715,562	161,798	576,813
Charges for services	1,241,218	1,270,292	29,074	1,007,779
User fees	54,900	22,782	(32,118)	46,791
Interest income and other	131,700	42,862	(88,838)	123,871
Total revenue	5,042,275	5,346,160	303,885	4,906,688
Expenditures				
Current:				
General government	1,191,285	1,369,729	(178,444)	1,163,301
Public safety	3,698,662	4,060,093	(361,431)	4,153,963
Public works	1,551,261	1,652,069	(100,808)	1,619,802
Culture and recreation	340,355	324,283	16,072	307,946
Capital outlay	10,000	468,487	(458,487)	5,600
Debt service	382,996	284,219	98,777	329,596
Total expenditures	7,174,559	8,158,880	(984,321)	7,580,208
Excess (deficiency) of revenue over (under) expenditures	(2,132,284)	(2,812,720)	(680,436)	(2,673,520)
Other financing sources and (uses)	2,100,343	2,626,422	526,079	2,089,982
Net change in fund balance	\$ (31,941)	\$ (186,298)	\$ (154,357)	\$ (583,538)

General Fund Financial Analysis and Budgetary Highlights (continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – As of April 30, 2023, the City’s investment in capital assets for its Governmental Activities totaled \$14.8 million, less accumulated depreciation of \$9.5 million for a net carrying value of \$5.3 million. For its Business-type Activities, total investment in capital assets equaled \$52.2 million, less accumulated depreciation of \$27.5 million for a net carrying value of \$24.7 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 in 2022 was new public safety vehicles and equipment plus ARPA related improvements to public safety facilities and street scape projects. The Business-type Activities (Combined Utility Fund), major capital improvement projects in 2023 consisted of additional water and sewer system infrastructure. Information on the City’s capital assets can be found in *Note 6* of this report.

Long-Term Debt – At April 30, 2023, the City had outstanding two revenue bonds (Series 2022A, and Series 2022B), along with two issuances of South Carolina Water Pollution Control Revolving Fund Loans (Series 2009A and Series 2009B), plus one lease-purchase installment obligation. During 2023 the City paid-off its outstanding general obligation bonds (Series 20214) along with its 2017A and 2018B lease purchase obligations. For Governmental Activities, total outstanding long-term debt equaled \$165,148 for the 2019 lease-purchase note. The Business-type Activities and the Combined Utility Fund had long-term debt outstanding of \$11,439,800 at April 30, 2023, consisting of the Series 2009A and 2009B SRF loans equaling \$543,311 and \$1,495,489, respectively, and the Series 2022A (\$6,965,000) and Series 2022B (\$2,436,000). 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, 2023 totaled \$6.6 million for Governmental Activities and \$3.7 million for Business-type Activities for a combined total of \$10.3 million.

During 2023, the City entered into a Loan Assistance Agreement with the SC Water Quality Revolving Fund Authority, dated March 29, 2023, relating to sewer system evaluation. Per the agreement, the loan will not accrue interest and the principal will be forgiven in its entity as long as it is expended on the approved project. The term of the agreement expires upon the satisfaction of the requirements. As of April 30, 2023, the City received \$498,620 in assistance funding and expended \$19,900. The City anticipates the remaining expenses to occur in FY 23-24.

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, 2023

	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows			
Assets:			
Cash and cash equivalents:			
Unrestricted	\$ 169,225	\$ 113,446	\$ 282,671
Restricted	180,923	3,358,827	3,539,750
Equity in pooled cash	1,778,796	740,056	2,518,852
Investments	—	2,048,241	2,048,241
Receivables, net:			
Accounts, grants and notes	420,014	1,263,141	1,683,155
Due from other governments	—	—	—
Internal balances, net	2,331,634	(2,331,634)	—
Inventories and prepaid items	117,442	490,565	608,007
Capital assets:			
Nondepreciable	908,770	710,663	1,619,433
Depreciable, net	4,383,253	23,959,385	28,342,638
Right-to-use leased assets, net	543,317	—	543,317
Total assets	10,833,374	30,352,690	41,186,064
Deferred Outflows of Resources:			
Pension related	2,159,265	1,021,872	3,181,137
Total Assets and Deferred Outflows	\$ 12,992,639	\$ 31,374,562	\$ 44,367,201
Liabilities, Deferred Inflows and Net Position			
Liabilities:			
Accounts payable	\$ 163,218	\$ 959,601	\$ 1,122,819
Accrued payroll and other payables	97,828	—	97,828
Accrued interest payable	633	77,706	78,339
Unearned revenue	1,710,890	1,250,982	2,961,872
Customer deposits and prepayments	42,599	209,926	252,525
Accrued compensated absences	342,240	142,086	484,326
Leased assets payable – due in less than one year	216,601	—	216,601
Leased assets payable – due in more than one year	359,494	—	359,494
Bonds and notes payable – due in less than one year	165,148	558,768	723,916
Bonds and notes payable – due in more than one year	—	10,881,032	10,881,032
Net pension obligations	6,616,241	3,708,624	10,324,865
Total liabilities	9,714,892	17,788,725	27,503,617
Deferred Inflows of Resources:			
Pension related	1,556,709	868,504	2,425,213
Total liabilities and deferred inflows	11,271,601	18,657,229	29,928,830

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF NET POSITION

— CONTINUED —

	Governmental Activities	Business-type Activities	Total
Liabilities, Deferred Inflows and Net Position (continued)			
Net position:			
Net investment in capital and leased assets	5,094,095	13,230,248	18,324,343
Restricted for:			
Pensions	529,882	270,697	800,579
Debt and capital projects	—	2,458,490	2,458,490
Housing and community development	188,264	—	188,264
Fire and law enforcement activities	34,089	—	34,089
Unrestricted (deficit)	(4,125,292)	(3,242,102)	(7,367,394)
Total net position	<u>1,721,038</u>	<u>12,717,333</u>	<u>14,438,371</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 12,992,639</u>	<u>\$ 31,374,562</u>	<u>\$ 44,367,201</u>

See accompanying notes to financial statements.

CITY OF BENNETTSTVILLE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED APRIL 30, 2023

Functions and Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Totals
Governmental activities:					
General government	\$ (1,871,372)	\$ —	\$ —	\$ —	\$ (1,871,372)
Public safety	(3,796,598)	165,782	296,294	99,891	(3,234,631)
Public works	(1,754,095)	1,270,292	646,253	—	162,450
Culture and recreation	(374,662)	22,782	—	—	(351,880)
Debt Service - interest	(305,685)	—	—	—	(305,685)
Total governmental activities	<u>(8,102,412)</u>	<u>1,458,856</u>	<u>942,547</u>	<u>99,891</u>	<u>(5,601,118)</u>
Business-type activities:					
Combined utility	(16,825,008)	17,436,176	548,042	747,686	1,906,896
Total business-type activities	<u>(16,825,008)</u>	<u>17,436,176</u>	<u>548,042</u>	<u>747,686</u>	<u>1,906,896</u>
Total functions and programs	<u>\$ (24,927,420)</u>	<u>\$ 18,895,032</u>	<u>\$ 1,490,589</u>	<u>\$ 847,577</u>	<u>(3,694,222)</u>
General Revenue and Transfers					
General Revenue:					
Property taxes and L.O.S.T.				2,241,145	2,241,145
State shared and intergovernmental (unrestricted)				865,905	865,905
Business licenses and other franchise fee/tax				1,001,622	1,001,622
Unrestricted investments earnings				15,584	119,260
Gain (loss) on disposal/contribution of assets				(1,475)	(1,475)
Miscellaneous				14,057	(2,125)
Transfers in (out)				1,648,535	—
				<u>5,785,373</u>	<u>4,224,332</u>
Changes in net position				184,255	530,110
Net Position – beginning of year				1,488,711	13,860,189
Cumulative effects of restatement (Note 18)				48,072	48,072
Net Position – end of year				<u>\$ 1,721,038</u>	<u>\$ 14,438,371</u>

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

APRIL 30, 2023

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents:				
Unrestricted	\$ 66,920	\$ 6,790	\$ 95,515	\$ 169,225
Restricted	31,525	4,564	144,834	180,923
Equity in pooled cash	472,788	2,996,817	(1,690,809)	1,778,796
Receivables:				
Property taxes	252,475	—	—	252,475
Other and notes	327,489	—	988,169	1,315,658
Less, allowances for doubtful accounts	(446,819)	—	(108,169)	(554,988)
Due from other governments	—	—	—	—
Due from other funds	3,647,779	153,715	1,690,809	5,492,303
Inventory and prepaid items	117,442	—	—	117,442
Total assets	\$ 4,469,599	\$ 3,161,886	\$ 1,120,349	\$ 8,751,834
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 111,859	\$ 51,359	\$ —	\$ 163,218
Accrued payroll and related payables	97,828	—	—	97,828
Due to other funds	1,251,199	1,892,876	16,594	3,160,669
Due to other governments	—	—	—	—
Unearned revenue	209,644	1,501,246	—	1,710,890
Deposits	19,500	—	23,099	42,599
Total liabilities	1,690,030	3,445,481	39,693	5,175,204
Fund balances:				
Non-spendable	117,442	—	—	117,442
Restricted	11,425	—	115,397	126,822
Committed	—	—	—	—
Assigned	25,000	—	95,531	120,531
Unassigned (deficit)	2,625,702	(283,595)	869,728	3,211,835
Total fund balances	2,779,569	(283,595)	1,080,656	3,576,630
Total liabilities and fund balances	\$ 4,469,599	\$ 3,161,886	\$ 1,120,349	\$ 8,751,834

— 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 15):**

Total Governmental Funds fund balances	\$ 3,576,630
Capital and right-to-use leased assets, net of accumulation depreciation and amortization, respectively, used in governmental activities are not financial resources and therefore, are not reported in these funds.	5,835,340
Certain receivables are not financial resources and therefore, are not reported in these funds.	(593,131)
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.	602,656
Long-term liabilities, including bonds/notes and right-to-use lease payable, compensated absences and pension obligation are not due and payable in the current period and therefore are not reported in these funds.	<u>(7,700,357)</u>
	<u>(1,855,492)</u>
Net position, end of year – Governmental Activities	<u>\$ 1,721,038</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, 2023

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Taxes, penalties and fees	\$ 1,368,062	\$ —	\$ —	\$ 1,368,062
Local options sales tax	873,083	—	—	873,083
Licenses, permits and franchise fees	1,001,622	—	—	1,001,622
Fines and forfeitures	51,895	—	113,887	165,782
Intergovernmental – grants, state shared and other	715,562	649,808	471,516	1,836,886
Charges for services – solid waste and lot clearing	1,270,292	—	—	1,270,292
User fees – community/fitness centers and other rent	22,782	—	—	22,782
Interest income	70	293	1,560	1,923
Contributions and other	42,792	—	—	42,792
Total revenue	5,346,160	650,101	586,963	6,583,224
Expenditures				
Current:				
General government	1,369,729	—	123,092	1,492,821
Public safety	4,060,093	—	—	4,060,093
Public works	1,652,069	—	—	1,652,069
Culture and recreation	324,283	—	46,376	370,659
Capital outlay	468,487	509,986	—	978,473
Debt service	284,219	—	84,540	368,759
Total expenditures	8,158,880	509,986	254,008	8,922,874
Excess (deficiency) of revenue over expenditures	(2,812,720)	140,115	332,955	(2,339,650)
Other Financing Sources (Uses)				
Leased vehicle assets additions	462,024	—	—	462,024
Insurance reimbursements	—	71,457	—	71,457
Transfers in	2,226,958	—	84,540	2,311,498
Transfers (out)	(62,560)	(229,565)	(401,050)	(693,175)
Total other financing sources (uses)	2,626,422	(158,108)	(316,510)	2,151,804
Net change in fund balances	(186,298)	(17,993)	16,445	(187,846)
Fund balances, beginning of year	2,965,867	(265,602)	1,064,211	3,764,476
Fund balances, end of year	\$ 2,779,569	\$ (283,595)	\$ 1,080,656	\$ 3,576,630

— 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 15):**

Net change in fund balances – total governmental funds	\$ (187,846)
--	--------------

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.	333,931
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Certain revenues and expenses are not reported as source and uses of current financial resources. This is the amount of such accruals.	(87,978)
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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.	126,148
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	<u>372,101</u>
Change in Net Position – Governmental Activities	<u>\$ 184,255</u>

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

APRIL 30, 2023

	Business-type Activities – Enterprise Fund Combined Utility
Assets and Deferred Outflows	
Current assets:	
Cash and cash equivalents	\$ 113,446
Equity in pooled cash	740,056
Investments	2,048,241
Accounts receivable, net	1,263,141
Inventories and prepaid items	490,565
Due from other funds	199,805
	<u>4,855,254</u>
Current restricted assets:	
Restricted cash and cash equivalents	2,668,775
Santee Cooper Settlement fund	690,052
	<u>3,358,827</u>
Total current assets	<u>8,214,081</u>
Non-current assets:	
Capital assets, not subject to depreciation	710,663
Capital assets subject to depreciation, net	23,959,385
Total non-current assets	<u>24,670,048</u>
Deferred outflows of resources:	
Pension related	1,021,872
Total deferred outflows	<u>1,021,872</u>
Total assets and deferred outflows	<u>\$ 33,906,001</u>
Liabilities, Deferred Inflows and Net Position	
Current liabilities:	
Accounts payable	\$ 959,601
Accrued payroll and withholdings payable	—
Due to other funds	2,531,439
Customer deposits and prepayments	209,926
	<u>3,700,966</u>
Current liabilities payable from restricted assets:	
Accrued interest payable	77,706
Bonds payable – current portion	558,768
Unearned revenue – ARPA	1,250,982
	<u>1,887,456</u>
Total current liabilities	<u>5,588,422</u>
Long-term (non-current) liabilities:	
Accrued compensated absences	142,086
Revenue bonds payable	10,881,032
Net pension liabilities	3,708,624
Total long-term liabilities	<u>14,731,742</u>
Total liabilities	<u>20,320,164</u>

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

— CONTINUED —

	<u>Business-type Activities – Enterprise Fund Combined Utility</u>
Liabilities, Deferred Inflows and Net Position (continued)	
Deferred inflows of resources:	
Pension related	868,504
Total deferred inflows	<u>868,504</u>
Net position:	
Net investment in capital assets	13,230,248
Restricted for pensions	270,697
Restricted for debt and capital projects	2,458,490
Unrestricted (deficit)	<u>(3,242,102)</u>
Total net position	<u>12,717,333</u>
Total liabilities, deferred inflows and net position	<u>\$ 33,906,001</u>

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED APRIL 30, 2023

	Business-type Activities – Enterprise Fund Combined Utility
Operating Revenue (pledged as security for notes and bonds)	
Sales and services:	
Water	\$ 1,580,483
Sewer	1,781,414
Electric	10,372,501
Gas	3,310,860
Penalties, reconnect fees and other revenue	390,918
Total operating revenue	<u>17,436,176</u>
Operating Expenses	
Water plant	1,041,511
Water distribution	429,048
Wastewater plant and collection	637,047
Sewer/Stormwater collection	215,568
Electricity purchase and transmission	8,673,221
Gas purchase and distribution	2,846,398
Administration	540,071
Billing office	592,949
Non-departmental	289,473
Depreciation expense	1,230,966
Total operating expenses	<u>16,496,252</u>
Operating income	<u>939,924</u>
Non-Operating Revenue (Expenses)	
FEMA grant reimbursement	—
Santee Cooper Settlement	523,777
Non-operating revenue	24,265
Interest income	103,676
Interest expense	(314,474)
Fiscal agent fees	(14,282)
Change in accrued income and unrealized gain (loss)	(16,182)
Total non-operating revenue (expenses)	<u>306,780</u>
Income before contributions and transfers	<u>1,246,704</u>
Capital contributions	
Capital grants	717,474
Contributed capital	30,212
Total capital contributions	<u>747,686</u>
Transfers	
Transfers (out) to other funds	<u>(1,648,535)</u>
Change in net position	345,855
Net position, beginning of year	<u>12,371,478</u>
Net position, end of year	<u>\$ 12,717,333</u>

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED APRIL 30, 2023

	<u>Business-type Activities – Enterprise Fund Combined Utility</u>
Cash Flows from Operating Activities	
Cash received from:	
Combined utility sales and services, penalties, reconnect fees and other revenue	\$ 17,160,159
Cash paid to (for):	
Employee salaries and related costs, and combined utility operations	(15,845,585)
Net cash provided by (used in) operating activities	<u>1,314,574</u>
Cash Flows from Non-capital Financing Activities	
Operating grants received	523,777
Transfers to/from General, Capital Projects and Debt Service funds	(1,648,535)
Non-operating revenue and expenses, net	24,265
Net cash provided by (used in) non-capital financing activities	<u>(1,100,493)</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and construction of capital assets	(798,636)
Capital grants and other	1,112,709
Interest paid on capital related debt and fiscal agent fees	(305,210)
Principal payments under bonds and capital leases	(597,306)
Net cash provided by (used in) capital and related financing activities	<u>(588,443)</u>
Cash Flows from Investing Activities	
Interest received	103,676
Change in purchases/sales of investments and accrued income	(168,628)
Net cash provided by (used in) investing activities	<u>(64,952)</u>
Net increase (decrease) in cash and cash equivalents	(439,314)
Cash and cash equivalents, beginning of year (of which \$2,777,000 is restricted)	4,651,643
Cash and cash equivalents, end of year (of which \$3,358,827 restricted)	<u>\$ 4,212,329</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 345,855
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation expense	1,230,966
Changes in certain assets and liabilities:	
(Increase) decrease in accounts receivable	(247,333)
(Increase) decrease in inventory and prepaid items	68,119
Increase (decrease) in accounts payable/accrued expenses	(24,810)
Increase (decrease) in accrued compensated absences	(8,166)
Increase (decrease) in customer deposits	(28,684)
Increase (decrease) in internal balances due to other funds	86,182
(Increase) decrease in deferred outflows of resources	(158,635)
Increase (decrease) in deferred inflows of resources	(95,676)
Increase (decrease) in net pension liabilities	146,756
Net cash provided by (used in) operating activities	<u>\$ 1,314,574</u>
<i>See accompanying notes to financial statements.</i>	

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

APRIL 30, 2023

	Custodial Fund Firemen's 1% Fund
Assets	
Cash and cash equivalents	\$ 48,689
Total assets	<u>\$ 48,689</u>
Net Position	
Amounts held for City Firemen's	\$ 48,689
Total net position	<u>\$ 48,689</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, 2023

	<u>Custodial Fund</u> <u>Firemen's</u> <u>(1%) Fund</u>
Additions	
Contributions:	
Amounts collected from the State	\$ 35,596
Interest income	455
Total additions	<u>36,051</u>
Deductions	
Payments made for City firemen's association activities	<u>40,250</u>
Total deductions	<u>40,250</u>
Change in net position	(4,199)
Net position, beginning of year	<u>52,888</u>
Net position, end of year	<u><u>\$ 48,689</u></u>

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2023

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 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 \$7,174,559. Actual expenditures totaled \$8,158,880 (\$7,696,856 plus new leased vehicle asset capital outlay of \$462,024). Budgeted transfers-in(out) netted to \$2,100,343 with actual amounts netting to \$2,164,398 plus new leased vehicle asset additions of \$462,024. The Combined Utility Fund operated under a budget totaling \$16,638,926, (which included operating and non-operating expenses, transfers, debt service and capital outlay). Actual operating expenses totaled \$16,496,252 (including a non-budgetary charge of \$1,230,966 for depreciation), plus non-operating revenues totaled \$380,227 (net of non-operating expense), and transfers-out totaled \$1,648,535.

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 Right-to-use Leased Assets

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 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

Right-to-use leased assets are reported separate from capital assets in the Statement of Net position at their respective cost values, (net amortization over the lesser of useful lives or lease terms), are not financial resources in governmental funds, and therefore, are not reported there-in. Instead, increases in right-to-use leased assets are reported in governmental funds as Capital Outlay and Other Financing Sources.

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 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 No. 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 and Proprietary Fund types, certain assets are reported, in connection with a transaction, before the earnings process is complete. These assets are generally offset by a corresponding liability entitled unearned revenue. Accordingly, unearned revenue in the Government-wide and in the Governmental and Proprietary Fund financial statements represent certain assets that are not yet available to finance expenditures for the current fiscal period.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about the South Carolina Retirement System (SCRS) and South Carolina Police Officers Retirement System (PORS) 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, 2023, the City had the following cash and investment balances:

Cash on hand	\$ 4,043
Carrying amount of deposits	4,302,771
Investments	4,131,389
Totals	\$ 8,438,203
Statement of Net Position balances:	
Cash and cash equivalents:	
Unrestricted	\$ 282,671
Restricted	3,539,750
Fiduciary	48,689
Equity in pooled cash	2,518,852
Investments	2,048,241
Totals	\$ 8,438,203

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, 2023, the carrying amount of the City's deposits with financial institutions equaled \$4,302,771, and the bank balances totaled \$4,108,063. Of the bank balances, approximately \$1,250,055 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, 2023 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%	\$ 156,114	4/27/2024
Federal government agencies' securities	1,306,500	Varies
Money market (debt service trust) funds	2,668,775	Varies
Total fair value	<u>\$ 4,131,389</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, 2023, 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, 2023.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

3. Restricted Assets

Restricted cash and cash equivalents reported for the Governmental Activities totaled \$180,923 at April 30, 2023. Of this total, \$4,564 was restricted to the purchase of specific items of equipment under installment purchase contract; \$20,100 for community center deposits; \$92,768 for housing-related assistance; and \$83,591 restricted for municipal court, fire, and law enforcement activities. Restricted cash and cash equivalents reported in the Business-type Activities totaled \$3,358,827 at April 30, 2023. Of this total, \$2,458,490 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 \$210,285. The remaining balance of \$690,052 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, 2023, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities
Property taxes	\$ 252,475	\$ —
Sanitation fees	154,596	—
Notes, net	395,038	—
Lot clearing fees and other	172,893	—
Combined Utility Accounts	—	1,690,451
Total receivables	975,002	1,690,451
Less, allowance for uncollectible accounts	(554,988)	(427,310)
Receivables, net	\$ 420,014	\$ 1,263,141

Notes receivable at April 30, 2023, including the applicable allowances for uncollectible accounts and imputed interest are as follows:

	Governmental Activities
Upper Story Housing (<i>see Note 14</i>)	\$ 880,000
Housing rehabilitation	11,836
Housing assistance	81,344
CDBG Repayment Fund	14,989
Total notes receivable	988,169
Less, allowance for uncollectible accounts and unrealized imputed interest	(593,131)
Notes receivable, net	\$ 395,038

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

5. Internal Balances

A. Due to/from Other Funds

Short-term interfund receivables and payables at April 30, 2023, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 3,647,779	\$ (1,251,199)
Special Revenue Fund	—	(16,594)
Capital Project Fund	153,715	(1,892,876)
Debt Service Fund	1,690,809	—
Utility Fund	199,805	(2,531,439)
Total interfund balances	5,692,108	(5,692,108)
Less, eliminations	(3,360,474)	3,360,474
Internal balances, net	<u>\$ 2,331,634</u>	<u>\$ (2,331,634)</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.

B. Transfers to/from Other Funds

Transfers in (out) for the year ended April 30, 2023 are summarized below:

	Transfers In	Transfers (Out)
General Fund	\$ 2,226,958	\$ (62,560)
Special Revenue Funds	—	(401,050)
Capital Project Fund	—	(229,565)
Debt Service Fund	84,540	—
Utility Fund	103,658	(1,721,981)
	<u>\$ 2,415,156</u>	<u>\$ (2,415,156)</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, 2023, net transfers between Governmental Activities and Business-type Activities totaled \$1,648,535 and consisted of \$1,700,000 budgeted for indirect overhead operating activities to the General Fund, less \$73,446 to the Capital Projects Fund, and \$21,981 to the Debt Service Fund for lease-purchase debt services. Additionally, the Governmental Activities transferred capital assets to the Business-type Activities totaling \$30,212, during the year ended April 30, 2023, which is being reported as both transfer-out and contributed capital, respectively in the Statement of Activities.

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, 2023, are as follows:

A. Governmental Activities:

	<u>Balance April 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance April 30, 2023</u>
Capital assets not being depreciated:					
Land	\$ 572,233	\$ —	\$ —	\$ —	\$ 572,233
Construction in process	—	336,537	—	—	336,537
Total capital assets not being depreciated	<u>572,233</u>	<u>336,537</u>	<u>—</u>	<u>—</u>	<u>908,770</u>
Capital assets being depreciated:					
Land improvements	118,195	—	—	—	118,195
Buildings and improvements	3,067,925	46,283	—	—	3,114,208
Facades, parking and improvements	4,387,993	—	—	—	4,387,993
Furniture, fixtures, and equipment	2,710,754	22,296	—	—	2,733,050
Vehicles	3,449,925	37,347	—	—	3,487,272
Totals capital assets being depreciated	<u>13,734,792</u>	<u>105,926</u>	<u>—</u>	<u>—</u>	<u>13,840,718</u>
Less, accumulated depreciation for:					
Land improvements	(104,742)	(930)	—	—	(105,672)
Buildings and improvements	(1,362,697)	(89,158)	—	—	(1,451,855)
Facades, parking and improvements	(3,409,740)	(137,144)	—	—	(3,546,884)
Furniture, fixtures, and equipment	(1,903,410)	(133,149)	—	—	(2,036,559)
Vehicles	(2,119,232)	(197,263)	—	—	(2,316,495)
Total accumulated depreciation	<u>(8,899,821)</u>	<u>(557,644)</u>	<u>—</u>	<u>—</u>	<u>(9,457,465)</u>
Total capital assets being depreciated, net	<u>4,834,971</u>	<u>(451,718)</u>	<u>—</u>	<u>—</u>	<u>4,383,253</u>
Net capital assets – Governmental Activities	<u>\$ 5,407,204</u>	<u>\$ (115,181)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,292,023</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Capital Assets (Continued)

A. Governmental Activities (continued):

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

General government	\$ 315,626
Public safety	167,851
Public works	59,110
Culture and recreation	15,057
Total depreciation expense	<u>\$ 557,644</u>

B. Business-Type Activities:

	Balance April 30, 2022	Additions	Retirements	Transfers	Balance April 30, 2023
Capital assets not being depreciated:					
Land	\$ 447,359	\$ —	\$ —	\$ —	\$ 447,359
Construction in progress	167,918	330,108	—	(234,722)	263,304
Total capital assets not being depreciated	<u>615,277</u>	<u>330,108</u>	<u>—</u>	<u>(234,722)</u>	<u>710,663</u>
Capital assets being depreciated:					
Buildings and improvements	2,061,004	—	—	—	2,061,004
Systems improvements	44,439,354	498,740	—	234,722	45,172,816
Equipment and vehicles	4,223,159	—	—	—	4,223,159
Total capital assets being depreciated	<u>50,723,517</u>	<u>498,740</u>	<u>—</u>	<u>234,722</u>	<u>51,456,979</u>
Less, accumulated depreciation for:					
Buildings and improvements	(667,643)	(31,209)	—	—	(698,852)
Systems improvements	(22,454,864)	(1,004,126)	—	—	(23,458,990)
Equipment and vehicles	(3,144,120)	(195,632)	—	—	(3,339,752)
Total accumulated depreciation	<u>(26,266,627)</u>	<u>(1,230,967)</u>	<u>—</u>	<u>—</u>	<u>(27,497,594)</u>
Total capital assets being depreciated, net	<u>24,456,890</u>	<u>(732,227)</u>	<u>—</u>	<u>234,722</u>	<u>23,959,385</u>
Net capital assets – Business-type activities	<u>\$ 25,072,167</u>	<u>\$ (402,119)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 24,670,048</u>

Depreciation expense for Business-type Activities and the Proprietary Fund equaled \$1,230,967 for the year ended April 30, 2023.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt

The City's long-term debt (excluding vehicle leases – *See Note 8*) consists of the following:

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.

SRF Loan Forgiveness

During 2023, the City entered into a Loan Assistance Agreement totaling \$498,620 with the SC Water Quality Revolving Fund Authority, dated March 29, 2023, relating to certain sewer system evaluation. Per the agreement, the loan will not accrue interest and the principal will be forgiven in its entirety as long as it is expended on the approved project. The term of the agreement expires upon the satisfaction of the requirements. As of April 30, 2023, the City expended \$19,900 of the assistance funding and anticipates expending the remaining balance in FY 23-24.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (continued)

Long-term debt (excluding vehicle leases) of the City at April 30, 2023 consists of the following:

A. Governmental Activities

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.	\$ 165,148
Less, current portions (due within one year)	(165,148)
Net long-term debt – Governmental Activities	\$ —

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%.	\$ 543,311
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%.	1,495,489
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.	6,965,000
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>11,439,800</u>
Less, current portions (due within one year):	(558,768)
Net long-term debt – Business-type Activities	<u>\$ 10,881,032</u>

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, 2023, were as follows:

	Outstanding 4/30/22	Additions	Retirements	Outstanding 4/30/23
Governmental Activities:				
Series 2014 G.O. Bond	\$ 111,000	\$ —	\$ (111,000)	\$ —
Installment note contract – 2017A	\$ 84,148	\$ —	\$ (84,148)	\$ —
Installment note contract – 2017B	\$ 18,668	\$ —	\$ (18,668)	\$ —
Installment note contract – 2019	\$ 347,012	\$ —	\$ (181,864)	\$ 165,148
Business-type Activities:				
Series 2009A SRF Loan	\$ 612,599	\$ —	\$ (69,288)	\$ 543,311
Series 2009B SRF Loan	\$ 1,567,507	\$ —	\$ (72,018)	\$ 1,495,489
Series 2022A Refunding Revenue Bond	\$ 7,421,000	\$ —	\$ (456,000)	\$ 6,965,000
Series 2022B Revenue Bond	\$ 2,436,000	\$ —	\$ —	\$ 2,436,000

D. Accrued Compensated Absences

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

	Balances 4/30/22	Additions	Deletions	Balances 4/30/23
Governmental Activities:	\$ 371,652	\$ —	\$ (29,412)	\$ 342,240
Business-type Activities	150,252	—	(8,166)	142,086
	\$ 521,904	\$ —	\$ (37,578)	\$ 484,326

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 – 2019		
	Principal	Interest	Total
2024	\$ 165,148	\$ 2,531	\$ 167,679
	<u>\$ 165,148</u>	<u>\$ 2,531</u>	<u>\$ 167,679</u>

Fiscal Year	SRF Loan - Series 2009A		
	Principal	Interest	Total
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>\$ 543,311</u>	<u>\$ 40,923</u>	<u>\$ 584,234</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

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

SRF Loan – Series 2009B			
Fiscal Year	Principal	Interest	Total
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	78,383	23,080	101,463
2029-2034	414,113	93,202	507,314
2035-2039	456,788	50,527	507,314
2040-2041	245,839	7,820	253,657
	<u>\$1,495,489</u>	<u>\$ 280,115</u>	<u>\$1,775,600</u>

Series 2022A – Refunding Revenue Bond			
Fiscal Year	Principal	Interest	Total
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	472,000	169,683	641,683
2029-2033	2,806,000	602,877	3,408,877
2034-2036	1,943,000	124,508	2,067,508
	<u>\$6,965,000</u>	<u>\$1,719,774</u>	<u>\$8,684,774</u>

Series 2022B Revenue Bond			
Fiscal Year	Principal	Interest	Total
2024	\$ —	\$ 65,528	\$ 65,528
2025	—	65,528	65,528
2026	—	65,528	65,528
2027	—	65,528	65,528
2028	—	65,528	65,528
2029-2033	—	327,640	327,640
2034-2037	98,000	196,584	294,584
2038-2040	2,338,000	159,328	2,497,328
	<u>\$2,436,000</u>	<u>\$1,011,192</u>	<u>\$ 3,447,192</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Leases - Vehicles

The City entered into a vehicle fleet lease arrangement with Enterprise Fleet Management, Inc., dated January 16, 2019 for up to 27 vehicles, which was subsequently amended for additional vehicles annually thereafter. The City pays a monthly rent amount per vehicle, plus any additional charges (such as taxes, delivery fees, and other charges) for the use of the vehicle and has no right, title, or ownership interest in the assets. The terms are for either 48 months or 60 months depending on the individual vehicle being leased. The City also agrees to pay at the end of each vehicle's term any excess of the respective book value over the greater of the wholesale value as determined by the lessor, or twenty (20%) percent of the delivered price of such vehicle. The City pays all expenses of maintenance, repair, insurance, etc., and furnish all labor and materials for the proper operation and maintenance of the vehicles. Events of default include the City's failure to pay any amount due or fails to perform any provision or covenant contained in the lease agreement, if not unremedied within a specified period of time.

The lease is non-cancellable except for the event of not appropriating funds for the annual lease payments by City Council. Nothing in the agreement shall constitute an obligation of future City Councils or to financially bind future City councils and appropriate funds. However, the City intends and anticipates the continuance of the vehicle fleet lease program. Should the City terminate the agreement, the City shall pay all rents due and owing under the lease agreement up until the actual day of termination. The lessor reserves the right to be paid for any reasonable damages and would include losses incurred by the lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled terms.

Pursuant to GASB Statement No. 87, *Leases*, requires the City to account for leases as exchange-like transaction for the 'right-to-use' the asset over the lease term or their respective useful life. Accordingly, the City reports the assets as non-current assets and amortizes such value to expenses. The lease debt is being reported at the present value of the future minimum lease payments. Monthly payments are recognized as principal reduction and interest expense. At April 30, 2023, the City had 33 leased vehicles outstanding with a net book value of \$543,317 represented by a 'right to-use' value of \$1,072,774 less the related accumulated amortization of \$529,457. Amortization expense totaled \$182,747 for the year ended April 30, 2023. The lease payments have an annual percentage interest rate ranging from 4.19% to 8.97%, with an effective rate equal to 6.36%. Changes in the lease debt during the year ended April 30, 2023, were as follows:

	Outstanding 4/30/22	Additions	Deletions	Outstanding 4/30/23
Governmental Activities: Vehicle leases	\$ 243,686	\$ 462,024	\$ (129,615)	\$ 576,095

The annual debt service requirements are as follows:

Fiscal Year	Vehicle Leases		
	Principal	Interest	Total
2024	\$ 179,920	\$ 36,681	\$ 216,601
2025	141,255	25,225	166,480
2026	116,022	16,231	132,254
2027	103,385	8,844	112,229
2028	35,512	2,261	37,773
	<u>\$ 576,095</u>	<u>\$ 89,242</u>	<u>\$ 665,337</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. 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:

	Governmental Activities	Business-type Activities
<u>Net Investment in Capital and Leased Assets:</u>		
Net capital and leased assets	\$ 5,835,340	\$ 24,670,048
Less, long-term debt payable	(741,243)	(11,439,800)
Total net investment in capital assets	\$ 5,094,095	\$ 13,230,248
	Governmental Activities	Business-type Activities
<u>Restricted for:</u>		
Pensions	\$ 529,882	\$ 270,697
Debt services	—	—
Capital projects	—	2,458,490
Housing assistance	92,749	—
Tourism and community development	95,515	—
Upper Story Housing notes receivable, net	395,038	—
Fire prevention and education	11,425	—
Public safety and municipal court	22,664	—
Total restricted	\$ 1,147,273	\$ 2,729,187

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:

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
<u>Non-spendable:</u>				
Inventory and prepaid items	\$ 117,442	\$ —	\$ —	\$ 117,442
<u>Restricted for:</u>				
Housing assistance	—	—	92,749	92,749
Fire prevention and education	11,425	—	—	11,425
Municipal court	—	—	22,648	22,648
	11,425	—	115,397	126,822
<u>Assigned to:</u>				
Police department	—	—	16	16
Tourism and hospitality	—	—	95,515	95,515
Underground storage tanks (UST)	25,000	—	—	25,000
	25,000	—	95,531	120,531
<u>Unassigned (deficit)</u>	2,625,702	(283,595)	869,728	3,211,835
Totals	\$ 2,779,569	\$ (283,595)	\$ 1,080,656	\$ 3,576,630

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

10. 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, 2022, is used for determining pension liability for City's fiscal year ended April 30, 2023. State statutes determine the levels of contributions required by both employees and employers.

For the plan's measurement year ended June 30, 2022, SCRS contribution rate for non-public safety employees was 9.00 percent of pensionable wages, and the employer contribution rate was 16.41 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 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. 16.56

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

State statutes determine the levels of contributions required by both employees and employers.

Effective July 1, 2017, the South Carolina General Assembly passed legislation where the employee required contribution rates were capped at 9.00 percent for non-public safety employees ("SCRS") and 9.75 percent for public safety employees ("PORS").

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

10. Employee Retirement (Continued)

Funding Policy (continued)

Also effective July 1, 2017, legislation was passed where the employer required contribution rate would annually increase by 1.00 percent for five years to reach an ultimate rate of 18.41 percent plus .15 percent for incidental death benefit coverage, for a total rate of 18.56 percent for non-public safety employees ("SCRS") and an ultimate rate of 20.44 percent plus .20 percent for incidental death benefit coverage and .20 percent for accidental death benefits coverage for a total rate of 21.24 percent for public safety employees ("PORS") for the Plan's fiscal year ended June 30, 2022. Due to the COVID-19 pandemic, the South Carolina General Assembly passed a resolution suspending the statutory employer rate increase scheduled for July 1, 2020 by one year resulting in the ultimate rate being reached in the Plans fiscal years ended June 30, 2023.

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, 2022, 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, 2023, 2022 and 2021 were approximately \$5,139,668, \$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		
	2023	2022	2021	2023	2022	2021
Wages:						
Pensionable	\$ 3,118,964	\$ 3,161,633	\$ 3,184,321	\$ 2,020,704	\$ 2,098,466	\$ 1,985,453
Contribution Rates:						
Employees	9.00%	9.00%	9.00%	9.75%	9.75%	9.75%
Employer	17.41%	16.41%	15.41%	19.84%	18.84%	17.84%
Contributions:						
Employees	\$ 280,707	\$ 284,545	\$ 287,372	\$ 197,019	\$ 204,600	\$ 193,582
Employer	\$ 538,176	\$ 513,413	\$ 496,483	\$ 397,927	\$ 391,488	\$ 361,539

For the plan measurement period July 1, 2022 to June 30, 2023, SCRS contribution rate for non-public safety employees is 9.00 percent of pensionable wages, and the employer contribution rate is 17.41 percent plus .15 percent for incidental death benefit coverage, for a total rate of 17.56 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 19.84 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, 2023, the City reported a liability of \$10,324,865 for the measurement period June 30, 2022 for its proportionate share of the net pension liabilities, of which \$6,396,630 was for SCRS (\$2,688,006 in the Governmental Activities and \$3,708,624 in the Business-type Activities) and \$3,928,235 was for PORS (all in Governmental Activities).

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

10. 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, 2022 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, 2022, PEBA reported the City's proportion of the collective net pension liability was 0.026386% for SCRS and 0.130986% for PORs.

For the year ended April 30, 2023, the City recognized pension expense \$711,915 of which, \$351,896 was for SCRS (\$144,505 in Governmental Activities and \$207,391 in the Business-type Activities) and \$360,019 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, 2022, follows:

	SCRS	PORS	Total
Pension expense:			
Service cost	\$ 282,070	\$ 285,631	\$ 567,701
Interest on total pension liability	996,938	784,038	1,780,976
Changes in plan benefits			
Plan administrative costs	4,747	4,266	9,013
Plan member contributions	(259,516)	(214,209)	(473,725)
Expected return on plan assets	(614,460)	(559,586)	(1,174,046)
Recognition of net amortization:			
Plan performance, net	31,120	15,628	46,748
Assumption changes, net	131,623	77,763	209,386
Investment experience, net	(96,335)	(23,512)	(119,847)
Allocated proportion change, net	(184,871)	(22,615)	(207,486)
Other	60,580	12,615	73,195
Total pension expense	<u>351,896</u>	<u>360,019</u>	<u>711,915</u>
PEBA employer contributions	(488,743)	(380,230)	(868,973)
Non-member contributions	(31,573)	(18,609)	(50,182)
	<u>(520,316)</u>	<u>(398,839)</u>	<u>(919,155)</u>
Changes in deferred items (net of amortization):			
Outflow – Plan performance	(49,229)	(50,839)	(100,068)
Outflow – Assumption changes	(131,623)	(81,195)	(212,818)
Outflow – Investment experience	487,472	474,460	961,932
Outflow – Allocated proportion change	(85,810)	(23,543)	(109,353)
Inflow – Plan Performance	(19,572)	(66,967)	(86,539)
Inflow – Assumption changes	—	—	—
Inflow – Investment experience	416,151	306,798	722,949
Inflow – Allocated proportion change	(205,026)	(23,466)	(228,492)
	<u>412,363</u>	<u>535,248</u>	<u>947,611</u>
Total change in net pension liability	<u>\$ 243,943</u>	<u>\$ 496,428</u>	<u>\$ 740,371</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

10. Employee Retirement (Continued)

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

At April 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources Related to Pensions		
	SCRS	PORS	Total
Differences between expected and actual plan performance	\$ 55,575	\$ 65,908	\$ 121,483
Changes of assumptions	205,155	163,578	368,733
Net difference between projected and actual earnings on pension plan investments	941,034	852,396	1,793,430
Changes in allocated proportion	46,865	50,147	97,012
Total before City Contributions	<u>1,248,629</u>	<u>1,132,029</u>	<u>2,380,658</u>
City contributions subsequent to the measurement date	458,809	341,770	800,579
Total	<u>\$ 1,707,438</u>	<u>\$ 1,473,799</u>	<u>\$ 3,181,237</u>
	Deferred Inflows of Resources Related to Pensions		
	SCRS	PORS	Total
Differences between expected and actual plan performance	\$ 27,876	\$ 77,655	\$ 105,531
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on pension plan investments	931,169	840,534	1,771,703
Changes in allocated proportion	484,613	63,366	547,979
Total	<u>\$ 1,443,658</u>	<u>\$ 981,555</u>	<u>\$ 2,425,213</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

10. Employee Retirement (Continued)

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

The \$800,579 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		Deferred Outflows of Resources Related to Pensions		
		SCRS	PORS	Total
<u>Year ended April 30:</u>				
2024	\$	505,139	\$ 423,422	\$ 928,561
2025		446,883	389,552	836,435
2026		135,151	167,505	302,656
2027		161,456	151,550	313,006
	\$	<u>1,248,629</u>	<u>\$ 1,132,029</u>	<u>\$ 2,380,658</u>

		Deferred Inflows of Resources Related to Pensions		
		SCRS	PORS	Total
<u>Year ended April 30:</u>				
2024	\$	609,623	\$ 342,665	\$ 952,288
2025		469,842	331,748	801,590
2026		364,193	307,142	671,335
	\$	<u>1,443,658</u>	<u>\$ 981,555</u>	<u>\$ 2,425,213</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

10. 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, 2022, 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:

	SCRS	PORS
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 27 years, variable	Max of 27 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 2021. Male rates at 97% for non-educators and 95% for educators. Female rates at 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 2021. Male and female rates at 127% and 107%, respectively.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

10. 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 contribution to increase by 1 percent each year for each of the subsequent five fiscal years for an ultimate rate of 18.56% and 21.24% by July 1, 2022 (subsequently deferred to July 2023), for SCRS and PORS, respectively.

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study on data through June 30, 2019.

For the plan measurement year ended June 30, 2022 total pension liability, net pension liability and sensitivity information were determined based on the July 1, 2021, actuarial valuations, as adopted by the PEBA Board and State Fiscal Accountability Authority which utilized membership data as of July 1, 2022. The consulting actuary for PEBA was Gabriel, Roeder, Smith and Company (GRS). The total pension liability was rolled forward from the valuation date to the plan's fiscal year ended June 30, 2022, using generally accepted actuarial principles. The Act included a provision to reduce the assumed rate of return from 7.25% to 7.00% effective July 1, 2021. That rate is still in effect.

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 at the beginning of 2022. Expected returns are net of investment fees. 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, primarily based observable inflation and interest rate information available in the fixed income markets as well as consensus economic expectations and market inputs. 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 —

10. Employee Retirement (Continued)

Long-term Expected Rate of Return (continued)

The RISC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the SCRS System, statutory provisions and governance policies allow the RISC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return (4.79%), along with the expected inflation rate (2.25%), form the basis for the target asset allocation adopted annually by the RISC (at the beginning of the 2022 fiscal year – July 1, 2021). For actuarial purposes, the long-term expected rate of return is calculated by weighing the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below.

For actuarial purposes, the 7.0 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

<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>
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	(0.35)%	(0.09)%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total expected return	100.0%		4.79%
Inflation for actuarial purposes			2.25%
Total expected nominal return			7.04%

State statutes established a required discount rate of 7.00 percent, which may not match the actuarial estimated rate of return.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

10. Employee Retirement (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities as of June 30, 2022, 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 (6.0 percent) or 1 percentage point higher (8.0) percent than the current rate:

City's proportionate share of the net pension liabilities to changes in the discount rate			
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
SCRS	\$ 8,201,269	\$ 6,396,630	\$ 4,896,307
PORS	\$ 5,477,687	\$ 3,928,235	\$ 2,659,863

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, 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 —

11. 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.

12. Due From (To) Other Governments

Other than property taxes due from Marlboro County (see *Note 3*) there were no material amounts due to/from other governments.

13. 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, 2023, the City incurred \$1,002,387 in health care premiums and approximately \$216,016 worker's compensation premiums.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

14. 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 —

15. 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	\$ 14,749,488
Right-to-use leased assets	1,072,774
Less, accumulated depreciation	(9,457,465)
Less, accumulated amortization	(529,457)
Net amount reported	<u>\$ 5,835,340</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	286,869
Net amount reported	<u>\$ (593,131)</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.

\$ 2,159,365

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

(1,556,709)

Net amount reported

\$ 602,656

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	\$ (633)
Long-term debt	(165,148)
Right-to-use leased assets payable	(576,095)
Accrued compensated absences	(342,240)
Net pension liabilities	(6,616,241)
Net amount reported	<u>\$ (7,700,357)</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

15. 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	\$ 442,463
Right-to-use leased assets expenditures	631,859
Less, depreciation expense	(557,644)
Less, amortization expense	(182,747)
Net amount reported	<u>\$ 333,931</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	\$ 29,412
Pension expenses	(129,576)
Imputed interest realized	13,661
Loss or disposal of capital assets	(1,475)
Net amount reported	<u>\$ (87,978)</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	\$ (200)
Principal payments – bonds and installment note obligations	395,683
Principal payments – leased assets obligations	129,615
Interest payments – leased assets obligations	63,074
Leased assets contract – new	(462,024)
Net amount reported	<u>\$ 126,148</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

16. Notes Receivable -- Upper Story Housing

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.

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 \$286,869, net of unrealized imputed interest of \$593,131 at April 30, 2023. 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.

17. Subsequent Events and Commitments

The City received \$3,848,334 in American Recovery and Protection Act (ARPA) funds. As of April 30, 2023, the City has expended a total of \$1,096,106. All ARPA funds must be expended for authorized projects by December 31, 2024 and paid by December 31, 2026. Any remaining balances must be returned to the U.S. Department of the Treasury.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

18. Restatement of Prior Year Balances

The City restated its 2022 Governmental Activities and its General Fund departmental expenditures to properly account for the ARPA premium (hazard) pay made to its employees totaling \$311,900, which occurred at the end of fiscal year 2022. Previously, the City reported this amount in its Combined Utility Fund unearned revenue account in error along with other misposting errors. Additionally, the City restated its Business-type Activities and Combined Utility Fund departmental expenses along with non-operating grant revenue and transfers out for the ARPA premium (hazard) pay made to its employees totaling \$148,967, and \$13,483 of additional misposted expense errors in 2022.

The City implemented GASB Statement No. 87 *Leases*, which requires the City to report its vehicle leases as 'right-to-use' assets along with related indebtedness of the lease obligations (see *Note 8*). Accordingly, Governmental Activities reported a prior period cumulative effect of implementing GASB #87 totaling \$48,072.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BENNETTSVILLE, SOUTH CAROLINA

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED APRIL 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variances Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes, penalties and fees	\$ 1,245,225	\$ 1,245,225	\$ 1,368,062	\$ 122,837
Local option sales tax	936,068	936,068	873,083	(62,985)
Licenses, permits and franchise fees	840,500	840,500	1,001,622	161,122
Fines and forfeitures	38,900	38,900	51,895	12,995
Intergovernmental	553,764	553,764	715,562	161,798
Charges for services	1,241,218	1,241,218	1,270,292	29,074
Users fees	54,900	54,900	22,782	(32,118)
Interest income and other	131,700	131,700	42,862	(88,838)
Total revenue	5,042,275	5,042,275	5,346,160	303,885
Expenditures				
Current:				
General government	1,161,037	1,191,285	1,369,729	(178,444)
Public safety	3,698,045	3,698,662	4,060,093	(361,431)
Public works	1,550,185	1,551,261	1,652,069	(100,808)
Culture and recreation	340,355	340,355	324,283	16,072
Capital outlay	10,000	10,000	468,487	(458,487)
Debt service	383,703	382,996	284,219	98,777
Total expenditures	7,143,325	7,174,559	8,158,880	(984,321)
Excess (deficiency) of revenue over expenditures	(2,101,050)	(2,132,284)	(2,812,720)	(680,436)
Other Financing Sources (uses)				
Leased vehicle assets additions	—	—	462,024	462,024
Transfers in	210,150	2,101,050	2,226,958	125,908
Transfers (out)	—	(707)	(62,560)	(61,853)
Total other financing sources (uses)	210,150	2,100,343	2,626,422	526,079
Net change in fund balance	—	(31,941)	(186,298)	(154,357)
Fund balance, beginning of year	2,965,867	2,965,867	2,965,867	—
Fund balance, end of year	<u>\$ 2,965,867</u>	<u>\$ 2,933,926</u>	<u>\$ 2,779,569</u>	<u>\$ (154,357)</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE

APRIL 30, 2023

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 BENNETTSTVILLE, SOUTH CAROLINA

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)

LAST TEN FISCAL YEARS*(1)

City's Fiscal Year (4/30):	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PEBA Plan Year (6/30):	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability	N/A	0.026386%	0.028430%	0.028031%	0.030483%	0.029304%	0.031050%	0.031963%	0.032601%	0.032458%
City's proportion share of the net pension liability	N/A	\$ 6,396,630	\$ 6,152,687	\$ 7,162,524	\$ 6,960,535	\$ 6,566,119	\$ 6,989,854	\$ 6,827,250	\$ 6,182,937	\$ 5,588,192
City's covered-employee payroll	\$ 3,118,964	\$ 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
City's proportion share of the net pension liability as a percentage of its covered-employee payroll	N/A	202.3%	193.2%	228.7%	217.2%	217.6%	221.6%	225.8%	202.7%	191.6%
Plan fiduciary net position as a percentage of the total pension liability	N/A	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%

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

N/A – Not available

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 538,176	\$ 544,986	\$ 528,056	\$ 456,704	\$ 432,089	\$ 400,515	\$ 357,602	\$ 348,548	\$ 326,149	\$ 304,811
Less: State provided revenue credit ⁽¹⁾	\$ (31,573)	\$ (31,573)	\$ (31,573)	\$ (31,573)	\$ (31,573)	\$ (31,573)	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	\$ 506,603	\$ 513,413	\$ 496,483	\$ 425,131	\$ 456,704	\$ 400,515	\$ 357,602	\$ 348,548	\$ 326,149	\$ 304,811
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered-employee payroll	\$ 3,118,964	\$ 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
Contributions as a percentage of pensionable wages	17.3%	16.2%	15.6%	14.6%	14.3%	13.3%	11.3%	11.5%	10.7%	10.4%

⁽¹⁾ 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 BENNETTSTVILLE, SOUTH CAROLINA

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

POLICE OFFICERS RETIREMENT SYSTEM (PORS)

LAST TEN FISCAL YEARS*

City's Fiscal Year (4/30):	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PEBA Plan Year (6/30):	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	N/A	0.130986%	0.133382%	0.129970%	0.131284%	0.132760%	0.138470%	0.141970%	0.14531%	0.14797%
City's proportion share of the net pension liability (asset)	N/A	\$ 3,928,235	\$ 3,431,807	\$ 4,310,097	\$ 3,762,517	\$ 3,761,799	\$ 3,793,388	\$ 3,601,059	\$ 3,167,026	\$ 2,832,759
City's covered employee payroll	\$ 2,020,704	\$ 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
City's proportion share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	187.2%	172.80%	219.10%	201.2%	201.5%	205.0%	191.4%	176.3%	159.1%
Plan fiduciary net position as a percentage of the total pension liability	N/A	66.4%	70.4%	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%

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

N/A - Not available

CITY OF BENNETTSTVILLE, SOUTH CAROLINA

SCHEDULE OF THE CITY'S CONTRIBUTIONS

POLICE OFFICERS RETIREMENT SYSTEM (PORS)

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 397,927	\$ 410,097	\$ 380,148	\$ 366,436	\$ 330,224	\$ 316,550	\$ 254,708	\$ 249,890	\$ 231,801	\$ 219,704
Less: State provided revenue credit ⁽¹⁾	\$ (18,609)	\$ (18,609)	\$ (18,609)	\$ (18,609)	\$ (18,609)	\$ (18,609)	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	\$ 379,318	\$ 391,488	\$ 361,539	\$ 347,827	\$ 311,615	\$ 297,941	\$ 254,708	\$ 249,890	\$ 231,801	\$ 219,704
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered-employee payroll	\$ 2,020,704	\$ 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
Contributions as a percentage of covered-employee payroll	19.7%	18.7%	18.2%	17.7%	16.7%	16.0%	13.8%	13.3%	12.9%	12.3%

⁽¹⁾ 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, 2023

A. Pensions

SCRS & PORS: Changes of benefit terms: Plan measurement years: 2023 – N/A. 2017– 2022 – None.

Changes to assumptions:

SCRS & PORS: Investments: Plan measurement years 2023 – N/A. 2022 – the assumed investment return was changed from 7.25% - 7.00% effective July 1, 2022. 2021 – 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 2023 – N/A. 2022 – the mortality tables were changed from the 2016 Public Retirees of South Carolina Mortality Tables 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 2023 – N/A. 2022 – None. 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 2023 – N/A. 2022 – None. 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 2023 – N/A. 2022 - None. 2021 – None. 2020 – None. 2019 – None. 2018 – changed to 5-year smoothed from 20% difference recognition.

SCRS & PORS: Inflation: Plan measurement years 2023 – N/A. 2022 - None. 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, 2023

	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			
Assets												
Cash and cash equivalents:												
Unrestricted	\$ —	\$ —	\$ —	\$ —	\$ 15,568	\$ 79,947	\$ —	\$ —	\$ —	\$ 95,515	\$ —	—
Restricted	40,238	28,095	24,416	—	—	—	25,771	26,298	16	144,834	—	—
Equity in pooled cash	—	—	—	—	—	—	—	—	—	—	(1,690,809)	—
Due from other funds	—	—	—	—	—	—	—	—	—	—	—	1,690,809
Notes receivables-housing												
assistance loans	11,836	81,344	14,989	880,000	—	—	—	—	—	988,169	—	—
Less, allowance for doubtful												
accounts	(11,836)	(81,344)	(14,989)	—	—	—	—	—	—	(108,169)	—	—
Total assets	\$ 40,238	\$ 28,095	\$ 24,416	\$ 880,000	\$ 15,568	\$ 79,947	\$ 25,771	\$ 26,298	\$ 16	\$ 1,120,349	\$ —	—
Liabilities and Fund Balances												
Liabilities:												
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—
Deposits	—	—	—	—	—	—	3,123	19,976	—	23,099	—	—
Due to other funds	—	—	—	—	—	—	—	16,594	—	16,594	—	—
Total liabilities	—	—	—	—	—	—	3,123	36,570	—	39,693	—	—
Fund balances:												
Restricted for:												
Housing assistance	40,238	28,095	24,416	—	—	—	—	—	—	92,749	—	—
Court Administration	—	—	—	—	—	—	22,648	—	—	22,648	—	—
Assigned to:												
Police department	—	—	—	—	—	—	—	—	16	16	—	—
Tourism and community												
development	—	—	—	—	15,568	79,947	—	—	—	95,515	—	—
Unassigned (deficit)	—	—	—	880,000	—	—	—	(10,272)	—	869,728	—	—
Total fund balances	40,238	28,095	24,416	880,000	15,568	79,947	22,648	(10,272)	16	1,080,656	—	—
Total liabilities and fund balances	\$ 40,238	\$ 28,095	\$ 24,416	\$ 880,000	\$ 15,568	\$ 79,947	\$ 25,771	\$ 26,298	\$ 16	\$ 1,120,349	\$ —	—

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED APRIL 30, 2023

	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				
Revenue													
Fines and forfeitures	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 113,887	\$ —	\$ —	\$ —	\$ 113,887	\$ —	—
Intergovernmental	—	—	—	—	91,233	380,283	—	—	—	—	471,516	—	—
Interest income	222	911	119	—	218	65	13	12	—	—	1,560	—	—
Total revenue	222	911	119	—	91,451	380,348	113,900	12	—	—	586,963	—	—
Expenditures													
General government:													
Surcharges and assessments	—	—	—	—	—	—	117,746	—	—	—	117,746	—	—
Miscellaneous	986	—	—	—	—	—	—	4,360	—	—	5,346	—	—
Culture and recreation:													
Tourism related	—	—	—	—	1,000	45,376	—	—	—	—	46,376	—	—
Capital outlay	—	—	—	—	—	—	—	—	—	—	—	—	—
Debt retirement	—	—	—	—	—	—	—	—	—	—	—	84,540	—
Total expenditures	986	—	—	—	1,000	45,376	117,746	4,360	—	—	169,468	84,540	—
Excess (deficiency) of revenue over expenditures	(764)	911	119	—	90,451	334,972	(3,846)	(4,348)	—	—	417,495	(84,540)	—
Other Financing Sources (Uses)													
Transfers in (out)	—	—	—	—	(84,000)	(317,050)	—	—	—	—	(401,050)	84,540	—
Net change in fund balances	(764)	911	119	—	6,451	17,922	(3,846)	(4,348)	—	—	16,445	—	—
Fund balances (deficit), beginning of year	41,002	27,184	24,297	880,000	9,117	62,025	26,494	(5,924)	16	—	1,064,211	—	—
Fund balances (deficit), end of year	\$ 40,238	\$ 28,095	\$ 24,416	\$ 880,000	\$ 15,568	\$ 79,947	\$ 22,648	\$ (10,272)	\$ 16	\$ —	\$ 1,080,656	\$ —	—

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, 2023

(With comparative amounts at year ended April 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents:		
Unrestricted	\$ 66,920	\$ 52,976
Restricted	31,525	21,430
Equity in pooled cash	472,788	322,474
Receivables:		
Property taxes	252,475	930,626
Sanitation	154,596	127,614
Other and notes	172,893	172,748
Less, allowances for doubtful accounts	(446,819)	(1,135,354)
Due from other governments	—	68,343
Due from other funds	3,647,779	3,659,969
Inventory and prepaid items	117,442	108,008
Total assets	<u>\$ 4,469,599</u>	<u>\$ 4,328,834</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 111,859	\$ 44,742
Accrued payroll and related payables	97,828	101,868
Due to other funds	1,251,199	999,671
Unearned revenue – business licenses	209,644	199,586
Deposits	19,500	17,100
Total liabilities	<u>1,690,030</u>	<u>1,362,967</u>
Fund balances:		
Non-spendable	117,442	108,008
Restricted	11,425	4,330
Committed	—	—
Assigned – UST Program	25,000	25,000
Unassigned	2,625,702	2,828,529
Total fund balances	<u>2,779,569</u>	<u>2,965,867</u>
Total liabilities and fund balances	<u>\$ 4,469,599</u>	<u>\$ 4,328,834</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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

YEAR ENDED APRIL 30, 2023

(With comparative actual amounts at year ended April 30, 2022)

	Final Budget	Actual	Variance Positive (Negative)	Restated Prior Year
Revenue				
Taxes, penalties and fees	\$ 1,245,225	\$ 1,368,062	\$ 122,837	\$ 1,197,001
Local option sales tax	936,068	873,083	(62,985)	1,025,278
Licenses, permits, and franchise fees	840,500	1,001,622	161,122	887,667
Fines and forfeitures	38,900	51,895	12,995	41,488
Intergovernmental:				
Grants	—	24,879	24,879	38,885
State shared	425,764	394,389	(31,375)	409,928
Other intergovernmental	128,000	296,294	168,294	128,000
Charges for service:				
Solid waste collection fees	1,230,218	1,256,522	26,304	991,544
Lot clearing fees	11,000	13,770	2,770	16,235
User fees:				
Community and fitness center	7,700	4,067	(3,633)	6,846
Other rental fees	47,200	18,715	(28,485)	39,945
Interest income	—	70	70	5
Sale of capital assets	19,000	(1,476)	(20,476)	14,102
Contributions	50,000	5,749	(44,251)	51,550
Other	62,700	38,519	(24,181)	58,214
Total revenue	5,042,275	5,346,160	303,885	4,906,688
Expenditures				
Current:				
General government:				
City council	102,295	110,796	(8,501)	104,933
City attorney	23,937	23,937	—	23,937
Municipal judge and court	138,665	131,484	7,181	142,828
City administrator	246,007	276,536	(30,529)	253,725
Planning and zoning	212,042	279,907	(67,865)	209,555
Finance	201,379	262,728	(61,349)	209,132
Human resources	43,957	38,450	5,507	36,340
Non-departmental	223,003	245,891	(22,888)	182,851
Total general government	1,191,285	1,369,729	(178,444)	1,163,301
Public safety:				
Police	2,628,953	2,775,929	(146,976)	2,853,777
Fire	1,069,709	1,284,164	(214,455)	1,300,186
Total public safety	3,698,662	4,060,093	(361,431)	4,153,963
Public works:				
Streets and sanitation	1,271,483	1,367,333	(95,850)	1,331,007
Maintenance shop	76,846	81,845	(4,999)	69,541
Beautification and recycling	202,932	202,891	41	219,254
Total public works	1,551,261	1,652,069	(100,808)	1,619,802
Culture and recreation:				
Recreation and parks	340,355	324,283	16,072	307,946
Total culture and recreation	340,355	324,283	16,072	307,946
Capital outlay – all departments	10,000	468,487	(458,487)	5,600
Debt service	382,996	284,219	98,777	329,596
Total expenditures	7,174,559	8,158,880	(984,321)	7,580,208

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>Restated Prior Year</u>
Excess (deficiency) of revenue over expenditures	(2,132,284)	(2,812,720)	(680,436)	(2,673,520)
Other Financing Sources (Uses)				
Leased vehicle asset additions	—	462,024	462,024	—
Transfers in	2,101,050	2,226,958	125,908	2,394,900
Transfers (out)	(707)	(62,560)	(61,853)	(304,918)
Total other financing sources (uses)	2,100,343	2,626,422	526,079	2,089,982
Net change in fund balance	(31,941)	(186,298)	(154,357)	(583,538)
Fund balance, beginning of year	2,965,867	2,965,867	—	3,549,405
Fund balance, end of year	<u>\$ 2,933,926</u>	<u>\$ 2,779,569</u>	<u>\$ (154,357)</u>	<u>\$ 2,965,867</u>

CAPITAL PROJECTS FUND

CITY OF BENNETTSVILLE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

BALANCE SHEET

APRIL 30, 2023

(With comparative amounts at April 30, 2022)

	2023	2022
Assets		
Cash and cash equivalents:		
Unrestricted	\$ 6,790	\$ 68,056
Restricted	4,564	4,564
Equity in pooled cash	2,996,817	1,430,615
Due from other governments	—	—
Due from other funds	153,715	153,715
Total assets	\$ 3,161,886	\$ 1,656,950
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 51,359	\$ 29,676
Due to other funds	1,892,876	1,892,876
Unearned revenues - ARPA	1,501,246	—
Total liabilities	3,445,481	1,922,552
Fund balances:		
Non-spendable	—	—
Restricted	—	—
Committed	—	—
Assigned	—	—
Unassigned (deficit)	(283,595)	(265,602)
Total fund balances	(283,595)	(265,602)
Total liabilities and fund balances	\$ 3,161,886	\$ 1,656,950

CITY OF BENNETTSVILLE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED APRIL 30, 2023

(With comparative actual amounts at year ended April 30, 2022)

	2023	2022
Revenue		
Intergovernmental:		
CDBG grants	\$ 226,887	\$ 28,434
ARPA grants	422,921	—
Interest income	293	263
Sale of capital assets	—	—
Contributions	—	—
Total revenue	650,101	28,697
Expenditures		
Capital outlay:		
General government	13,560	30,175
Public safety	487,926	32,597
Public works	8,500	—
Culture and recreation	—	5,000
Debt service	—	—
Total expenditures	509,986	67,772
Excess (deficiency) of revenue over expenditures	140,115	(39,075)
Other Financing Sources (Uses)		
Insurance reimbursement	71,457	12,418
Transfers in	—	149,000
Transfers (out)	(229,565)	(105,444)
Total other financing sources (uses)	(158,108)	55,974
Net change in fund balance	(17,993)	16,899
Fund balance, beginning of year	(265,602)	(282,501)
Fund balance, end of year	\$ (283,595)	\$ (265,602)

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

BALANCE SHEET

APRIL 30, 2023

(With comparative amounts at April 30, 2022)

	2023	2022
Assets and Deferred Outflows		
Current assets:		
Cash and cash equivalents	\$ 113,446	\$ 287,881
Equity in pooled cash	740,056	1,586,762
Investments	2,048,241	1,895,795
Accounts receivable, net	1,263,141	1,015,808
Inventories and prepaid items	490,565	558,684
Due from other funds	199,805	199,353
	<u>4,855,254</u>	<u>5,544,283</u>
Current restricted assets:		
Restricted cash and cash equivalents	2,668,775	2,610,867
Santee Cooper Settlement fund	690,052	166,133
	<u>3,358,827</u>	<u>2,777,000</u>
Total current assets	<u>8,214,081</u>	<u>8,321,283</u>
Non-current assets:		
Capital assets, not subject to depreciation	710,663	615,277
Capital assets subject to depreciation, net	23,959,385	24,456,890
Total non-current assets	<u>24,670,048</u>	<u>25,072,167</u>
Deferred outflows of resources:		
Pension related	1,021,872	863,237
Total deferred outflows	<u>1,021,872</u>	<u>863,237</u>
Total assets and deferred outflows	<u>\$ 33,906,001</u>	<u>\$ 34,256,687</u>
Liabilities, Deferred Inflows and Net Position		
Current liabilities:		
Accounts payable	\$ 959,601	\$ 984,411
Accrued payroll and withholdings payable	—	—
Due to other funds	2,531,439	2,444,805
Customer deposits and prepayments	209,926	238,610
	<u>3,700,966</u>	<u>3,667,826</u>
Current liability payable from restricted assets:		
Accrued interest payable	77,706	54,160
Bonds payable – current portion	558,768	597,306
Unearned revenue – ARPA Grant	1,250,982	1,449,817
	<u>1,887,456</u>	<u>2,101,283</u>
Total current liabilities	<u>5,588,422</u>	<u>5,769,109</u>
Long-term (non-current) liabilities:		
Accrued compensated absences	142,086	150,252
Revenue bonds payable	10,881,032	11,439,800
Net pension liabilities	3,708,624	3,561,868
Total long-term liabilities	<u>14,731,742</u>	<u>15,151,920</u>
Total liabilities	<u>20,320,164</u>	<u>20,921,029</u>

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

BALANCE SHEET

— CONTINUED —

	<u>2023</u>	<u>2022</u>
Liabilities, Deferred Inflows and Net Position (continued)		
Deferred outflows of resources:		
Pension related	868,504	964,180
Total deferred inflows	<u>868,504</u>	<u>964,180</u>
Net position:		
Net investment in capital assets	13,230,248	13,035,061
Restricted for debt, capital projects and pensions	2,729,181	2,662,382
Unrestricted (deficit)	<u>(3,242,102)</u>	<u>(3,325,965)</u>
Total net position	<u>12,717,333</u>	<u>12,371,478</u>
Total liabilities, deferred inflows and net position	<u>\$ 33,906,001</u>	<u>\$ 34,256,687</u>

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, 2023

(With comparative actual amounts at year ended April 30, 2022)

	<u>Final Budget</u>	<u>Current Year</u>	<u>Variance Positive (Negative)</u>	<u>Restated Prior Year</u>
Operating Revenue				
Sales and services:				
Water	\$ 1,562,600	\$ 1,580,483	\$ 178,834	\$ 1,512,004
Sewer	1,800,530	1,781,414	(19,116)	1,761,354
Electric	10,308,896	10,372,501	63,605	9,474,422
Gas	2,601,200	3,310,860	709,660	2,758,892
Penalties, reconnect fees and other revenue	365,700	390,918	25,218	377,410
Total operating revenue	<u>16,638,926</u>	<u>17,436,176</u>	<u>797,250</u>	<u>15,884,082</u>
Operating Expenses				
Water plant	975,900	1,041,511	(65,611)	978,324
Water distribution	452,663	429,048	23,615	404,187
Wastewater treatment plant	544,771	637,047	(92,276)	537,169
Sewer/Stormwater collection	197,727	215,568	(17,841)	193,613
Electricity purchase and transmission	8,036,918	8,673,221	(636,303)	8,221,662
Gas purchase and distribution	1,844,418	2,846,398	(1,001,980)	2,571,427
Administration	546,199	540,071	6,128	545,467
Billing office	627,397	592,949	34,448	616,801
Non-departmental	837,843	289,473	548,370	192,353
Depreciation expense	—	1,230,966	(1,230,966)	1,311,505
Total operating expenses	<u>14,063,836</u>	<u>16,496,252</u>	<u>(2,432,416)</u>	<u>15,572,508</u>
Operating income	<u>2,575,090</u>	<u>939,924</u>	<u>(1,635,166)</u>	<u>311,574</u>
Non-Operating Revenue (Expenses)				
ARPA Grant - premium pay	—	—	—	474,351
FEMA grant reimbursements	—	—	—	7,424
Santee Cooper Settlement ¹	—	523,777	523,777	1,147,993
Non-operating revenue	1,600	24,265	22,665	17,910
Interest income	41,056	103,676	62,620	42,964
Interest expense	(319,153)	(314,474)	4,679	(312,135)
Fiscal agent fees	(12,777)	(14,282)	(1,505)	(12,106)
Amortization of bond premium	—	—	—	3,858
Change in accrued income and unrealized gain (loss)	—	(16,182)	(16,182)	(82,015)
Cost of debt issuance	—	—	—	(120,036)
Gain (loss) on bond refunding	—	—	—	(311,036)
Total non-operating revenue (expenses)	<u>(289,274)</u>	<u>306,780</u>	<u>596,054</u>	<u>857,172</u>
Income before contributions and transfers	<u>2,285,816</u>	<u>1,246,704</u>	<u>(1,039,112)</u>	<u>1,168,746</u>
Capital contributions				
Capital grants - ARPA/RIA/CDBG	—	717,474	717,474	130,625
Contributed capital - Capital Projects Fund	—	30,212	30,212	105,444
Total capital contributions	<u>—</u>	<u>747,686</u>	<u>747,686</u>	<u>236,069</u>
Transfers				
Transfers (out) to other funds	<u>(1,723,309)</u>	<u>(1,648,535)</u>	<u>74,774</u>	<u>(2,194,144)</u>
Change in net position	<u>562,507</u>	<u>345,855</u>	<u>(216,652)</u>	<u>(789,329)</u>
Net position, beginning of year	<u>12,371,478</u>	<u>12,371,478</u>	<u>—</u>	<u>13,160,807</u>
Net position, end of year	<u>\$ 12,933,985</u>	<u>\$ 12,717,333</u>	<u>\$ (216,652)</u>	<u>\$ 12,371,478</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF BENNETTSVILLE, SOUTH CAROLINA
SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
YEAR ENDED APRIL 30, 2023

Court Fines and Assessments

Court fines and assessments collected	\$ 133,887
Court fines and assessments remitted to State Treasurer	<u>(63,206)</u>
Total court fines and assessments retained by the City	<u>\$ 50,681</u>

Surcharges and Assessments retained for Victims Services

Total assessments collected	\$ 4,461
Total surcharges collected	<u>2,158</u>
Total surcharges and assessments retained for victims services	<u>\$ 6,619</u>

Funds Allocated to Victims Services

Carryover funds from prior year	\$ —
Surcharges and assessments retained	6,619
Expenditures for victims services	<u>(6,619)</u>
Unexpended victim's rights assistance funds	<u>\$ —</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA





