

CITY OF BENNETTSVILLE, SOUTH CAROLINA

---

AUDITED BASIC FINANCIAL STATEMENTS  
AND  
OTHER FINANCIAL INFORMATION

---

YEAR ENDED APRIL 30, 2021

WITH

REPORT OF INDEPENDENT AUDITOR

CITY OF BENNETTSVILLE, SOUTH CAROLINA

CITY OF BENNETTSVILLE, SOUTH CAROLINA

---

AUDITED BASIC FINANCIAL STATEMENTS  
AND  
OTHER FINANCIAL INFORMATION

---

YEAR ENDED APRIL 30, 2021

**CONTENTS**

Report of Independent Auditor .....	1-2
Management's Discussion and Analysis .....	3-10

**BASIC FINANCIAL STATEMENTS**

<u>Government-wide</u>	
Statement of Net Position .....	11-12
Statement of Activities.....	13
<u>Governmental Funds</u>	
Balance Sheet .....	14-15
Statement of Revenue, Expenditures and Changes in Fund Balances .....	16-17
<u>Proprietary Fund</u>	
Balance Sheet – Combined Utility Fund .....	18-19
Statement of Revenue, Expenses and Changes in Net Position – Combined Utility Fund .....	20
Statement of Cash Flows – Combined Utility Fund .....	21
<u>Fiduciary Fund</u>	
Statement of Changes in Assets and Liabilities – Agency Fund .....	22
Notes to Financial Statements .....	23-55

**REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS)**

Budgetary Comparison Schedule – General Fund .....	56
Notes to Budgetary Comparison Schedule .....	57
Schedule of the City's Proportionate Share of the Net Pension Liability – SCRS.....	58
Schedule of the City's Contributions – SCRS .....	59
Schedule of the City's Proportionate Share of the Net Pension Liability – PORS .....	60
Schedule of the City's Contributions – PORS .....	61

**CONTENTS**

— CONTINUED —

**OTHER FINANCIAL INFORMATION**

**Combining 'Non-Major' Governmental Financial Statements**

Combining Balance Sheet – Special Revenue and Debt Service Funds .....	62
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Special Revenue and Debt Service Funds .....	63

**Individual Fund Financial Schedules**

**General Fund**

Balance Sheet – General Fund .....	64
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund .....	65-66

**Capital Projects Fund**

Balance Sheet – Capital Projects Fund .....	67
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual – Capital Projects Fund .....	68

**Combined Utility Fund**

Balance Sheet – Combined Utility Fund .....	69-70
Schedule of Revenue, Expenses and Changes in Fund Net Position – Budget and Actual.....	71

**Victim's Rights Assistance**

Schedule of Court Fines, Assessments and Surcharges.....	72
--	----

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 Financial Statements

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, 2021, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. 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.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

### Opinions

#### *Unmodified Opinion*

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bennettsville, South Carolina, as of April 30, 2021, 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.



**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

*Other 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. The accompanying other financial information as listed in the table of contents 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 other financial information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual fund financial statements and other financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Summarized Comparative Information*

The prior year summarized comparative information presented in the individual fund financial statements and schedules has been derived from the City's 2020 audited financial statements, and in my report dated November 12, 2020, I expressed an unmodified opinion on those financial statements.



November 8, 2021  
Columbia, 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, 2021**

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, 2021. 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, 2021 were \$39.4 million and total liabilities equaled \$25.8 million. Total deferred outflows equaled \$2.2 million while total deferred inflows equaled \$.8 million. The difference between these amounts equals total net position of \$15.0 million at April 30, 2021. Of the total net position, unrestricted (deficit) amounts totaled \$(7.3) million and were not available to support short term operations of the City. This is primarily due to the City's \$11.5 million net pension obligation liability.

Per the Government-wide *Statement of Activities*, the City's total net position decreased by \$(266,272) for the year ended April 30, 2021. The Governmental Activities resulted in a net increase of \$48,847, while the Business-type Activities had a decrease in net position in the amount of \$(315,119), which included a transfer out of \$1.9 million to the Governmental Activities during the year.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements** – The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported on the accrual basis of accounting when the underlying event gives rise to the change that occurs *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., revenues receivable and earned but unused vacation leave).

## **Overview of the Financial Statements (continued)**

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

**Fund Financial Statements** – The “Fund financial statements” provide a more detailed look at the City’s most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental funds, Proprietary funds, and Fiduciary funds.

**Governmental funds** – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the Government-wide financial statements. Most of the City’s governmental services are accounted for in the Governmental funds. However, unlike the Government-wide financial statements, these funds focus on *near-term inflows and outflows of spendable resources* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements. The Governmental Fund financial statements can be found immediately following the ‘Government-wide’ financial statements.

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

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

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

## Overview of the Financial Statements (continued)

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

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, total assets and deferred outflows exceeded total liabilities and deferred inflows by \$15.0 million at the close of April 30, 2021.

Below is a 'condensed' Statement of Net Position at April 30, 2021, which depicts the major components of the City's assets, liabilities and net position (with comparative amounts for April 30, 2020).

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Cash and cash equivalents:						
Unrestricted	\$ 128,328	\$ 347,859	\$ 287,675	\$ 289,151	\$ 416,003	\$ 637,010
Restricted	178,090	168,512	1,359,287	205,923	1,537,377	374,435
Equity in pooled cash	736,098	637,752	226,154	394,069	962,252	1,031,821
Investments	—	—	2,015,063	1,884,166	2,015,063	1,884,166
Receivables and due from others, net	789,380	952,086	1,012,337	1,082,640	1,801,717	1,934,726
Inventories and prepaid items	61,849	57,747	545,651	546,022	607,500	603,769
Internal balances	2,163,627	2,073,817	(2,163,627)	(2,073,817)	—	—
Capital assets, net of accumulated depreciation	6,018,863	6,573,121	26,070,473	26,366,264	32,089,336	32,939,385
<b>Total assets</b>	<b>10,076,235</b>	<b>10,810,894</b>	<b>29,353,013</b>	<b>28,694,418</b>	<b>39,429,248</b>	<b>39,505,312</b>
<b>Deferred Outflows Resources</b>						
Pension related	1,460,450	1,082,531	731,901	593,786	2,192,351	1,676,317
<b>Liabilities</b>						
Current liabilities	1,397,378	1,081,857	3,196,298	1,569,742	4,593,676	2,651,599
Non-current liabilities	7,877,145	8,308,748	13,367,564	13,981,777	21,244,709	22,290,525
<b>Total liabilities</b>	<b>9,274,523</b>	<b>9,390,605</b>	<b>16,563,862</b>	<b>15,551,519</b>	<b>25,838,385</b>	<b>24,942,124</b>
<b>Deferred Inflows of Resources</b>						
Pension related	423,363	449,753	360,245	260,759	783,608	710,512
<b>Net Position</b>						
Net investment in capital assets	4,812,483	4,717,077	16,286,249	16,021,626	21,098,732	20,738,703
Restricted	869,603	833,810	380,904	472,295	1,250,507	1,306,105
Unrestricted (deficit)	(3,843,287)	(3,497,820)	(3,506,346)	(3,017,995)	(7,349,633)	(6,515,815)
<b>Total net position</b>	<b>\$ 1,838,799</b>	<b>\$ 2,053,067</b>	<b>\$ 13,160,807</b>	<b>\$ 13,475,926</b>	<b>\$ 14,999,606</b>	<b>\$ 15,528,993</b>

By far the largest portion of the City's net position (\$21.1 million) 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 \$1,838,799 and consists of net investment in capital assets \$4,812,483, restricted \$869,603, and unrestricted (deficit) of \$(3,843,287) at the end of 2021. The Business-type Activities total net position totals \$13,160,807 and consists of net investment in capital assets \$16,286,249, restricted \$380,904, and unrestricted (deficit) of \$(3,506,346) at the end of 2021.

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

The City's total restricted net position, \$1,250,507, 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 2021 and FY 2020 are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>Revenue</b>						
Program Revenue:						
Charges for services	\$ 1,261,865	\$ 1,717,874	\$ 15,571,331	\$ 15,708,232	\$ 16,833,196	\$ 17,426,106
Operating grants and contributions	133,984	96,946	—	—	133,984	96,946
Capital grants and contributions	719,881	387,987	737,728	1,159,949	1,457,609	1,547,936
General revenue:						
Property taxes and L.O.S.T	2,167,895	1,909,672	—	—	2,167,895	1,909,672
State shared and unallocated intergovernmental	850,164	847,875	—	—	850,164	847,875
Licenses and franchise fees	852,195	822,036	—	—	852,195	822,036
Other	256,781	29,916	297,829	111,554	554,610	141,470
Total revenue	<u>6,242,765</u>	<u>5,812,306</u>	<u>16,606,888</u>	<u>16,979,735</u>	<u>22,849,653</u>	<u>22,792,041</u>
<b>Expenses</b>						
General government	1,540,728	1,961,827	—	—	1,540,728	1,961,827
Public safety	3,999,149	4,093,322	—	—	3,999,149	4,093,322
Public works	2,096,543	1,683,051	—	—	2,096,543	1,683,051
Culture and recreation	410,239	428,921	—	—	410,239	428,921
Interest	35,466	49,000	350,155	363,982	385,621	412,982
Combined utility	—	—	14,683,645	14,004,240	14,683,645	14,004,240
Total expenses	<u>8,082,125</u>	<u>8,216,121</u>	<u>15,033,800</u>	<u>14,368,222</u>	<u>23,115,925</u>	<u>22,584,343</u>
Transfers	1,888,207	1,788,244	(1,888,207)	(1,788,244)	—	—
Changes in net position	48,847	(615,571)	(315,119)	823,269	(266,272)	207,698
Beginning net position	2,053,067	2,668,638	13,475,920	12,652,657	15,528,993	15,321,295
Cumulative effect of restatement	(263,115)	—	—	—	(263,115)	—
Ending net position	<u>\$ 1,838,799</u>	<u>\$ 2,053,067</u>	<u>\$ 13,160,807</u>	<u>\$ 13,475,926</u>	<u>\$ 14,999,606</u>	<u>\$ 15,528,993</u>

## Government-Wide Financial Analysis (continued)

Net position in Governmental Activities had a total increase in 2021 of \$48,847 compared to a decrease of \$(615,571) in 2020. This was primarily due to the City's efforts to manage spending with relatively flat revenue. Net position in Business-type Activities decreased \$(315,119) in 2021 compared to an increase of \$823,269 in 2020 primarily due to increased electric and gas usage and related costs. Both periods included transfers to the Governmental Activities of \$1,888,207 in 2021 and \$1,788,244 in 2020, respectively.

Key Governmental Activities highlights are as follows: Total program revenue decreased by a net of \$(87,077) in 2021 primarily due to Council-approved reduction in sanitation fees for services, while general revenues increased moderately. Total Governmental Activities revenues equaled \$6.2 million in 2021 compared to \$5.8 million in 2020. Total Governmental Activity expenses in 2021 equaled \$8.1 million compared to \$8.2 million in 2020, or a 1.6% decrease.

Key Business-type Activity highlights are as follows: Total program revenue decreased by \$559,122 between 2021 and 2020 primarily due to seasonal temperature variations between years. The major cost drivers for the electric and gas systems are the costs of electricity and gas purchased for resale to the City's customers. Overall system demand was less in 2021. Total Business-type expenses equaled \$15.0 million in 2021 as compared to \$14.4 million in 2020, or a 4.6% increase.

**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 26.2% 'program revenues', leaving 73.8% 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	\$ (1,540,728)	\$ —	\$ (1,540,728)	0.0%	100.0%
Public safety	(3,999,149)	287,087	(3,712,062)	7.2%	92.8%
Public works	(2,096,543)	1,072,197	(1,024,346)	51.1%	48.9%
Culture and recreation	(410,239)	756,446	346,207	100.0%	0.0%
Interest	(35,466)	—	(35,466)	0.0%	100.0%
<b>Totals</b>	<b>\$ (8,082,125)</b>	<b>\$ 2,115,730</b>	<b>\$ (5,966,395)</b>	<b>26.2%</b>	<b>73.8%</b>

## Government-Wide Financial Analysis (continued)

### General Revenues by Source – Governmental Activities

As shown in the table on the preceding page, General Revenues funded the City's Governmental Activities by 73.8% for 2021, and 73.2% for 2020 in the following categories.

	<u>2021</u>	<u>2020</u>
Property taxes and L.O.S.T	\$ 2,167,895	\$ 1,909,672
State shared revenue	850,164	847,875
Licenses and franchise fees	852,195	822,036
Investment earnings	12,925	13,931
Miscellaneous	243,856	15,985
Transfer in from other funds	1,888,207	1,788,244
Total	<u>\$ 6,015,242</u>	<u>\$ 5,397,743</u>

Overall, the City experienced a 11.4% increase in General Revenues in 2021 as compared to 2020 due to increased property taxes and transfers-in plus gains on disposal/sale of old capital asset equipment in 2021.

**Expenses and Program Revenues – Business-type Activities** – The City's Combined Utility Enterprise Fund that comprises its Business-type Activities is used for all resources associated with supplying electricity, natural gas, water and providing sewage services to domestic, business and industrial customers within the City limits as well as some of the surrounding unincorporated areas of Marlboro County. Operating revenues totaled \$15.6 million in 2021 (as compared to \$15.7 million in 2020) and includes electric sales of \$9.6 million, natural gas sales of \$2.2 million, water sales of \$1.5 million plus \$1.8 million from sewer services, with the balance consisting of penalties, reconnect fees and other revenues. Operating expenses totaled \$14.7 million in 2021 as compared to \$14.0 million in 2020. Operating income at year ended April 30, 2021, totaled \$896,606 (as compared to \$1.7 million in 2020) due to increased electricity and gas cost plus increased depreciation. Over past years, the City has seen significant improvements and stability in electric revenue primarily due to an electric rate design adjustment increasing purchased power cost recovery. The system has seen no significant growth in its customer base or consumption patterns.

### General Fund Financial Analysis and Budgetary Highlights

Of the City's Governmental Funds, the City's General Fund is the primary fund. The General Fund's 'final' budgeted revenues totaled \$4,618,200 actual revenues achieved equaled \$5,000,444 or \$382,244 more than budget. The City had actual General Fund expenditures of \$6,963,372, compared to a 'final' budget of \$6,408,710 for an unfavorable variance of \$544,662 for the fiscal year ended April 30, 2021.



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

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

Details of the City's General Fund budget are shown in the section entitled "Required Supplementary Information" which follows the "Notes to Financial Statements" in this report. Below is a 'condensed' summary budget-to-actual table for fiscal year 2021 compared to 2020 actual amounts achieved.

General Fund	2021		Variances Over (Under)	2020
	Final Budget	Actual		Actual
<b>Revenue</b>				
Property taxes	\$ 1,116,000	\$ 1,235,725	\$ 119,725	\$ 1,051,864
Local option sales tax	808,000	932,170	124,170	857,808
Licenses, permits and franchise fees	794,000	852,195	58,195	847,875
Fines and forfeitures	125,400	43,156	82,244	85,254
Intergovernmental	545,000	590,563	45,563	945,271
Charges for services	970,000	1,089,157	119,157	1,293,970
User fees	44,900	13,621	(31,279)	31,835
Interest income and other	214,900	243,857	28,957	175,205
<b>Total revenue</b>	<b>4,618,200</b>	<b>5,000,444</b>	<b>382,244</b>	<b>5,289,082</b>
<b>Expenditures</b>				
Current:				
General government	976,059	1,075,209	99,150	1,376,600
Public safety	3,341,020	3,682,053	341,033	3,654,387
Public works	1,409,421	1,547,706	138,285	1,576,384
Culture and recreation	343,364	322,276	(21,088)	357,271
Capital outlay	10,000	7,600	(2,400)	26,027
Debt service	328,846	328,528	(318)	329,191
<b>Total expenditures</b>	<b>6,408,710</b>	<b>6,963,372</b>	<b>554,662</b>	<b>7,319,860</b>
Excess (deficiency) of revenue over (under) expenditures	(1,790,510)	(1,962,928)	(172,418)	(2,030,778)
Other financing sources and (uses)	1,790,510	1,775,082	(15,428)	1,852,882
<b>Net change in fund balance</b>	<b>\$ —</b>	<b>\$ (187,846)</b>	<b>\$ (187,846)</b>	<b>\$ (177,896)</b>

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

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** – As of April 30, 2021, the City’s investment in capital assets for its Governmental Activities totaled \$14.2 million, less accumulated depreciation of \$8.2 million for a net carrying value of \$6.0 million. For its Business-type Activities, total investment in capital assets equaled \$51.0 million, less accumulated depreciation of \$25.0 million for a net carrying value of \$26.0 million. The City’s investment in capital assets includes land, buildings, utility system improvements, machinery and equipment, park facilities, vehicles and furniture. The City’s significant capital asset acquisition for the Governmental Activities was new public safety vehicles and equipment, but disposed of the former Police Department Complex on Main Street. The Business-type Activities (Combined Utility Fund), acquired vehicles and equipment during the year and is continuing with its major capital improvement plan for system infrastructure. Additionally, the Utility Fund acquired the former Marlboro Electric Cooperative building and complex located at Hwy 15/401 Bypass. Information on the City’s capital assets can be found in *Note 6* of this report.

**Long-Term Debt** – The City has outstanding general obligation bonds (Series 2014 totaling \$220,000), and revenue bonds (Series 2013 totaling \$7,415,000), along with two issuances of South Carolina Water Pollution Control Revolving Fund Loans (Series 2009A and 2009B totaling \$2,319,071), plus three lease-purchase installment obligations (2017A, 2017B and 2019 totaling \$986,380). For Governmental Activities, total outstanding long-term debt equaled \$1,206,380 at April 30, 2021. The Business-type Activities had long-term debt outstanding of \$9,734,071. 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, 2021 totaled \$7.3 million for Governmental Activities and \$4.2 million for Business-type Activities for a combined total of \$11.5 million.

### REQUEST FOR INFORMATION

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

## BASIC FINANCIAL STATEMENTS

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF NET POSITION

APRIL 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets and Deferred Outflows</b>			
Assets:			
Cash and cash equivalents:			
Unrestricted	\$ 128,328	\$ 287,675	\$ 416,003
Restricted	178,090	1,359,287	1,537,377
Equity in pooled cash	736,098	226,154	962,252
Investments	—	2,015,063	2,015,063
Receivables, net:			
Accounts, grants and notes	418,144	1,012,337	1,430,481
Due from other governments	371,236	—	371,236
Internal balances, net	2,163,627	(2,163,627)	—
Inventories and prepaid items	61,849	545,651	607,500
Capital assets:			
Nondepreciable	572,233	1,936,787	2,509,020
Depreciable, net	5,446,630	24,133,686	29,580,316
<b>Total assets</b>	<u>10,076,235</u>	<u>29,353,013</u>	<u>39,429,248</u>
Deferred Outflows of Resources:			
Pension related	1,460,450	731,901	2,192,351
<b>Total Assets and Deferred Outflows</b>	<u>\$ 11,536,685</u>	<u>\$ 30,084,914</u>	<u>\$ 41,621,599</u>
<b>Liabilities, Deferred Inflows and Net Position</b>			
Liabilities:			
Accounts payable	\$ 108,175	\$ 998,680	\$ 1,106,855
Accrued payroll and other payables	56,438	—	56,438
Accrued interest payable	1,243	78,731	79,974
Unearned revenue	159,682	1,147,993	1,307,675
Customer deposits and prepayments	35,999	255,098	291,097
Accrued compensated absences	391,290	141,831	533,121
Bonds and notes payable – due in less than one year	644,551	573,965	1,218,516
Bonds and notes payable – due in more than one year	561,829	9,210,259	9,772,088
Net pension obligations	7,315,316	4,157,305	11,472,621
<b>Total liabilities</b>	<u>9,274,523</u>	<u>16,563,862</u>	<u>25,838,385</u>
Deferred Inflows of Resources:			
Pension related	423,363	360,245	783,608
<b>Total liabilities and deferred inflows</b>	<u>9,697,886</u>	<u>16,924,107</u>	<u>26,621,993</u>

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF NET POSITION

— CONTINUED —

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Liabilities, Deferred Inflows and Net Position (continued)</b>			
Net position:			
Net investment in capital assets	4,812,483	16,286,249	21,098,732
Restricted for:			
Pensions	482,131	248,403	730,534
Debt and capital projects	—	132,501	132,501
Housing and community development	353,422	—	353,422
Fire and law enforcement activities	34,050	—	34,050
Unrestricted (deficit)	<u>(3,843,287)</u>	<u>(3,506,346)</u>	<u>(7,349,633)</u>
Total net position	<u>1,838,799</u>	<u>13,160,807</u>	<u>14,999,606</u>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b><u>\$ 11,536,685</u></b>	<b><u>\$ 30,084,914</u></b>	<b><u>\$ 41,621,599</u></b>

*See accompanying notes to financial statements.*

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED APRIL 30, 2021

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	Governmental Activities	Business-type Activities	Totals
<b>Governmental activities:</b>							
General government	\$ (1,540,728)	\$ —	\$ —	—	\$ (1,540,728)	—	\$ (1,540,728)
Public safety	(3,999,149)	159,087	128,000	—	(3,712,062)	—	(3,712,062)
Public works	(2,096,543)	1,072,197	—	—	(1,024,346)	—	(1,024,346)
Culture and recreation	(410,239)	30,581	5,984	719,881	346,207	—	346,207
Interest	(35,466)	—	—	—	(35,466)	—	(35,466)
<b>Total governmental activities</b>	<b>(8,082,125)</b>	<b>1,261,865</b>	<b>133,984</b>	<b>719,881</b>	<b>(5,966,395)</b>	<b>—</b>	<b>(5,966,395)</b>
<b>Business-type activities:</b>							
Combined utility	(15,033,800)	15,571,331	—	737,728	—	1,275,259	1,275,259
<b>Total business-type activities</b>	<b>(15,033,800)</b>	<b>15,571,331</b>	<b>—</b>	<b>737,728</b>	<b>—</b>	<b>1,275,259</b>	<b>1,275,259</b>
<b>Total functions and programs</b>	<b>\$(23,115,925)</b>	<b>\$16,833,196</b>	<b>\$ 133,984</b>	<b>\$ 1,457,609</b>	<b>(5,966,395)</b>	<b>1,275,259</b>	<b>(4,691,136)</b>
<b>General Revenue and Transfers</b>							
General Revenue:							
Property taxes and L.O.S.T.					2,167,895	—	2,167,895
State shared and intergovernmental (unrestricted)					850,164	—	850,164
Business licenses and other franchise fee/tax					852,195	—	852,195
Unrestricted investments earnings					12,925	24,199	37,124
Gain (loss) on disposal/contribution of assets					90,975	—	90,975
Miscellaneous					152,881	273,630	426,511
Transfers in (out)					1,888,207	(1,888,207)	—
					6,015,242	(1,590,378)	4,424,864
<b>Changes in net position</b>					<b>48,847</b>	<b>(315,119)</b>	<b>(266,272)</b>
Net Position — beginning of year					2,053,067	13,475,926	15,528,993
Cumulative effect of restatement (See Note 8)					(263,115)	—	(263,115)
<b>Net Position — end of year</b>					<b>\$ 1,838,799</b>	<b>\$ 13,160,807</b>	<b>\$ 14,999,606</b>

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

APRIL 30, 2021

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents:				
Unrestricted	\$ 36,737	\$ 32,005	\$ 59,586	\$ 128,328
Restricted	16,070	4,684	157,336	178,090
Equity in pooled cash	446,548	1,304,036	(1,014,486)	736,098
Receivables:				
Property taxes	262,758	—	—	262,758
Other and notes	296,570	—	1,088,804	1,385,374
Less, allowances for doubtful accounts	(401,383)	—	(208,804)	(610,187)
Due from other governments	226,001	145,235	—	371,236
Due from other funds	3,654,651	153,715	1,014,486	4,822,852
Inventory and prepaid items	61,849	—	—	61,849
<b>Total assets</b>	<b>\$ 4,599,801</b>	<b>\$ 1,639,675</b>	<b>\$ 1,096,922</b>	<b>\$ 7,336,398</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 71,622	\$ 29,300	\$ 7,253	\$ 108,175
Accrued payroll and related payables	56,438	—	—	56,438
Due to other funds	749,754	1,892,876	16,595	2,659,225
Due to other governments	—	—	—	—
Unearned revenue	159,682	—	—	159,682
Deposits	12,900	—	23,099	35,999
<b>Total liabilities</b>	<b>1,050,396</b>	<b>1,922,176</b>	<b>46,947</b>	<b>3,019,519</b>
Fund balances:				
Non-spendable	61,849	—	—	61,849
Restricted	3,170	—	124,103	127,273
Committed	—	—	—	—
Assigned	25,000	—	52,349	77,349
Unassigned (deficit)	3,459,386	(282,501)	873,523	4,050,408
<b>Total fund balances</b>	<b>3,549,405</b>	<b>(282,501)</b>	<b>1,049,975</b>	<b>4,316,879</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,599,801</b>	<b>\$ 1,639,675</b>	<b>\$ 1,096,922</b>	<b>\$ 7,336,398</b>

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

— CONTINUED —

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

Total Governmental Funds fund balances	\$ 4,316,879
Capital assets, net of accumulation depreciation, used in governmental activities are not financial resources and therefore, are not reported in these funds.	6,018,863
Certain receivables are not financial resources and therefore, are not reported in these funds.	(619,801)
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.	1,037,087
Long-term liabilities, including bonds/notes payable, compensated absences and pension obligation are not due and payable in the current period and therefore are not reported in these funds.	<u>(8,914,229)</u>
Net position, end of year – Governmental Activities	<u>\$ 1,838,799</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, 2021

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenue</b>				
Taxes, penalties and fees	\$ 1,235,725	\$ —	\$ —	\$ 1,235,725
Local options sales tax	932,170	—	—	932,170
Licenses, permits and franchise fees	852,195	—	—	852,195
Fines and forfeitures	43,156	—	115,931	159,087
Intergovernmental – grants, state shared and other	590,563	586,879	423,475	1,600,917
Charges for services – solid waste and lot clearing	1,072,197	—	—	1,072,197
User fees – community/fitness centers and other rent	30,581	—	—	30,581
Interest income	3	320	211	534
Contributions and other	243,854	—	—	243,854
<b>Total revenue</b>	<u>5,000,444</u>	<u>587,199</u>	<u>539,617</u>	<u>6,127,260</u>
<b>Expenditures</b>				
Current:				
General government	1,075,209	—	86,599	1,161,808
Public safety	3,682,053	—	—	3,682,053
Public works	1,547,706	—	—	1,547,706
Culture and recreation	322,276	—	63,776	386,052
Capital outlay	7,600	487,311	—	494,911
Debt service	328,528	19,651	338,162	686,341
<b>Total expenditures</b>	<u>6,963,372</u>	<u>506,962</u>	<u>488,537</u>	<u>7,958,871</u>
Excess (deficiency) of revenue over expenditures	<u>(1,962,928)</u>	<u>80,237</u>	<u>51,080</u>	<u>(1,831,611)</u>
<b>Other Financing Sources (Uses)</b>				
Insurance reimbursements	—	103,112	—	103,112
Transfers in	2,120,000	270,200	338,162	2,728,362
Transfers (out)	(344,918)	(75,237)	(420,000)	(840,155)
<b>Total other financing sources (uses)</b>	<u>1,775,082</u>	<u>298,075</u>	<u>(81,838)</u>	<u>1,991,319</u>
<b>Net change in fund balances</b>	<b>(187,846)</b>	<b>378,312</b>	<b>(30,758)</b>	<b>159,708</b>
Fund balances, beginning of year	4,000,366	(660,813)	1,080,733	4,420,286
Cumulative effect of restatement ( <i>See Note 8</i> )	(263,115)	—	—	(263,115)
<b>Fund balances, end of year</b>	<u>\$ 3,549,405</u>	<u>\$ (282,501)</u>	<u>\$ 1,049,975</u>	<u>\$ 4,316,879</u>

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES-  
 GOVERNMENTAL FUNDS

— CONTINUED —

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

Net change in fund balances – total governmental funds	\$ 159,708
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.	(554,258)
Certain revenues and expenses are not reported as source and uses of current financial resources. This is the amount of such accruals.	(207,479)
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.	<div style="border-top: 1px solid black; display: inline-block;">650,876</div>
Change in Net Position – Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ 48,847</div>

*See accompanying notes to financial statements.*

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

APRIL 30, 2021

	<u>Business-type Activities – Enterprise Fund Combined Utility</u>
<b>Assets and Deferred Outflows</b>	
Current assets:	
Cash and cash equivalents	\$ 287,675
Equity in pooled cash	226,154
Investments	2,015,063
Accounts receivable, net	1,012,337
Inventories and prepaid items	545,651
Due from other funds	192,934
	<u>4,279,814</u>
Current restricted assets:	
Restricted cash and cash equivalents	211,232
Santee Cooper Settlement fund	1,148,055
	<u>1,359,287</u>
Total current assets	<u>5,639,101</u>
Non-current assets:	
Capital assets, not subject to depreciation	1,936,787
Capital assets subject to depreciation, net	24,133,686
Total non-current assets	<u>26,070,473</u>
Deferred Outflows of Resources:	
Pension related	731,901
Total deferred outflows	<u>731,901</u>
<b>Total assets and deferred outflows</b>	<b><u>\$ 32,441,475</u></b>
<b>Liabilities, Deferred Inflows and Net Position</b>	
Current liabilities:	
Accounts payable	\$ 998,680
Accrued payroll and withholdings payable	—
Due to other funds	2,356,561
Customer deposits and prepayments	255,098
	<u>3,610,339</u>
Current liability payable from restricted assets:	
Accrued interest payable	78,731
Bonds payable – current portion	573,965
Unearned revenue – Santee Cooper Settlement	1,147,993
	<u>1,800,689</u>
Total current liabilities	<u>5,411,028</u>
Long-term (non-current) liabilities:	
Accrued compensated absences	141,831
Revenue bonds payable	9,210,259
Net pension liabilities	4,157,305
Total long-term liabilities	<u>13,509,395</u>
Total liabilities	<u>18,920,423</u>

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

— CONTINUED —

	<u>Business-type Activities – Enterprise Fund Combined Utility</u>
<b>Liabilities, Deferred Inflows and Net Position (continued)</b>	
Deferred Inflows of Resources:	
Pension related	360,245
Total deferred inflows	<u>360,245</u>
Net position:	
Net investment in capital assets	16,286,249
Restricted for pensions	248,403
Restricted for debt and capital projects	132,501
Unrestricted (deficit)	<u>(3,506,346)</u>
Total net position	<u>13,160,807</u>
<b>Total liabilities, deferred inflows and net position</b>	<b><u>\$ 32,441,475</u></b>

*See accompanying notes to financial statements.*

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED APRIL 30, 2021

	<u>Business-type Activities – Enterprise Fund Combined Utility</u>
<b>Cash Flows from Operating Activities</b>	
Cash received from:	
Combined utility sales and services, penalties, reconnect fees and other revenue	\$ 15,652,283
Cash paid to (for):	
Employee salaries and related costs, and combined utility operations	(12,992,141)
Net cash provided by (used in) operating activities	<u>2,660,142</u>
<b>Cash Flows from Non-capital Financing Activities</b>	
Santee Cooper Settlement	1,147,993
Transfer to General Fund and Debt Service Fund	(1,963,444)
Non-operating revenue and grants	273,630
Net cash provided by (used in) non-capital financing activities	<u>(541,821)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(842,209)
Capital grants and capital contributions	737,728
Interest paid on capital related debt and fiscal agent fees	(362,655)
Principal payments under bonds and capital leases	(560,414)
Net cash provided by (used in) capital and related financing activities	<u>(1,027,550)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	24,199
Change in purchases/sales of investments and accrued income	(130,897)
Net cash provided by (used in) investing activities	<u>(106,698)</u>
Net increase (decrease) in cash and cash equivalents	984,073
Cash and cash equivalents, beginning of year (of which \$205,923 is restricted)	889,143
Cash and cash equivalents, end of year (of which \$1,359,287 restricted)	<u>1,873,216</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	896,606
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation expense	1,213,237
Changes in certain assets and liabilities:	
(Increase) decrease in accounts receivable	70,303
(Increase) decrease in inventory and prepaid items	371
Increase (decrease) in accounts payable/accrued expenses	312,351
Increase (decrease) in accrued compensated absences	(13,535)
Increase (decrease) in customer deposits	10,649
Increase (decrease) in internal balances due to other funds	89,813
(Increase) decrease in deferred outflows of resources	(138,115)
Increase (decrease) in deferred inflows of resources	99,486
Increase (decrease) in net pension liabilities	118,976
Net cash provided by (used in) operating activities	<u>\$ 2,660,142</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, 2021

	<b>Business-type Activities – Enterprise Fund Combined Utility</b>
<b>Operating Revenue (pledged as security for notes and bonds)</b>	
Sales and services:	
Water	\$ 1,538,046
Sewer	1,814,839
Electric	9,599,447
Gas	2,242,028
Penalties, reconnect fees and other revenue	376,971
<b>Total operating revenue</b>	<b>15,571,331</b>
<b>Operating Expenses</b>	
Water plant	1,006,754
Water distribution	399,481
Wastewater plant and collection	552,792
Sewer/Stormwater collection	165,710
Electricity purchase and transmission	8,129,324
Gas purchase and distribution	1,812,965
Administration	585,995
Billing office	621,948
Non-departmental	186,519
Depreciation expense	1,213,237
<b>Total operating expenses</b>	<b>14,674,725</b>
<b>Operating income</b>	<b>896,606</b>
<b>Non-Operating Revenue (Expenses)</b>	
FEMA grant reimbursement	253,139
Non-operating revenue	20,491
Interest income	24,199
Interest expense	(350,155)
Fiscal agent fees	(12,778)
Amortization of bond premium	3,858
<b>Total non-operating revenue (expenses)</b>	<b>(61,246)</b>
<b>Income before contributions and transfers</b>	<b>835,360</b>
<b>Capital contributions</b>	
Capital grants	737,728
Contributed capital	75,237
<b>Total capital contributions</b>	<b>812,965</b>
<b>Transfers</b>	
Transfers (out) to other funds	<b>(1,963,444)</b>
<b>Change in net position</b>	<b>(315,119)</b>
Net position, beginning of year	13,475,926
Net position, end of year	<b>\$ 13,160,807</b>

*See accompanying notes to financial statements.*

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

APRIL 30, 2021

	<b>Balance, April 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, April 30, 2021</b>
<b>Assets</b>				
Cash and cash equivalents:				
Firemen's 1% fund	\$ 35,462	\$ 40,889	\$ (24,403)	\$ 51,948
Total assets	\$ 35,462	\$ 40,889	\$ (24,403)	\$ 51,948
<b>Liabilities</b>				
Amounts due to others:				
Firemen's 1% fund	\$ 35,462	\$ 40,889	\$ (24,403)	\$ 51,948
Total liabilities	\$ 35,462	\$ 40,889	\$ (24,403)	\$ 51,948

*See accompanying notes to financial statements.*

CITY OF BENNETTSVILLE, SOUTH CAROLINA



CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2021

**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.

**C. Measurement Focus, Basis of Accounting**

*Government-wide and Proprietary Fund Financial Statements* – The ‘government-wide’, and Proprietary Fund financial statements are reported using the economic resources measurement focus 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.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

The City's policy for applying expenses that can use both restricted and unrestricted resources is to first apply the expense to restricted resources then to unrestricted resources.

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

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

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

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

**D. Budgets and Budgetary Accounting**

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

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

The General Fund operated under a final budget totaling \$6,748,200. Actual expenditures totaled \$6,963,375, and transfers-out of \$344,918. The Combined Utility Fund operated under a budget totaling \$16,981,300, (which included operating and non-operating expenses, transfers, debt service and capital outlay). Actual operating expenses totaled \$14,674,725 (including a non-budgetary charge of \$1,213,237 for depreciation), non-operating expenses totaled \$61,246, (net of non-operating revenue), and transfers-out totaled \$1,963,444.

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

Cash and Cash Equivalents and Investments

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

Accounts Receivable and Allowance for Doubtful Accounts

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

Inventory

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

Short-Term Interfund Receivables/Payables

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

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

Restricted Assets

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

Capital Assets and Depreciation

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

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

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

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

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

Long-term Obligations

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

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

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

Compensated Absences (Accrued Vacation and Sick Leave)

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

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

Net Position and Fund Balances

In the Government-wide financial statements, the difference between the City's total assets and total liabilities represents net position. Net position for both the governmental and proprietary fund types displays three components – investment in capital assets, (net of related debt); restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represent 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 mileage rate associated with the levy is adopted each year as a part of the budget adoption process.

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

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

Property Taxes (continued)

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

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

Program and General Revenue

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

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

Unearned Revenue

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

Pensions

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

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

Deferred Inflows/Outflows of Resources

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

Comparative Data and Reclassifications

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

Use of Estimates

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



CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**2. Deposits and Investments**

As of April 30, 2021, the City had the following cash and investment balances:

Cash on hand	\$	4,043
Carrying amount of deposits		3,083,792
Investments		1,894,808
<b>Totals</b>	<b>\$</b>	<b>4,982,643</b>

Statement of Net Position balances:

Cash and cash equivalents:		
Unrestricted	\$	416,003
Restricted		1,537,377
Fiduciary		51,948
Equity in pooled cash		962,252
Investments		2,015,063
<b>Totals</b>	<b>\$</b>	<b>4,982,643</b>

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, 2021, the carrying amount of the City's deposits with financial institutions equaled \$3,083,792, and the bank balances totaled \$3,274,926. Of the bank balances, \$1,734,137 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.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Investments (continued)

Types of investments at April 30, 2021 were certificates of deposit of various financial institutions, securities of the U.S. Treasury or agencies, mutual funds of governmental agency securities, and corporate bonds and notes as follows:

	<u>Fair Value</u>	<u>Maturity</u>
Certificate of deposit – 1.00%	\$ 154,054	5/04/2021
Certificate of deposit – 1.00%	153,030	4/27/2024
Federal government agencies’ securities	1,376,493	Varies
Money market (debt service trust) funds	211,232	Varies
Total fair value	<u>\$ 1,894,809</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, 2021, 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, 2021.

**3. Restricted Assets**

Restricted cash and cash equivalents reported for the Governmental Activities totaled \$178,090 at April 30, 2021. Of this total, \$4,684 was restricted to the purchase of specific items of equipment under installment purchase contracts or capital leases; \$12,900 for community center deposits; \$93,223 for housing-related assistance; and \$67,283 restricted for municipal court, fire, and law enforcement activities. Restricted cash and cash equivalents reported in the Business-type Activities totaled \$1,359,287 at April 30, 2021. Of this total, \$211,232 was for projects authorized by the Combined Utility System Bonds, Series 2013, plus the Series 2009 A and B Debt Service Reserve Funds. The remaining balance of \$1,148,055 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.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**4. Receivables**

Accounts receivable at April 30, 2021, including the applicable allowances for uncollectible accounts, are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Property taxes	\$ 262,758	\$ —
Sanitation fees	124,926	—
Notes	260,199	—
Lot clearing fees and other	380,448	—
Combined Utility Accounts	—	1,256,153
Total receivables	1,028,331	1,256,153
Less, allowance for uncollectible accounts	(610,187)	(243,816)
Receivables, net	<u>\$ 418,144</u>	<u>\$ 1,012,337</u>

Notes receivable at April 30, 2021, including the applicable allowances for uncollectible accounts and imputed interest are as follows:

	<b>Governmental Activities</b>
Upper Story Housing ( <i>see Note 14</i> )	\$ 880,000
Housing rehabilitation	111,836
Housing assistance	81,979
CDBG Repayment Fund	14,989
Total notes receivable	1,088,804
Less, allowance for uncollectible accounts and unrealized imputed interest	(828,605)
Notes receivable, net	<u>\$ 260,199</u>

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

Short-term interfund receivables and payables at April 30, 2021, were as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 3,654,651	\$ (749,754)
Special Revenue Fund	—	(16,595)
Capital Project Fund	153,715	(1,892,876)
Debt Service Fund	1,014,486	—
Utility Fund	192,934	(2,356,561)
Total interfund balances	5,015,786	(5,015,786)
Less, eliminations	(2,852,159)	2,852,159
Internal balances, net	<u>\$ 2,163,627</u>	<u>\$ (2,163,627)</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.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

**Transfers to/from Other Funds**

Transfers in (out) for the year ended April 30, 2021 are summarized below:

	<u>Transfers In</u>	<u>Transfers (Out)</u>
General Fund	\$ 2,120,000	\$ (344,918)
Special Revenue Funds	—	(420,000)
Capital Project Fund	270,200	—
Debt Service Fund	338,162	—
Utility Fund	—	(1,963,444)
	<u>\$ 2,728,362</u>	<u>\$ 2,728,362</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, 2021, net transfers between Governmental Activities and Business-type Activities totaled \$1,888,207, \$1,700,000 budgeted for indirect overhead operating activities, \$175,200 for Capital Projects Fund, and \$88,244 for lease-purchase debt services. Additionally, the Governmental Activities transferred capital assets to the Business-type Activities totaling \$75,237, during the year ended April 30, 2021, which is being reported as both transfer-out and contributed capital, respectively.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Capital Assets

A summary of the changes in the City's capital assets during the year ended April 30, 2021, are as follows:

**Governmental Activities:**

	Balance April 30, 2020	Additions	Retirements	Transfers	Balance April 30, 2021
Capital assets not being depreciated:					
Land	\$ 572,233	\$ —	\$ —	\$ —	\$ 572,233
Construction in process	—	—	—	—	—
Total capital assets not being depreciated	<u>572,233</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>572,233</u>
Capital assets being depreciated:					
Land improvements	118,195	—	—	—	118,195
Buildings and improvements	3,015,839	31,586	—	—	3,047,425
Facades, parking and improvements	4,387,993	—	—	—	4,387,993
Furniture, fixtures, and equipment	2,616,272	24,967	—	—	2,641,239
Vehicles	3,449,925	—	—	—	3,449,925
Totals capital assets being depreciated	<u>13,588,224</u>	<u>56,553</u>	<u>—</u>	<u>—</u>	<u>13,644,777</u>
Less, accumulated depreciation for:					
Land improvements	(102,043)	(930)	—	—	(102,973)
Buildings and improvements	(1,188,245)	(86,319)	—	—	(1,274,564)
Facades, parking and improvements	(3,138,221)	(137,750)	—	—	(3,275,971)
Furniture, fixtures, and equipment	(1,656,270)	(124,295)	—	—	(1,780,565)
Vehicles	(1,502,557)	(261,517)	—	—	(1,764,074)
Total accumulated depreciation	<u>(7,587,336)</u>	<u>(610,811)</u>	<u>—</u>	<u>—</u>	<u>(8,198,147)</u>
Total capital assets being depreciated, net	<u>6,000,888</u>	<u>(554,258)</u>	<u>—</u>	<u>—</u>	<u>5,446,630</u>
Net capital assets – Governmental Activities	<u>\$ 6,573,121</u>	<u>\$ (554,258)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,018,863</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Capital Assets (Continued)

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

General government	\$ 345,719
Public safety	183,854
Public works	64,746
Culture and recreation	16,492
Total depreciation expense	<u>\$ 610,811</u>

**Business-Type Activities:**

	<u>Balance</u> <u>April 30, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>April 30, 2021</u>
Capital assets not being depreciated:					
Land	\$ 447,359	\$ —	\$ —	\$ —	\$ 447,359
Construction in progress	1,301,608	887,052	—	(699,232)	1,489,428
Total capital assets not being depreciated	<u>1,748,967</u>	<u>887,052</u>	<u>—</u>	<u>(699,232)</u>	<u>1,936,787</u>
Capital assets being depreciated:					
Buildings and improvements	2,061,004	—	—	—	2,061,004
Systems improvements	42,347,677	5,895	—	462,273	42,815,845
Equipment and vehicles	3,950,501	24,499	—	236,959	4,211,959
Total capital assets being depreciated	<u>48,359,182</u>	<u>30,394</u>	<u>—</u>	<u>699,232</u>	<u>49,088,808</u>
Less, accumulated depreciation for:					
Buildings and improvements	(590,881)	(31,208)	—	—	(622,089)
Systems improvements	(20,428,640)	(960,612)	—	—	(21,389,252)
Equipment and vehicles	(2,722,364)	(221,417)	—	—	(2,943,781)
Total accumulated depreciation	<u>(23,741,885)</u>	<u>(1,213,237)</u>	<u>—</u>	<u>—</u>	<u>(24,955,122)</u>
Total capital assets being depreciated, net	<u>24,617,297</u>	<u>(1,182,843)</u>	<u>—</u>	<u>699,232</u>	<u>24,133,686</u>
Net capital assets – Business-type activities	<u>\$ 26,366,264</u>	<u>\$ (295,791)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 26,070,473</u>

Depreciation expense for Business-type Activities and the Proprietary Fund equaled \$1,213,237 for the year ended April 30, 2021.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt

General Obligation Bonds

All general obligation bonds serviced by the City's General Fund are collateralized by the full faith, credit, and taxing power of the City. Principal and interest payments are appropriated when due.

Revenue Bonds

The City revenue bonds, including the State Revolving Fund loans, are secured by a pledge of revenue generated by the Combined Utility System.

Lease Purchase (Installment) Notes

The City's periodically enters into installment financing arrangements with local institutions for the purpose of acquiring certain vehicles and equipment. Principal and interest payments are appropriated when due.

Long-term debt of the City at April 30, 2021 consists of the following:

**A. Governmental Activities**

Series 2014 General Obligation Bond, dated 8/29/14, due in semi-annual installments through August 2023, interest at 2.188%.	\$ 220,000
Lease Purchase Contract 2017A - \$1,610,500, dated 5/25/17, due in quarterly principal and interest (at 1.86% per annum) installments of \$84,540 through June 1, 2022.	416,870
Lease Purchase Contract 2017B - \$125,000, dated 11/30/17, due in quarterly principal and interest (at 2.77% per annum) installments of \$6,630 through December 1, 2022.	45,370
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.	524,140
	<u>1,206,380</u>
Less, current portions (due within one year)	<u>(644,551)</u>
<b>Net long-term debt – Governmental Activities</b>	<b><u>\$ 561,829</u></b>

**B. Business-Type Activities**

Series 2009A South Carolina Water Pollution Control Revolving Fund Loan, dated 8/31/09, due in quarterly installments of \$20,146 through October 1, 2030; interest at 1.85%.	\$ 680,661
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%.	1,638,410
Series 2013 Combined Utility System Refunding and Improvement Revenue Bonds, dated 12/19/13, payable semi-annually with interest (3.0% – 4.25% per annum); final payment due February 2024.	7,415,000
	<u>9,734,071</u>
Less, current portions (due within one year):	(573,965)
Add, Series 2013 bond premium (\$77,158 net of amortization of \$27,005)	<u>50,153</u>
<b>Net long-term debt – Business-type Activities</b>	<b><u>\$ 9,210,259</u></b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

C. Changes in Long-Term Debt

Changes in the long-term debt of the City during the year ended April 30, 2021, were as follows:

	Outstanding 4/30/20	Additions	Retirements	Outstanding 4/30/21
<b>Governmental Activities:</b>				
Series 2014 G.O. Bond	\$ 326,000	\$ —	(106,000)	220,000
Installment note contract – 2017A	\$ 743,472	\$ —	(326,603)	416,870
Installment note contract – 2017B	\$ 70,501	\$ —	(25,131)	45,370
Installment note contract – 2019	\$ 716,070	\$ —	(191,930)	524,140
<b>Business-type Activities:</b>				
Series 2009A SRF Loan	\$ 747,541	\$ —	(66,880)	680,661
Series 2009B SRF Loan	\$ 1,708,087	\$ —	(69,677)	1,638,410
Series 2013 Refunding Revenue Bond	\$ 7,835,000	\$ —	(420,000)	7,415,000

During FY 17-18, the City purchased certain land, building and improvements from Marlboro Electric Cooperative (MEC) for \$1,750,000. As part of the closing, the City obtained a short-term note payable which was paid off in FY 19-20.

The City issued Series 2013 Refunding and Improvement Revenue Bonds to current refund the majority of the Series 2004 Revenue Bonds. The refunding resulted in a premium at issuance of \$77,158, which is being amortized over the life of the bonds. Accumulated amortization totaled \$27,005.

D. Accrued Compensated Absences

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

	Balances 4/30/20	Additions	Deletions	Balances 4/30/21
Governmental Activities:	\$ 397,704	\$ —	\$ (6,414)	\$ 391,290
Business-type Activities	155,366	—	(13,536)	141,830
	\$ 553,070	\$ —	\$ (19,950)	\$ 533,120

The City does not have a policy/program of providing post-employment health benefits for retirees.



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:

<b>G.O. Bond – Series 2014</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 109,000	\$ 4,813	\$ 113,813
2023	111,000	2,429	113,429
	<u>\$ 220,000</u>	<u>\$ 7,242</u>	<u>\$ 227,242</u>

<b>Lease Purchase Contract - 2017A</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 332,720	\$ 5,442	\$ 338,162
2023	84,148	391	84,539
	<u>\$ 416,868</u>	<u>\$ 5,833</u>	<u>\$ 422,701</u>

<b>Lease Purchase Contract - 2017B</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 25,706	\$ 812	\$ 26,518
2023	19,665	224	19,889
	<u>\$ 45,371</u>	<u>\$ 1,036</u>	<u>\$ 46,407</u>

<b>Lease Purchase Contract - 2019</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 177,126	\$ 12,139	\$ 189,265
2023	181,864	7,399	189,263
2024	165,148	2,531	167,679
	<u>\$ 524,138</u>	<u>\$ 22,069</u>	<u>\$ 546,207</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

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

<b>SRF Loan - Series 2009A</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	68,063	12,521	80,584
2023	69,288	11,296	80,584
2024	70,557	10,027	80,584
2025	71,871	8,713	80,584
2026	73,231	7,353	80,584
2027-2031	327,652	14,830	342,482
	<u>\$ 680,662</u>	<u>\$ 64,740</u>	<u>\$ 745,402</u>

<b>SRF Loan – Series 2009B</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	70,902	30,561	101,463
2023	72,018	29,445	101,463
2024	73,211	28,252	101,463
2025	74,432	27,031	101,463
2026	75,703	25,760	101,463
2027-2031	399,222	108,094	507,315
2032-2036	439,061	68,254	507,315
2037-2041	433,861	22,721	456,582
	<u>\$1,638,410</u>	<u>\$ 340,118</u>	<u>\$ 1,978,528</u>

<b>Revenue Bond – Series 2013</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	435,000	293,638	728,638
2023	450,000	278,413	728,413
2024	465,000	262,663	727,663
2025	480,000	246,388	726,388
2026	500,000	227,188	727,188
2027-2031	2,855,000	819,738	3,674,738
2032-2034	2,230,000	190,313	2,420,313
	<u>\$7,415,000</u>	<u>\$2,318,341</u>	<u>\$ 9,733,341</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**8. Net Position and Fund Balances**

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b><u>Net Investment in Capital Assets:</u></b>		
Net capital assets	\$ 6,018,863	\$ 26,070,473
Less, long-term debt payable	(1,206,380)	(9,784,224)
Total net investment in capital assets	<u>\$ 4,812,483</u>	<u>\$ 16,286,249</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b><u>Restricted for:</u></b>		
Pensions	\$ 482,131	\$ 248,403
Debt services	—	132,501
Capital projects	—	—
Housing and community development	93,223	—
Upper Story Housing notes receivable	880,000	—
Less, unrealized imputed interest	(619,801)	—
Fire prevention and education	3,170	—
Municipal court	30,880	—
Total restricted	<u>\$ 869,603</u>	<u>\$ 380,904</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Net Position and Fund Balances (continued)

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b><u>Non-spendable:</u></b>				
Inventory and prepaid items	\$ 61,849	\$ —	\$ —	\$ 61,849
<b><u>Restricted for:</u></b>				
Housing assistance	—	—	93,223	93,223
Fire prevention and education	3,170	—	—	3,170
Municipal court	—	—	30,880	30,880
	<u>3,170</u>	<u>—</u>	<u>124,103</u>	<u>127,273</u>
<b><u>Assigned to:</u></b>				
Police department	—	—	16	16
Tourism and hospitality	—	—	52,333	52,333
Underground storage tanks (UST)	25,000	—	—	25,000
	<u>25,000</u>	<u>—</u>	<u>52,349</u>	<u>77,349</u>
<b><u>Unassigned (deficit)</u></b>	<u>3,459,386</u>	<u>(282,501)</u>	<u>873,523</u>	<u>4,050,408</u>
<b>Totals</b>	<b><u>\$ 3,549,405</u></b>	<b><u>\$ (282,501)</u></b>	<b><u>\$ 1,049,975</u></b>	<b><u>\$ 4,316,879</u></b>

Restatement of Prior Balance

The City's 2020 Governmental Activities and General Fund was corrected for amounts due from the State of South Carolina being previously overstated by a net of \$263,115. Accordingly, beginning net position and fund balance have been restated, respectively.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**9. Employee Retirement**

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

Plan Descriptions

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

Benefits

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

Funding Policy

The SCRS plan measurement year ended June 30, 2020, is used for determining pension liability for City's fiscal year ended April 30, 2021. State statutes determine the levels of contributions required by both employees and employers.

For the plan's measurement year ended June 30, 2020, SCRS contribution rate for non-public safety employees was 9.00 percent of pensionable wages, and the employer contribution rate was 15.41 percent plus .15 percent for incidental death benefit coverage, for a total rate of 15.46 percent of pensionable wages. For PORS, the contribution rate for public safety employees was 9.75 percent of pensionable wages, and the employer contribution rate was 17.84 percent, plus .20 percent for group life and .20 percent for accidental death benefits coverage, for a total rate of 18.24 percent of pensionable wages. Effective July 1, 2019, the South Carolina General Assembly passed legislation where the employee required contribution rate would remain at 9.00 percent and the employer required contribution would annually increase by 1.00 percent.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Employee Retirement (Continued)

Funding Policy (continued)

Based on the COVID-19 pandemic, the SC General Assembly passed a resolution suspending the statutory employer rate increase in year 2021. Accordingly, the City made its SCRS employer required contributions at a rate of 15.41 percent, plus .15 percent for incidental death benefit coverage, and its PORS employer required contributions at a rate of 17.84 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, 2021, 2020 and 2019 were approximately \$15,169,774, \$5,098,168, and \$5,074,355, respectively, and contributed 100% of the required contributions for each year as shown in the table below.

	SCRS			PORS		
	2021	2020	2019	2021	2020	2019
Wages:						
Pensionable	\$ 3,184,321	\$ 3,131,263	\$ 3,204,511	\$ 1,985,453	\$ 1,966,905	\$ 1,869,844
Contribution Rates:						
Employees	9.00%	9.00%	9.00%	9.75%	9.75%	9.75%
Employer	15.41%	15.41%	14.51%	17.84%	17.84%	16.84%
Contributions:						
Employees	\$ 287,372	\$ 281,814	\$ 288,407	\$ 193,582	\$ 191,773	\$ 182,309
Employer	\$ 496,483	\$ 477,660	\$ 456,704	\$ 361,539	\$ 347,827	\$ 311,615

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

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

At April 30, 2021, the City reported a liability of \$11,472,621 for the measurement period June 30, 2020 for its proportionate share of the net pension liabilities, of which \$7,162,524 was for SCRS (\$3,005,219 in the Governmental Activities and \$4,157,305 in the Business-type Activities) and \$4,310,097 was for PORS (all in Governmental Activities).

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Employee Retirement (Continued)

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

The net pension liabilities were measured by PEBA as of June 30, 2020 and the total pension liabilities used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 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, 2020, PEBA reported the City's proportion of the collective net pension liability was 0.028031% for SCRS and 0.129970% for PORS.

For the year ended April 30, 2021, the City recognized pension expense of \$1,137,014, of which \$591,557 was for SCRS (\$171,552 in Governmental Activities and \$420,005 in the Business-type Activities) and \$545,457 for 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, 2020, follows:

	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Pension expense:			
Service cost	\$ 273,419	\$ 258,308	\$ 531,727
Interest on total pension liability	995,531	712,825	1,708,356
Changes in plan benefits	—	—	—
Plan administrative costs	3,985	3,208	7,193
Plan member contributions	(258,597)	(197,340)	(455,937)
Expected return on plan assets	(548,432)	(453,478)	(1,001,910)
Recognition of net amortization:			
Plan performance, net	12,469	42,031	54,500
Assumption changes, net	139,409	102,817	242,226
Investment experience, net	177,269	152,184	329,453
Allocated proportion change, net	(209,855)	(75,400)	(285,255)
Other	6,359	302	6,661
Total pension expense	<u>591,557</u>	<u>545,457</u>	<u>1,137,014</u>
PEBA employer contributions	(455,032)	(339,514)	(794,546)
Non-member contributions	(31,573)	(18,609)	(50,182)
	<u>(486,605)</u>	<u>(358,123)</u>	<u>(844,728)</u>
Changes in deferred items (net of amortization):			
Outflow – Plan performance	77,861	14,233	92,094
Outflow – Assumption changes	(131,490)	(96,606)	(228,096)
Outflow – Investment experience	385,392	343,108	728,500
Outflow – Allocated proportion change	(62,119)	—	(62,119)
Inflow – Plan Performance	22,918	8,836	31,754
Inflow – Assumption changes	—	—	—
Inflow – Investment experience	79,847	50,530	130,377
Inflow – Allocated proportion change	(275,372)	40,145	(235,227)
	<u>97,037</u>	<u>360,246</u>	<u>457,283</u>
<b>Total change in net pension liability</b>	<b><u>\$ 201,989</u></b>	<b><u>\$ 547,580</u></b>	<b><u>\$ 749,569</u></b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Employee Retirement (Continued)

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

At April 30, 2021, 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	\$ 82,646	\$ 91,598	\$ 174,244
Changes of assumptions	8,775	52,597	61,372
Net difference between projected and actual earnings on pension plan investments	603,573	496,775	1,100,348
Changes in allocated proportion	125,853	—	125,853
Total before City Contributions	820,847	640,970	1,461,817
City contributions subsequent to the measurement date	423,720	306,814	730,534
Total	\$ 1,244,567	\$ 947,784	\$ 2,192,351

  

	Deferred Inflows of Resources Related to Pensions		
	SCRS	PORS	Total
Differences between expected and actual plan performance	\$ 27,085	\$ 18,972	\$ 46,057
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on pension plan investments	76,710	55,431	132,141
Changes in allocated proportion	507,800	97,610	605,410
Total	\$ 611,595	\$ 172,013	\$ 783,608



CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Employee Retirement (Continued)

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

The \$730,534 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		<b>Deferred Outflows of Resources Related to Pensions</b>		
		<b>SCRS</b>	<b>PORS</b>	<b>Total</b>
<b><u>Year ended April 30:</u></b>				
2022		\$ 248,658	\$ 226,305	\$ 474,963
2023		254,507	156,193	410,700
2024		189,655	146,171	335,826
2025		128,027	112,301	240,328
		<u>\$ 820,847</u>	<u>\$ 640,970</u>	<u>\$ 1,461,817</u>
		<b>Deferred Inflows of Resources Related to Pensions</b>		
		<b>SCRS</b>	<b>PORS</b>	<b>Total</b>
<b><u>Year ended April 30:</u></b>				
2022		\$ 320,181	\$ 117,529	\$ 437,710
2023		156,846	40,552	197,398
2024		134,556	12,317	146,873
2025		12	1,615	1,627
		<u>\$ 611,595</u>	<u>\$ 172,013</u>	<u>\$ 783,608</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Employee Retirement (Continued)

Actuarial Assumptions

The total pension liabilities in the GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* measured as of June 30, 2020, was based on the July 1, 2019 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 30 years, variable	Max of 30 years, variable
Inflation	2.25 percent	2.25 percent
Salary Increases	3.0% to 12.5% 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	7.25 percent, net of pension plan investment expense, including inflation	7.25 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 2016 Public Retirees of South Carolina Mortality Tables for Males and Females both projected at Scale AA from the year 2016. Male rates at 100% for non-educators and 92% for educators. Female rates at 111% for non-educators and 98% for educators.	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females both projected at Scale AA from the year 2016. Male and female rates at 125% and 111%, respectively.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**9. Employee Retirement (Continued)**

Actuarial Assumptions (continued)

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial study on data through June 30, 2015. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the plans (SCRS and PORS) was most recently issued for the period ending June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2020 total pension liability, net pension liability and sensitivity information were determined based on the July 1, 2019, actuarial valuations, as adopted by the PEBA Board and State Fiscal Accountability Authority which utilized membership data as of July 1, 2019. The total pension liability was rolled forward from the valuation date to the plan’s fiscal year ended June 30, 2020, using generally accepted actuarial principles.

Long-term Expected Rate of Return

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

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Employee Retirement (Continued)

Long-term Expected Rate of Return (continued)

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the SCRS and PORS Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. Expected returns are net of investment fees. The expected real rates of investment return (5.80%), along with the expected inflation rate (2.25%), form the basis for the target asset allocation adopted annually by the RSIC which is summarized in the table below. For actuarial purposes, the long-term expected rate of return (8.05%) is calculated by weighting the expected future real rates of return by the target allocation percentage (5.80%) and then adding the actuarial expected inflation (2.25%). State statutes established a required discount rate of 7.25% which may not match the actuarial estimated rate of return.

<u>Allocation/Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
<b>Global Equity</b>	<b>51.0%</b>		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate (private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (private)	2.0%	4.88%	0.10%
Infrastructure (public)	1.0%	7.05%	0.07%
<b>Opportunistic</b>	<b>8.0%</b>		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
<b>Credit</b>	<b>15.0%</b>		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
<b>Conservative Fixed Income</b>	<b>14.0%</b>		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total expected real return	<u>100.0%</u>		<u>5.80%</u>
Inflation for actuarial purposes			<u>2.25%</u>
Total expected nominal return			<u>8.05%</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**9. Employee Retirement (Continued)**

Discount Rate

The discount rate used to measure the total pension liabilities as of June 30, 2020, was 7.25 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 7.25 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 (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	<b>City’s proportionate share of the net pension liabilities to changes in the discount rate</b>		
	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
SCRS	\$ 8,877,071	\$ 7,162,524	\$ 5,730,857
PORS	\$ 5,705,842	\$ 4,310,097	\$ 3,189,403

Pension Plans Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PEBA financial report. A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS and PORS, which is issued and publicly available on the website [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting in writing a request to the South Carolina Retirement System, P. O. Box 11960, Columbia, SC 29211-1960.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

The following are due from (to) other governments:

	<b>Governmental Activities</b>
Due from state government	\$ 371,236
Due to state government	—
Net, due from (to) other governments	<u>\$ 371,236</u>

**11. 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, 2021, the City incurred \$1,173,072 in health care premiums and approximately \$132,567 worker’s compensation premiums.

**12. 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 contains a facilities abandonment charge in the event the contract is terminated prior to the time scheduled under the contract which currently is April 30, 2021.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**13. 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	\$ 14,217,010
Less, accumulated depreciation	<u>(8,198,147)</u>
Net amount reported	<u><u>\$ 6,018,863</u></u>

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

Mortgages receivable	\$ (880,000)
Less, imputed interest	<u>260,199</u>
Net amount reported	<u><u>\$ (619,801)</u></u>

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

\$ 1,460,450

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

(423,363)

Net amount reported

\$ 1,037,087

*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	\$ (1,243)
Long-term debt	(1,206,380)
Accrued compensated absences	(391,290)
Net pension liabilities	<u>(7,315,316)</u>
Net amount reported	<u><u>\$ (8,914,229)</u></u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**13. 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 are 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	\$ 56,553
Gain on disposal of assets	—
Less, depreciation expense	<u>(610,811)</u>
Net amount reported	<u>\$ (554,258)</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	\$ 6,414
Pension expenses	(226,284)
Imputed interest realized	<u>12,391</u>
Net amount reported	<u>\$ (207,479)</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	\$ 1,212
Principal repayments – bonds and installment note obligations	649,664
Lease purchase contract	—
Net amount reported	<u>\$ 650,876</u>

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

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



CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

Non-interest bearing mortgage loan note dated February 15, 2002, due in 20 annual installments of \$17,500 beginning December 31, 2037. Collateralized by first lien security interest on various Main Street and Broad Street properties.	\$ 350,000
Non-interest bearing mortgage loan note dated February 15, 2002, due in 20 annual installments of \$10,000 beginning December 31, 2034. Collateralized by third lien security interest on various Main Street and Broad Street properties.	200,000
Non-interest bearing mortgage loan note dated February 15, 2002, due in 20 annual installments of \$16,500 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 \$260,199, net of unrealized imputed interest of \$619,801 at April 30, 2021. 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.

**15. Subsequent Events and Commitments**

In May 2019, the City entered into a fleet management lease contract for various police and recreation vehicles. The terms of the lease is for 48 months (for 10 vehicles) and 60 months (for 1 vehicle) with a total annual lease cost of \$85,868.

During and subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease 19 (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its 2021 and 2022 operations and financial results, including the receipt of collections on outstanding accounts receivables. Management believes the City is taking appropriate actions to mitigate any negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BENNETTSVILLE, SOUTH CAROLINA

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED APRIL 30, 2021

	Budget		Actual	Variance Over (Under)
	Original	Final		
<b>Revenue</b>				
Taxes, penalties and fees	\$ 1,116,000	\$ 1,116,000	\$ 1,235,725	\$ 119,725
Local option sales tax	808,000	808,000	932,170	124,170
Licenses, permits and franchise fees	794,000	794,000	852,195	58,195
Fines and forfeitures	125,400	125,400	43,156	82,244
Intergovernmental	545,000	545,000	590,563	45,563
Charges for services	970,000	970,000	1,089,157	119,157
Users fees	44,900	44,900	13,621	(31,279)
Interest income and other	214,900	214,900	243,857	28,957
<b>Total revenue</b>	<b>4,618,200</b>	<b>4,618,200</b>	<b>5,000,444</b>	<b>382,244</b>
<b>Expenditures</b>				
Current:				
General government	976,059	976,059	1,075,209	99,150
Public safety	3,341,020	3,341,020	3,682,053	341,033
Public works	1,409,421	1,409,421	1,547,706	138,285
Culture and recreation	343,364	343,364	322,276	(21,088)
Capital outlay	10,000	10,000	7,600	(2,400)
Debt service	328,846	328,846	328,528	(318)
<b>Total expenditures</b>	<b>6,408,710</b>	<b>6,408,710</b>	<b>6,963,372</b>	<b>554,662</b>
Excess (deficiency) of revenue over expenditures	(1,790,510)	(1,790,510)	(1,962,928)	(172,418)
<b>Other Financing Sources (uses)</b>				
Transfers in	2,130,000	2,130,000	2,120,000	(10,000)
Transfers (out)	(339,490)	(339,490)	(344,918)	(5,428)
<b>Total other financing sources (uses)</b>	<b>1,790,510</b>	<b>1,790,510</b>	<b>1,775,082</b>	<b>(15,428)</b>
<b>Net change in fund balance</b>	<b>—</b>	<b>—</b>	<b>(187,846)</b>	<b>(187,846)</b>
Fund balance, beginning of year	3,737,251	3,737,251	3,737,251	—
Fund balance, end of year	\$ 3,737,251	\$ 3,737,251	\$ 3,549,405	\$ (187,846)

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
NOTES TO BUDGETARY COMPARISON SCHEDULE

APRIL 30, 2021

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

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

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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

SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)

LAST TEN FISCAL YEARS\*(1)

City's Fiscal Year: PEBA Plan Year:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2012
City's proportion of the net pension liability	N/A	0.028031%	0.030483%	0.029304%	0.031050%	0.031963%	0.032601%	0.032458%	N/A	N/A	N/A
City's proportion share of the net pension liability	N/A	\$ 7,162,524	\$ 6,960,535	\$ 6,566,119	\$ 6,989,854	\$ 6,827,250	\$ 6,182,937	\$ 5,588,192	N/A	N/A	N/A
City's covered-employee payroll	\$ 3,184,321	\$ 3,131,263	\$ 3,204,511	\$ 3,018,133	\$ 3,154,959	\$ 3,023,323	\$ 3,050,056	\$ 2,916,853	N/A	N/A	N/A
City's proportion share of the net pension liability as a percentage of its covered-employee payroll	N/A	228.74%	217.2%	217.6%	221.6%	225.8%	202.7%	191.6%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%	N/A	N/A	N/A

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

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

N/A – Not available

CITY OF BENNETTSTVILLE, SOUTH CAROLINA  
 SCHEDULE OF THE CITY'S CONTRIBUTIONS  
 SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)

LAST TEN FISCAL YEARS<sup>(1)</sup>

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 496,483	\$ 477,660	\$ 456,704	\$ 400,515	\$ 357,602	\$ 348,548	\$ 326,149	\$ 304,811	N/A	N/A
Contributions in relation to the contractually required contribution	\$ 496,483	\$ 477,660	\$ 456,704	\$ 400,515	\$ 357,602	\$ 348,548	\$ 326,149	\$ 304,811	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A
Less: State provided revenue credit	\$ (31,573)	\$ (31,573)	\$ (31,573)	\$ (31,573)	N/A	N/A	N/A	N/A	N/A	N/A
City's covered-employee payroll	\$ 3,184,321	\$ 3,131,263	\$ 3,204,511	\$ 3,018,113	\$ 3,154,959	\$ 3,023,323	\$ 3,050,056	\$ 2,916,853	N/A	N/A
Contributions as a percentage of pensionable wages	15.6%	15.3%	14.3%	13.3%	11.3%	11.5%	10.7%	10.4%	N/A	N/A

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

<sup>(2)</sup> Because the employer rate was increased by more than the maximum allowed, pension funding credits were provided by the State of South Carolina for the twelve month periods ended 6/30/2018, 6/30/2019, 6/30/2020 and 6/30/2021.  
 N/A – Not available

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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

POLICE OFFICERS RETIREMENT SYSTEM (PORS)

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

City's Fiscal Year: PEBA Plan Year:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City's proportion of the net pension liability (asset)	N/A	0.129970%	0.131284%	0.132760%	0.138470%	0.141970%	0.14531%	0.14797%	N/A	N/A
City's proportion share of the net pension liability (asset)	N/A	\$ 4,310.097	\$ 3,762.517	\$ 3,761.799	\$ 3,793.388	\$ 3,601.059	\$ 3,167.026	\$ 2,832.759	N/A	N/A
City's covered employee payroll	\$ 1,985.453	\$ 1,966.905	\$ 1,869.844	\$ 1,866.506	\$ 1,850.227	\$ 1,881.759	\$ 1,796.652	\$ 1,780.968	N/A	N/A
City's proportion share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	219.13%	201.2%	201.5%	205.0%	191.4%	176.3%	159.1%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%	N/A	N/A

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

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

N/A – Not available



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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 361,539	\$ 347,827	\$ 311,615	\$ 297,941	\$ 254,708	\$ 249,890	\$ 231,801	\$ 219,704	N/A	N/A
Contributions in relation to the contractually required contribution	\$ 361,539	\$ 347,827	\$ 311,615	\$ 297,941	\$ 254,708	\$ 249,890	\$ 231,801	\$ 219,704	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A
Less: State provided revenue credit <sup>(2)</sup>	\$ (18,609)	\$ (18,609)	\$ (18,609)	\$ (18,609)	N/A	N/A	N/A	N/A	N/A	N/A
City's covered-employee payroll	\$ 1,985,453	\$ 1,966,905	\$ 1,869,844	\$ 1,866,506	\$ 1,850,227	\$ 1,881,759	\$ 1,796,652	\$ 1,780,968	N/A	N/A
Contributions as a percentage of covered-employee payroll	18.2%	17.7%	16.7%	15.8%	13.8%	13.3%	12.9%	12.3%	N/A	N/A

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

<sup>(2)</sup> Because the employer rate was increased by more than the maximum allowable increase, pension funding credits were provided by the State of South Carolina for the twelve month periods ended 6/30/2018, 6/30/2019, 6/30/2020 and 6/30/2021.

N/A – Not available

CITY OF BENNETTSVILLE, SOUTH CAROLINA

OTHER FINANCIAL INFORMATION

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINING 'NON-MAJOR' GOVERNMENTAL  
FINANCIAL STATEMENTS

CITY OF BENNETTSTVILLE, SOUTH CAROLINA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

APRIL 30, 2021

	Special Revenue Funds										Totals	Debt Service Fund
	Housing Rehabilitation Fund	Housing Assistance Fund	CDBG Repayment Fund	Upper Story Housing Fund	Tourism & Business Fund	Hospitality Fund	Municipal Court	Confiscated Drugs Fund	Police Donations Fund			
<b>Assets</b>												
Cash and cash equivalents:												
Unrestricted	\$ —	\$ —	\$ —	\$ —	\$ 1,134	\$ 58,452	\$ —	\$ —	\$ —	\$ —	\$ 59,586	\$ —
Restricted	41,923	27,039	24,261	—	—	—	34,003	30,094	16	—	157,336	—
Equity in pooled cash	—	—	—	—	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—	—	—	—	(1,014,486)
Notes receivables-housing assistance loans	111,836	81,979	14,989	880,000	—	—	—	—	—	—	1,088,804	—
Less allowance for doubtful accounts	(111,836)	(81,979)	(14,989)	—	—	—	—	—	—	—	(208,804)	—
<b>Total assets</b>	\$ 41,923	\$ 27,039	\$ 24,261	\$ 880,000	\$ 1,134	\$ 58,452	\$ 34,003	\$ 30,094	\$ 16	\$ 1,096,922	\$ —	
<b>Liabilities and Fund Balances</b>												
<b>Liabilities:</b>												
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,253	\$ —	\$ —	\$ —	\$ —	\$ 7,253	\$ —
Deposits	—	—	—	—	—	—	3,123	19,976	—	—	23,099	—
Due to other funds	—	—	—	—	—	—	—	16,595	—	—	16,595	—
Total liabilities	—	—	—	—	—	7,253	3,123	36,571	—	—	46,947	—
<b>Fund balances:</b>												
Restricted for:												
Housing assistance	41,923	27,039	24,261	—	—	—	—	—	—	—	93,223	—
Court Administration	—	—	—	—	—	—	30,880	—	—	—	30,880	—
Assigned to:												
Police department	—	—	—	—	—	—	—	—	16	—	16	—
Tourism and community development	—	—	—	—	1,134	51,199	—	—	—	—	52,333	—
Unassigned (deficit)	—	—	—	880,000	—	—	—	(6,477)	—	—	873,523	—
Total fund balances	41,923	27,039	24,261	880,000	1,134	51,199	30,880	(6,477)	16	1,049,975	—	
<b>Total liabilities and fund balances</b>	\$ 41,923	\$ 27,039	\$ 24,261	\$ 880,000	\$ 1,134	\$ 58,452	\$ 34,003	\$ 30,094	\$ 16	\$ 1,096,922	\$ —	

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED APRIL 30, 2021

	Special Revenue Funds										Totals	Debt Service Fund	
	Housing Rehabilitation Fund	Housing Assistance Fund	CDBG Repayment Fund	Upper Story Housing Fund	Tourism & Business Fund	Hospitality Fund	Municipal Court	Confiscated Drugs Fund	Police Donations Fund				
<b>Revenue</b>													
Fines and forfeitures	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 102,198	\$ 13,733	\$ —	\$ 115,931	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	727	—	—	83,692	339,056	—	—	423,475	—	—	—	—
Interest income	68	—	43	—	83	13	2	—	211	—	—	—	—
Total revenue	68	727	43	—	83,775	339,069	13,735	—	539,617	—	—	—	—
<b>Expenditures</b>													
General government:													
Surcharges and assessments	—	—	—	—	—	—	—	—	83,847	—	—	—	—
Miscellaneous	990	—	—	—	—	—	1,762	—	2,752	—	—	—	—
Culture and recreation:													
Tourism related	—	—	—	—	1,018	62,758	—	—	63,776	—	—	—	—
Capital outlay	—	—	—	—	—	—	—	—	—	—	—	—	—
Debt retirement	—	—	—	—	—	—	—	—	—	—	—	338,162	—
Total expenditures	990	—	—	—	1,018	62,758	1,762	—	150,375	—	—	338,162	—
Excess (deficiency) of revenue over expenditures	(922)	727	43	—	82,757	276,311	11,973	—	389,242	—	—	(338,162)	—
<b>Other Financing Sources (Uses)</b>													
Transfers in (out)	—	—	—	—	(107,000)	(313,000)	—	—	(420,000)	—	—	338,162	—
<b>Net change in fund balances</b>	(922)	727	43	—	(24,243)	(36,689)	11,973	—	(30,758)	—	—	—	—
Fund balances (deficit), beginning of year	42,845	26,312	24,218	880,000	25,377	87,888	(18,450)	16	1,080,733	—	—	—	—
Fund balances (deficit), end of year	\$ 41,923	\$ 27,039	\$ 24,261	\$ 880,000	\$ 1,134	\$ 51,199	\$ (6,477)	\$ 16	\$ 1,049,975	\$ —	\$ —	\$ —	\$ —

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, 2021  
(With comparative amounts at year ended April 30, 2020)

	2021	Restated 2020
<b>Assets</b>		
Cash and cash equivalents:		
Unrestricted	\$ 36,737	\$ 38,448
Restricted	16,070	15,693
Equity in pooled cash	446,548	333,735
Receivables:		
Property taxes	262,758	352,810
Sanitation	124,926	135,241
Other and notes	171,644	171,801
Less, allowances for doubtful accounts	(401,383)	(547,296)
Due from other governments	226,001	328,607
Due from other funds	3,654,651	3,653,085
Inventory and prepaid items	61,849	57,747
<b>Total assets</b>	<b>\$ 4,599,801</b>	<b>\$ 4,539,871</b>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 71,622	\$ 72,823
Accrued payroll and related payables	56,438	31,109
Due to other funds	749,754	499,836
Unearned revenue – business licenses	159,682	184,752
Deposits	12,900	14,100
Total liabilities	1,050,396	802,620
Fund balances:		
Non-spendable	61,849	57,747
Restricted	3,170	1,593
Committed	—	—
Assigned – UST Program	25,000	25,000
Unassigned (deficit)	3,459,386	3,652,911
Total fund balances	3,549,405	3,737,251
<b>Total liabilities and fund balances</b>	<b>\$ 4,599,801</b>	<b>\$ 4,539,871</b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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

YEAR ENDED APRIL 30, 2021

(With comparative actual amounts at year ended April 30, 2020)

	Final Budget	Actual	Variance Over (Under)	Restated Prior Year
<b>Revenue</b>				
Taxes, penalties and fees	\$ 1,116,000	\$ 1,235,725	\$ (119,725)	\$ 1,051,864
Local option sales tax	808,000	932,170	(124,170)	857,808
Licenses, permits, and franchise fees	794,000	852,195	(58,195)	847,875
Fines and forfeitures	125,400	43,156	82,244	85,254
Intergovernmental:				
Grants	4,000	35,874	(31,874)	393,971
State shared	413,000	426,689	(13,689)	418,163
Other intergovernmental	128,000	128,000	—	133,137
Charges for service:				
Solid waste collection fees	960,000	1,072,197	(112,197)	1,280,857
Lot clearing fees	10,000	16,960	(6,960)	13,113
User fees:				
Community and fitness center	3,200	2,856	344	2,065
Other rental fees	41,700	10,765	30,935	29,770
Interest income	—	3	(3)	1
Sale of capital assets	30,000	90,975	(60,975)	23,672
Contributions	80,000	52,060	27,940	51,660
Other	104,900	100,819	4,081	99,872
<b>Total revenue</b>	<b>4,618,200</b>	<b>5,000,444</b>	<b>(382,244)</b>	<b>5,289,082</b>
<b>Expenditures</b>				
Current:				
General government:				
City council	123,623	89,357	(34,266)	138,864
City attorney	23,937	23,937	—	23,937
Municipal judge and court	139,931	146,743	6,812	161,982
City administrator	209,757	247,083	37,326	240,207
Planning and zoning	181,210	193,884	12,674	201,455
Finance	222,104	207,834	(14,270)	222,717
Human resources	38,359	37,740	(619)	40,964
Non-departmental	37,138	128,631	91,493	346,474
Total general government	976,059	1,075,209	99,150	1,376,600
Public safety:				
Police	2,478,340	2,627,234	148,894	2,734,424
Fire	862,680	1,054,819	192,139	919,963
Total public safety	3,341,020	3,682,053	341,033	3,654,387
Public works:				
Streets and sanitation	1,168,172	1,290,577	122,405	1,331,356
Maintenance shop	62,978	64,416	1,438	64,012
Beautification and recycling	178,271	192,713	14,442	181,016
Total public works	1,409,421	1,547,706	138,285	1,576,384
Culture and recreation:				
Recreation and parks	343,364	322,276	(21,088)	357,271
Total culture and recreation	343,364	322,276	(21,088)	357,271
Capital outlay – all departments	10,000	7,600	(2,400)	26,027
Debt service	328,846	328,528	(318)	329,191
<b>Total expenditures</b>	<b>6,408,710</b>	<b>6,963,372</b>	<b>554,662</b>	<b>7,319,860</b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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

— CONTINUED —

	Final Budget	Actual	Variance Over (Under)	Restated Prior Year
Excess (deficiency) of revenue over expenditures	(1,790,510)	(1,962,928)	(172,418)	(2,030,778)
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,130,000	2,120,000	(10,000)	2,107,800
Transfers (out)	(339,490)	(344,918)	(5,428)	(254,918)
Total other financing sources (uses)	1,790,510	1,775,082	(15,428)	1,852,882
<b>Net change in fund balance</b>	—	(187,846)	(187,846)	(177,896)
Fund balance, beginning of year	3,737,251	3,737,251	—	4,178,262
Cumulative effect of restatement ( <i>See Note #8</i> )	—	—	—	(263,115)
Fund balance, end of year	<u>\$ 3,737,251</u>	<u>\$ 3,549,405</u>	<u>\$ (187,846)</u>	<u>\$ 3,737,251</u>

CAPTIAL PROJECTS FUND

CITY OF BENNETTSVILLE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

BALANCE SHEET

APRIL 30, 2021

(With comparative amounts at April 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents:		
Unrestricted	\$ 32,005	\$ 196,146
Restricted	4,684	24,449
Equity in pooled cash	1,304,036	980,341
Due from other governments	145,235	—
Due from other funds	153,715	153,715
<b>Total assets</b>	<u>\$ 1,639,675</u>	<u>\$ 1,354,651</u>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 29,300	\$ 122,588
Due to other funds	1,892,876	1,892,876
Total liabilities	<u>1,922,176</u>	<u>2,015,464</u>
Fund balances:		
Non-spendable	—	—
Restricted	—	—
Committed	—	—
Assigned	—	—
Unassigned (deficit)	<u>(282,501)</u>	<u>(660,813)</u>
Total fund balances	<u>(282,501)</u>	<u>(660,813)</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,639,675</u>	<u>\$ 1,354,651</u>



CITY OF BENNETTSVILLE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED APRIL 30, 2021

(With comparative actual amounts at year ended April 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Revenue</b>		
Intergovernmental:		
Grants	\$ 586,879	\$ 85,962
Interest income	320	492
Sale of capital assets	—	—
Contributions	—	25,000
<b>Total revenue</b>	<u>587,199</u>	<u>111,454</u>
<b>Expenditures</b>		
Capital outlay:		
General government	328,751	19,297
Public safety	39,447	806,985
Public works	22,284	466,754
Culture and recreation	96,829	78,234
Debt service	19,651	932
<b>Total expenditures</b>	<u>506,962</u>	<u>1,372,202</u>
Excess (deficiency) of revenue over expenditures	<u>80,237</u>	<u>(1,260,748)</u>
<b>Other Financing Sources (Uses)</b>		
Lease purchase contracts	—	885,000
Cost of issuance	—	(16,000)
Insurance reimbursement	103,112	19,882
Transfers in	270,200	5,000
Transfers (out)	(75,237)	(255,552)
<b>Total other financing sources (uses)</b>	<u>298,075</u>	<u>638,330</u>
<b>Net change in fund balance</b>	<b>378,312</b>	<b>(622,418)</b>
Fund balance, beginning of year	<u>(660,813)</u>	<u>(38,395)</u>
Fund balance, end of year	<u>\$ (282,501)</u>	<u>\$ (660,813)</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

BALANCE SHEET

APRIL 30, 2021

(With comparative amounts at April 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets and Deferred Outflows</b>		
Current assets:		
Cash and cash equivalents	\$ 287,675	\$ 289,151
Equity in pooled cash	226,154	394,069
Investments	2,015,063	1,884,166
Accounts receivable, net	1,012,337	1,082,640
Inventories and prepaid items	545,651	546,022
Due from other funds	192,934	194,500
	<u>4,279,814</u>	<u>4,390,548</u>
Current restricted assets:		
Restricted cash and cash equivalents	211,232	205,923
Santee Cooper Settlement fund	1,148,055	—
	<u>1,359,287</u>	<u>205,923</u>
Total current assets	<u>5,639,101</u>	<u>4,596,471</u>
Non-current assets:		
Capital assets, not subject to depreciation	1,936,787	1,748,967
Capital assets subject to depreciation, net	24,133,686	24,617,297
Total non-current assets	<u>26,070,473</u>	<u>26,366,264</u>
Deferred Outflows of Resources:		
Pension related	731,901	593,786
Total deferred outflows	<u>731,901</u>	<u>593,786</u>
<b>Total assets and deferred outflows</b>	<b><u>\$ 32,441,475</u></b>	<b><u>\$ 31,556,521</u></b>
<b>Liabilities, Deferred Inflows and Net Position</b>		
Current liabilities:		
Accounts payable	\$ 998,680	\$ 686,329
Accrued payroll and withholdings payable	—	—
Due to other funds	2,356,561	2,268,314
Customer deposits and prepayments	255,098	244,449
	<u>3,610,339</u>	<u>3,199,095</u>
Current liability payable from restricted assets:		
Accrued interest payable	78,731	82,408
Bonds payable – current portion	573,965	556,556
Unearned revenue – Santee Cooper Settlement	1,147,993	—
	<u>1,800,689</u>	<u>638,964</u>
Total current liabilities	<u>5,411,028</u>	<u>3,838,059</u>
Long-term (non-current) liabilities:		
Accrued compensated absences	141,831	155,366
Revenue bonds payable	9,210,259	9,788,082
Net pension liabilities	4,157,305	4,038,329
Total long-term liabilities	<u>13,509,395</u>	<u>13,981,777</u>
Total liabilities	<u>18,920,423</u>	<u>17,819,836</u>

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

BALANCE SHEET

— CONTINUED —

	<u>2021</u>	<u>2020</u>
<b>Liabilities, Deferred Inflows and Net Position (continued)</b>		
Deferred Inflows of Resources:		
Pension related	360,245	260,759
Total deferred inflows	<u>360,245</u>	<u>260,759</u>
Net position:		
Net investment in capital assets	16,286,249	16,021,626
Restricted for debt, capital projects and pensions	380,904	472,295
Unrestricted (deficit)	<u>(3,506,346)</u>	<u>(3,017,995)</u>
Total net position	<u>13,160,807</u>	<u>13,475,926</u>
<b>Total liabilities, deferred inflows and net position</b>	<b><u>\$ 32,441,475</u></b>	<b><u>\$ 31,556,521</u></b>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

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

YEAR ENDED APRIL 30, 2021

(With comparative actual amounts at year ended April 30, 2020)

	<u>Final Budget</u>	<u>Current Year</u>	<u>Variance Over (Under)</u>	<u>Prior Year</u>
<b>Operating Revenue</b>				
Sales and services:				
Water	\$ 1,634,000	\$ 1,538,046	\$ (95,954)	\$ 1,526,459
Sewer	1,900,000	1,814,839	(85,161)	1,829,263
Electric	10,050,000	9,599,447	(450,553)	9,820,346
Gas	2,625,000	2,242,028	(382,972)	2,127,778
Penalties, reconnect fees and other revenue	708,300	376,971	(331,329)	404,386
<b>Total operating revenue</b>	<u>16,917,300</u>	<u>15,571,331</u>	<u>(1,345,969)</u>	<u>15,708,232</u>
<b>Operating Expenses</b>				
Water plant	924,706	1,006,754	82,048	1,017,500
Water distribution	362,144	399,481	37,337	386,165
Wastewater treatment plant	466,943	552,792	85,849	459,567
Sewer/Stormwater collection	158,985	165,710	6,725	177,243
Electricity purchase and transmission	8,348,766	8,129,324	(219,442)	7,835,627
Gas purchase and distribution	1,917,688	1,812,965	(104,723)	1,622,210
Administration	576,390	585,995	9,605	642,649
Billing office	530,102	621,948	91,846	532,521
Non-departmental	787,870	186,519	(601,351)	202,880
Depreciation expense	—	1,213,237	1,213,237	1,119,296
<b>Total operating expenses</b>	<u>14,073,594</u>	<u>14,674,725</u>	<u>601,131</u>	<u>13,995,658</u>
<b>Operating income</b>	<u>2,843,706</u>	<u>896,606</u>	<u>(1,947,100)</u>	<u>1,712,574</u>
<b>Non-Operating Revenue (Expenses)</b>				
FEMA grant reimbursements	—	253,139	253,139	11,584
Non-operating revenue	4,000	20,491	16,491	17,494
Interest income	60,000	24,199	(35,801)	82,476
Interest expense	(352,503)	(350,155)	2,348	(363,982)
Fiscal agent fees	—	(12,778)	(12,778)	(12,440)
Amortization of bond premium	—	3,858	3,858	3,858
<b>Total non-operating revenue (expenses)</b>	<u>(288,503)</u>	<u>(61,246)</u>	<u>227,257</u>	<u>(261,010)</u>
<b>Income before contributions and transfers</b>	<u>2,555,203</u>	<u>835,360</u>	<u>(1,719,843)</u>	<u>1,451,564</u>
<b>Capital contributions</b>				
Capital grants	1,875,200	737,728	(1,137,472)	904,397
Contributed capital	—	75,237	75,237	255,552
<b>Total capital contributions</b>	<u>1,875,200</u>	<u>812,965</u>	<u>(1,062,235)</u>	<u>1,159,949</u>
<b>Transfers</b>				
Transfers (out) to other funds	(1,969,271)	(1,963,444)	5,827	(1,788,244)
<b>Change in net position</b>	<u>2,461,132</u>	<u>(315,119)</u>	<u>(2,776,251)</u>	<u>823,269</u>
Net position, beginning of year	13,475,926	13,475,926	—	12,652,657
<b>Net position, end of year</b>	<u>\$ 15,937,058</u>	<u>\$ 13,160,807</u>	<u>\$ (2,776,251)</u>	<u>\$ 13,475,926</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF BENNETTSVILLE, SOUTH CAROLINA  
 SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES  
 YEAR ENDED APRIL 30, 2021

<b>Court Fines and Assessments</b>	
Court fines and assessments collected	\$ 102,198
Court fines and assessments remitted to State Treasurer	<u>(55,301)</u>
Total court fines and assessments retained by the City	<u>\$ 46,897</u>
<b>Surcharges and Assessments retained for Victims Services</b>	
Total assessments collected	\$ 5,099
Total surcharges collected	<u>2,661</u>
Total surcharges and assessments retained for victims services	<u>\$ 7,760</u>
<b>Funds Allocated to Victims Services</b>	
Carryover funds from prior year	\$ —
Surcharges and assessments retained	7,760
Expenditures for victims services	<u>(7,760)</u>
Unexpended victim's rights assistance funds	<u>\$ —</u>