

CITY OF BENNETTSVILLE, SOUTH CAROLINA

AUDITED BASIC FINANCIAL STATEMENTS
AND
OTHER FINANCIAL INFORMATION

YEAR ENDED APRIL 30, 2010

WITH
REPORT OF INDEPENDENT AUDITOR

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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AUDITED BASIC FINANCIAL STATEMENTS
AND
OTHER FINANCIAL INFORMATION

YEAR ENDED APRIL 30, 2010

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CITY OF BENNETTSVILLE, SOUTH CAROLINA

REPORT OF INDEPENDENT AUDITOR

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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

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REPORT OF INDEPENDENT AUDITOR

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

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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The City has not presented a *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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.

— CONTINUED —



The combining and individual fund financial statements and other financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued my report dated July 14, 2011, on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



Robert E. Wilhoit, CPA, P.A.

July 14, 2011
Columbia, South Carolina

BASIC FINANCIAL STATEMENTS

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF NET ASSETS

APRIL 30, 2010

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 630,176	\$ 1,539,876	\$ 2,170,052
Equity in pooled cash	646,546	1,880,641	2,527,187
Investments	—	404,773	404,773
Receivables, net:			
Accounts	62,969	1,375,036	1,438,005
Notes	50,400	—	50,400
Due from other governments	408,132	—	408,132
Internal balances, net	1,902,557	(1,902,557)	—
Inventories and prepaid items	22,146	660,019	682,165
Restricted cash and cash equivalents	370,998	285,990	656,988
Capital assets:			
Nondepreciable	416,619	2,505,812	2,922,431
Depreciable, net	7,436,025	22,175,708	29,611,733
Deferred charges, net	—	328,056	328,056
Total Assets	\$ 11,946,568	\$ 29,253,354	\$ 41,199,922
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	\$ 125,393	\$ 1,545,471	\$ 1,670,864
Other accounts payable	179,149	78,304	257,453
Accrued interest payable	8,597	74,676	83,273
Customer deposits and prepayments	144,263	597,184	741,447
Non-current liabilities:			
Due in less than one year	348,716	548,457	897,173
Due in more than one year	1,047,164	9,073,197	10,120,361
Total liabilities	1,853,282	11,917,289	13,770,571
Net assets:			
Invested in capital assets, net of related debt	6,829,688	15,230,975	22,060,663
Restricted for:			
Debt and capital projects	244,016	285,990	530,006
Housing and community development	112,577	—	112,577
Law enforcement activities	14,404	—	14,404
Underground storage tanks	25,000	—	25,000
Unrestricted	2,867,601	1,819,100	4,686,701
Total net assets	10,093,286	17,336,065	27,429,351
Total Liabilities and Net Assets	\$ 11,946,568	\$ 29,253,354	\$ 41,199,922

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED APRIL 30, 2010

Functions and Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Assets			
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental activities:							
General government	\$ (1,035,279)	\$ 11,386	\$ 138,505	\$ —	\$ (885,388)	\$ —	\$ (885,388)
Public safety	(3,182,169)	256,124	101,921	—	(2,824,124)	—	(2,824,124)
Public works	(1,510,488)	1,042,898	23,224	—	(444,366)	—	(444,366)
Culture and recreation	(543,387)	126,053	65,982	—	(351,352)	—	(351,352)
Interest	(40,685)	—	—	—	(40,685)	—	(40,685)
Total governmental activities	(6,312,008)	1,436,461	329,632	—	(4,545,915)	—	(4,545,915)
Business-type activities:							
Combined utility	(15,151,454)	15,977,141	—	—	—	825,687	825,687
Total business-type activities	(15,151,454)	15,977,141	—	—	—	825,687	825,687
Total functions and programs	\$ (21,463,462)	\$ 17,413,602	\$ 329,632	\$ —	(4,545,915)	825,687	(3,720,228)
General Revenue and Transfers							
General Revenue:							
Property taxes					1,734,333	—	1,734,333
Hospitality taxes					228,637	—	228,637
State shared and unallocated:							
Intergovernmental (unrestricted)					287,674	—	287,674
Business licenses and other tax					773,340	—	773,340
Unrestricted investments earnings					23,798	28,755	52,553
Sale of capital assets					190,592	—	190,592
Miscellaneous					5,830	437,325	443,155
Transfers					2,000,000	(2,000,000)	—
Total general revenue and transfers					5,244,204	(1,533,920)	3,710,284
Changes in net assets					698,289	(708,233)	(9,944)
Net Assets – beginning of year					9,394,997	18,044,298	27,439,295
Net Assets – end of year					\$ 10,093,286	\$ 17,336,065	\$ 27,429,351

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

APRIL 30, 2010

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents:			
Unrestricted	\$ 353,112	\$ 277,064	\$ 630,176
Restricted	258,421	112,576	370,997
Equity in pooled cash	646,546	—	646,546
Receivables, net:			
Accounts	3,981	—	3,981
Notes	—	880,000	880,000
Due from other governments	408,132	—	408,132
Due from other funds	1,605,427	318,130	1,923,557
Inventory	22,146	—	22,146
Total assets	<u>\$ 3,297,765</u>	<u>\$ 1,587,770</u>	<u>\$ 4,885,535</u>

Liabilities and Fund Balances

Liabilities:			
Accounts payable	\$ 304,542	\$ —	\$ 304,542
Due to other funds	—	21,000	21,000
Deferred revenue	144,263	—	144,263
Total liabilities	<u>448,805</u>	<u>21,000</u>	<u>469,805</u>
Fund balances:			
Reserved for:			
Housing assistance	—	972,987	972,987
Inventory	22,146	—	22,146
Unreserved, undesignated reported in:			
Special Revenue Funds	—	298,448	298,448
Capital Project Funds	—	295,335	295,335
General Fund	2,826,814	—	2,826,814
Total fund balances	<u>2,848,960</u>	<u>1,566,770</u>	<u>4,415,730</u>
Total liabilities and fund balances	<u>\$ 3,297,765</u>	<u>\$ 1,587,770</u>	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in these funds.	7,852,644
Certain receivables are not financial resources and therefore, are not reported in these funds.	(770,611)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in these funds.	(1,404,477)
Net Assets, end of year – Governmental Activities	<u>\$ 10,093,286</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, 2010

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue			
Taxes, penalties and fees	\$ 932,276	\$ —	\$ 932,276
Local options sales tax	672,627	—	672,627
Licenses and permits	739,746	—	739,746
Fines and forfeitures	171,911	—	171,911
Intergovernmental revenue:			
Grant	197,421	—	197,421
Rural fire protection	60,000	—	60,000
Other intergovernmental	520,609	312,508	833,117
User fees	38,860	—	38,860
Franchise fees	74,612	—	74,612
Rental fees	23,750	—	23,750
Garbage collection fees	980,866	—	980,866
Other revenue:			
Interest income	23,773	—	23,773
Sale of capital assets	190,592	—	190,592
Other	50,332	15,597	65,929
Total revenue	<u>4,677,375</u>	<u>328,105</u>	<u>5,005,480</u>
Expenditures			
Current:			
General government	914,471	28,745	943,216
Public safety	3,009,635	—	3,009,635
Public works	1,439,805	—	1,439,805
Culture and recreation	440,008	103,379	543,387
Capital outlay	25,199	612,180	637,379
Debt service	478,582	—	478,582
Total expenditures	<u>6,307,700</u>	<u>744,304</u>	<u>7,052,004</u>
Excess (deficiency) of revenue over expenditures	(1,630,325)	(416,199)	(2,046,524)
Other Financing Sources (Uses)			
Transfers in (out)	<u>1,068,215</u>	<u>931,785</u>	<u>2,000,000</u>
Total other financing sources (uses)	<u>1,068,215</u>	<u>931,785</u>	<u>2,000,000</u>
Net change in fund balances	(562,110)	515,586	(46,524)
Fund balances, beginning of year	<u>3,411,070</u>	<u>1,051,184</u>	<u>4,462,254</u>
Fund balances, end of year	<u>\$ 2,848,960</u>	<u>\$ 1,566,770</u>	<u>\$ 4,415,730</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	\$ (46,524)
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 capital outlays exceeded depreciation in the current period.	302,779
Certain revenues and expenses are not reported as source and uses of current financial resources. This is the amount of such accruals.	7,322
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.	434,712
Change in Net Assets – Governmental Activities	\$ <u>698,289</u>

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

APRIL 30, 2010

	<u>Business-type Activities – Enterprise Fund Combined Utility</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,539,876
Equity in pooled cash	1,880,641
Investments	404,773
Accounts receivable, net	1,375,036
Internal balances	(1,902,557)
Inventories	660,019
	<hr/>
	3,957,788
Current restricted assets:	
Restricted cash and cash equivalents	285,990
Total current assets	<hr/>
	4,243,778
Non-current assets:	
Capital assets, net	24,681,520
Deferred charges, net	328,056
Total non-current assets	<hr/>
	25,009,576
Total assets	<hr/>
	\$ 29,253,354
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 1,545,471
Other accounts payable	78,304
Accrued interest payable	74,676
Customer deposits and prepayments	597,184
Bonds payable – current portion	493,609
Capital lease payable – current portion	54,848
Total current liabilities	<hr/>
	2,844,092
Long-term (non-current) liabilities:	
Revenue bonds payable	8,902,088
Accrued compensated absences	171,109
Total long-term liabilities	<hr/>
	9,073,197
Total liabilities	<hr/>
	11,917,289
Net assets:	
Invested in capital assets, net of related debt	15,230,975
Restricted for debt and capital projects	285,990
Unrestricted	1,819,100
Total net assets	<hr/>
	17,336,065
Total liabilities and net assets	<hr/>
	\$ 29,253,354

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
YEAR ENDED APRIL 30, 2010

	Business-type Activities – Enterprise Fund Combined Utility
Operating Revenue (pledged as security for revenue bonds)	
Electric sales	\$ 8,821,905
Gas sales	3,436,274
Water sales	1,758,815
Sewer sales	1,960,147
Other revenue	437,325
Total operating revenue	16,414,466
Operating Expenses	
Purchase of electricity	7,295,472
Purchase of gas	2,561,479
Salary and wages	2,326,332
Other operations	1,567,578
Depreciation expense	1,074,585
Total operating expenses	14,825,446
Operating income	1,589,020
Non-Operating Revenue (Expenses)	
Interest income	28,755
Interest expense	(298,888)
Bond issuance cost amortized	(27,120)
Total non-operating revenue (expenses)	(297,253)
Income before transfers	1,291,767
Transfers	
Transfers to General Fund	(2,000,000)
Net change in assets	(708,233)
Net assets, beginning of year	18,044,298
Net assets, end of year	\$ 17,336,065

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED APRIL 30, 2010

	<u>Business-type Activities– Enterprise Fund Combined Utility</u>
Cash Flows from Operating Activities	
Cash received from:	
Electric sales	\$ 8,877,732
Gas sales	3,436,274
Water service sales	1,758,815
Sewer service sales	1,960,147
Other revenue	437,325
Cash paid to (for):	
Employee salaries and related costs	(2,309,886)
Good and services	(9,471,927)
Net cash provided by operating activities	<u>4,688,480</u>
Cash Flows from Non-capital Financing Activities	
Transfer to General Fund	(2,000,000)
Net cash (used in) non-capital financing activities	<u>(2,000,000)</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and construction of capital assets	(2,730,845)
Proceeds from SRF Loans	1,702,088
Interest and principal paid on capital related debt	(299,248)
Principal payments under bonds and capital leases	(532,020)
Net cash (used in) capital and related financing activities	<u>(1,860,025)</u>
Cash Flows from Investing Activities	
Interest received	28,755
Purchases of investments	(404,772)
Net cash provided by (used in) investing activities	<u>(376,017)</u>
Net increase in cash and cash equivalents	452,438
Cash and cash equivalents, beginning of year (of which \$105,239 is restricted)	<u>3,254,068</u>
Cash and cash equivalents, end of year (of which \$285,990 is restricted)	<u>3,706,506</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	1,589,020
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	1,074,585
Changes in certain assets and liabilities:	
Decrease in accounts receivable	57,652
Decrease in inventory	2,338
Increase in accounts payable/accrued expenses	801,033
(Decrease) in accrued compensated absences	(1,960)
(Decrease) in customer deposits	(21,985)
Increase in internal balances due to other funds	1,187,797
Net cash provided by operating activities	<u>4,688,480</u>
Supplemental disclosure of non-cash capital and related financing activities	
Amortization of bond issuance costs	<u>\$ 27,120</u>

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2010

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 assets 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 Funds — 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.

C. Measurement Focus, Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds, which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements as applicable, are reported using 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 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.

All governmental and business-type activities and proprietary funds of the City follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

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.

The General Fund operated under a final budget totaling \$6,205,000. Actual expenditures totaled \$6,307,700. The Combined Utility Fund operated under a budget totaling \$19,038,000. Actual operating expenses totaled \$14,825,446 (including a non-budgetary charge of \$1,074,585 for depreciation).

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.

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. Amounts receivable and payable between the Governmental activities and the Business-type activities are reported as “internal balances” on the government-wide Statement of Net Assets.

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)

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.

Deferred Charges (Other Assets)

Bond issuance costs, as well as bond premiums and discounts, are deferred and amortized over the life of the related bond issue using the straight-line method.

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.

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)

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 Assets. 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.

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.

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 Assets and Fund Balances

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

In the Fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

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.

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 Revenues 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).

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.

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)

Use of Estimates

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

2. **Deposits and Investments**

As of April 30, 2010, the City had the following cash and investment balances:

Cash on hand	\$ 4,250
Carrying amount of deposits	5,349,977
Totals	<u><u>\$ 5,354,227</u></u>

Statement of Net Asset Balances:

Cash and cash equivalents:	
Unrestricted	\$ 2,170,052
Restricted	656,988
Equity in pooled cash	2,527,187
Totals	<u><u>\$ 5,354,227</u></u>

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, 2010, \$680,913 of the City's deposits of \$5,709,200 were covered by federal depository insurance.

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 unless such an investment is expressly prohibited by law.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. Deposits and Investments (Continued)

Investments (continued)

Investments at April 30, 2010 were are certificates of deposit, in accordance with investment policies adopted November 12, 1991, which are available in the public records.

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, 2010, none of the City’s investments of \$404,773 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.

As of April 30, 2010, the City had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
Bank Certificates of Deposit	\$ 103,744	4/2/2015
Bank Certificates of Deposit	100,419	4/9/2012
Bank Certificates of Deposit	99,648	3/28/2011
Bank Certificates of Deposit	100,962	4/10/2013
Total fair value	<u>\$ 404,773</u>	

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 at a single financial institution as of April 30, 2010.

3. Restricted Assets

Restricted cash and cash equivalents reported in the Business-type activities totaled \$285,990 at April 30, 2010. This amount was for projects authorized by the Combined Utility System Bonds, Series 2004, the Series 2009 A and B Debt Service Reserve Funds, and for obligations under capital leases. Restricted cash and cash equivalents for the Governmental Activities totaled \$370,997 at April 30, 2010. This amount was restricted to the purchase of specific items of equipment as required under the terms of a capital lease obligation, housing and law enforcement activities in the amounts of \$244,016, \$112,577 and \$14,404 respectively.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

4. Receivables

Accounts receivable at April 30, 2010, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities
Property taxes	\$ 216,245	\$ —
Lot clearing fees	77,411	—
Combined utility accounts	—	2,695,827
Total receivables	293,656	2,695,827
Less, allowance for uncollectible accounts	(230,687)	(1,320,791)
Accounts receivable, net	<u>\$ 62,969</u>	<u>\$ 1,375,036</u>

Notes receivable at April 30, 2010, including the applicable allowances for uncollectible accounts and imputed interest are as follows:

Upper Story Housing <i>(See Note 14)</i>	\$ 880,000
Housing rehabilitation	125,864
Housing assistance	85,573
CDBG Repayment Fund	18,710
Total notes receivable	1,110,147
Less, imputed interest and allowance for uncollectible accounts	(1,059,747)
Notes receivable, net	<u>\$ 50,400</u>

5. Due to/from Other Funds – Internal Balances

The Governmental and Business-type short-term interfund receivables and payables at April 30, 2010, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 1,605,427	\$ —
Capital Project Fund	270,555	—
Special Revenue Funds	47,575	21,000
Utility Fund	—	1,902,557
Total interfund balances	1,923,557	1,923,557
Less Governmental Fund eliminations	(21,000)	(21,000)
Internal balances, net	<u>\$ 1,902,557</u>	<u>\$ 1,902,557</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, 2010 are summarized below:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,210,663	\$ 1,142,448
Special Revenue Funds	—	210,663
Capital Projects Fund	1,142,448	—
Utility Fund	—	2,000,000
	<u>\$ 3,353,111</u>	<u>\$ 3,353,111</u>

Transfers between the major funds, other non-major governmental funds and enterprise funds were primarily to support the operations of the funds.

6. Capital Assets

A summary of the changes in the City’s capital assets during the year ended April 30, 2010, are as follows:

Governmental Activities:

	<u>Balance April 30, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance April 30, 2010</u>
Capital assets not being depreciated:				
Land and land improvements	\$ 416,619	\$ —	\$ —	\$ 416,619
Total capital assets not being depreciated	<u>416,619</u>	<u>—</u>	<u>—</u>	<u>416,619</u>
Capital assets being depreciated:				
Buildings and improvements	7,335,758	—	—	7,335,758
Furniture, vehicles, equipment	3,581,285	637,379	(200,000)	4,018,664
Totals capital assets being depreciated	<u>10,917,043</u>	<u>637,379</u>	<u>(200,000)</u>	<u>11,354,422</u>
Less, accumulated depreciation for:				
Buildings and improvements	(1,098,196)	(207,299)	—	(1,305,495)
Furniture, vehicles, equipment	(2,685,601)	(127,301)	200,000	(2,612,902)
Total accumulated depreciation	<u>(3,783,797)</u>	<u>(334,600)</u>	<u>200,000</u>	<u>(3,918,397)</u>
Total capital assets being depreciated, net	<u>7,133,246</u>	<u>302,779</u>	<u>—</u>	<u>7,436,025</u>
Net capital assets – Governmental Activities	<u>\$ 7,549,865</u>	<u>\$ 302,779</u>	<u>\$ —</u>	<u>\$ 7,852,644</u>

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

General government	\$ 97,764
Public safety	166,153
Public works	70,683
Total depreciation expense	<u>\$ 334,600</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Capital Assets (Continued)

Business-Type Activities:

	Balance				Balance
	April 30, 2009	Additions	Retirements	Transfers	April 30, 2010
Capital assets not being depreciated:					
Land	\$ 145,300	\$ —	\$ —	\$ —	\$ 145,300
Construction in progress	1,378,315	2,564,684	—	(1,582,487)	2,360,512
Total capital assets not being depreciated	<u>1,523,615</u>	<u>2,564,684</u>	<u>—</u>	<u>(1,582,487)</u>	<u>2,505,812</u>
Capital assets being depreciated:					
Buildings	626,283	—	—	—	626,283
Improvement other than buildings	32,348,374	177,145	—	1,582,487	34,108,006
Equipment and vehicles	2,757,517	—	—	—	2,757,517
Total capital assets being depreciated	<u>35,732,174</u>	<u>177,145</u>	<u>—</u>	<u>1,582,487</u>	<u>37,491,806</u>
Less, accumulated depreciation for:					
Buildings	(442,295)	(571)	—	—	(442,866)
Improvement other than buildings	(11,533,235)	(955,065)	—	—	(12,488,300)
Equipment and vehicles	(2,265,983)	(118,949)	—	—	(2,384,932)
Total accumulated depreciation	<u>(14,241,513)</u>	<u>(1,074,585)</u>	<u>—</u>	<u>—</u>	<u>(15,316,098)</u>
Total capital assets being depreciated, net	<u>21,490,661</u>	<u>(897,440)</u>	<u>—</u>	<u>1,582,487</u>	<u>22,175,708</u>
Net capital assets – Business-type activities	<u>\$ 23,014,276</u>	<u>\$ 1,667,244</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 24,681,520</u>

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's revenue bonds are secured by a pledge of revenue generated by the Combined Utility System.

Long-term debt of the City at April 30, 2010 consists of the following:

A. Governmental Activities

City of Bennettsville General Obligation Bonds, Series 2006, due in annual installments of \$50,000 to \$150,000 through February 1, 2012, interest at 3.939%	\$ 315,000
City of Bennettsville General Obligation Bonds, Series 2008, due in annual installments of \$5,000 to \$305,000 through February 1, 2013, interest at 3.22%	580,000
Bank of America Leasing and Capital, LLC (various vehicles and equipment) due in quarterly installments of \$92,525 through August 23, 2010; interest at 3.2875%. Governmental Activities portion of lease obligation	127,956
Accrued compensated absences	372,924
	<u>1,395,880</u>
Less, current portions (due within one year):	
General Obligation Bonds	(285,000)
Capital Lease Payable	(63,716)
Total current portion	<u>(348,716)</u>
Total long-term debt – Governmental Activities	<u>\$ 1,047,164</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

B. Business-Type Activities

Series 2004 Combined Utility System Refunding and Improvement Revenue Bonds interest (2.00% - 4.25% per annum) payable semi-annually, final payment due February 1, 2024.	\$ 7,635,000
Series 2009A South Carolina Water Pollution Control Revolving Fund Loan due in quarterly installments of \$19,939 through October 1, 2030; interest at 1.85%	985,740
Series 2009B South Carolina Drinking Water Revolving Fund Loan due in quarterly installments of \$25,366 through September 1, 2040; interest at 1.88%	774,957
Bank of America Leasing and Capital, LLC (various vehicles and equipment) due in quarterly installments of \$92,525 through August 23, 2010; interest at 3.2875%. Business-type Activities portion of lease obligation.	54,848
Accrued compensated absences	<u>171,109</u>
	<u>9,621,654</u>
Less, current portions (due within one year):	
Series 2004 Revenue Bond	(435,000)
Series 2009A	(28,218)
Series 2009B	(30,391)
Capital lease	<u>(54,848)</u>
Total current portion	<u>(548,457)</u>
Total long-term debt – Business-type Activities	<u><u>\$ 9,073,197</u></u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

C. Changes in Long-Term Debt

Changes in the long-term debt of the City during the year ended April 30, 2010, were as follows:

	<u>Outstanding 4/30/09</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding 4/30/10</u>
<u>Governmental Activities:</u>				
General Obligation Bonds	\$ 1,080,000	\$ —	\$ (185,000)	\$ 895,000
Capital lease obligations	\$ 377,668	\$ —	\$ (249,712)	\$ 127,956
Accrued compensated absences	\$ 366,543	\$ 6,381	\$ —	\$ 372,924
<u>Business-type Activities:</u>				
Combined Utility System Revenue Bond	\$ 8,060,000	\$ —	\$ (425,000)	\$ 7,635,000
Series 2009A SRF Loan	\$ —	\$ 985,740	\$ —	\$ 985,740
Series 2009B SRF Loan	\$ —	\$ 774,957	\$ —	\$ 774,957
Capital lease obligations	\$ 161,868	\$ —	\$ (107,020)	\$ 54,848
Accrued compensated absences	\$ 173,070	\$ —	\$ (1,961)	\$ 171,109

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

D. Annual Requirements for Long-Term Debt

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

	Capital Leases		Revenue Bonds		SRF Loans		General Obligation Bonds		Total Debt Due	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities:										
2011	\$ 63,716	\$ 1,052	\$ —	\$ —	\$ —	\$ —	\$ 285,000	\$ 31,256	\$ 348,716	\$ 32,308
2012	64,240	528	—	—	—	—	305,000	20,802	369,240	21,330
2013	—	—	—	—	—	—	305,000	9,821	305,000	9,821
	<u>127,956</u>	<u>1,580</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>895,000</u>	<u>61,879</u>	<u>1,022,956</u>	<u>63,459</u>
Business-type Activities:										
2011	54,848	677	435,000	285,981	58,609	32,000	—	—	548,457	318,658
2012	—	—	445,000	274,454	118,426	62,793	—	—	563,426	337,247
2013	—	—	460,000	261,104	120,084	61,135	—	—	580,084	322,239
2014	—	—	475,000	246,844	121,801	59,418	—	—	596,801	306,262
2015	—	—	490,000	231,406	123,579	57,640	—	—	613,579	289,046
2016-2020	—	—	2,730,000	874,157	646,849	259,244	—	—	3,376,849	1,133,401
2021-2025	—	—	2,600,000	279,638	701,762	204,334	—	—	3,301,762	483,972
2026-2030	—	—	—	—	767,127	138,968	—	—	767,127	138,968
2031-2035	—	—	—	—	469,659	77,534	—	—	469,659	77,534
2036-2040	—	—	—	—	475,229	32,785	—	—	475,229	32,785
2041	—	—	—	—	50,324	408	—	—	50,324	408
	<u>54,848</u>	<u>677</u>	<u>7,635,000</u>	<u>2,453,584</u>	<u>3,653,449</u>	<u>986,259</u>	<u>—</u>	<u>—</u>	<u>11,343,297</u>	<u>3,440,520</u>
	<u>\$ 182,804</u>	<u>\$ 2,257</u>	<u>\$ 7,635,000</u>	<u>\$2,453,584</u>	<u>\$3,653,449</u>	<u>\$ 986,259</u>	<u>\$ 895,000</u>	<u>\$ 61,879</u>	<u>\$12,366,253</u>	<u>\$3,503,979</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

E. Deferred Charges

Bond issuance costs and refunding losses along with related accumulated amortization are as follows:

	<u>Original Amounts</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amounts</u>
<u>Business-type Activities:</u>			
Series 2004, Refunding and Improvement Revenue Bonds	\$ 471,465	\$ (143,409)	\$ 328,056

Amortized bond issue costs totaled \$27,120 for business-type activities for the year ended April 30, 2010.

8. Net Assets

Net assets of the Government-wide and Proprietary Fund financial statements represent the difference between assets and liabilities. Reported amounts for invested in capital assets and restricted net assets were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>Invested in Capital Assets, Net of Related Debt:</u>		
Net capital assets	\$ 7,852,644	\$ 24,681,520
Less, general obligation and revenue bonds payable	(895,000)	(9,395,697)
Less, installment purchase contracts	(127,956)	(54,848)
Total invested in capital assets, net of related debt	<u>\$ 6,829,688</u>	<u>\$ 15,230,975</u>

9. Retirement Plan

Generally, all permanent employees of the City are required by law to join the South Carolina Retirement System (SCRS) or the Police Officers Retirement System (PORS) which are cost-sharing multiple-employer defined benefit pension plans administered by the South Carolina Retirement System, a Division of the State Budget and Control Board. Article X, Section 16, of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan. Employee and employer contribution rates for the SCRS and the PORS are actuarially determined. Annual benefits, payable monthly for life, are based on length of service and on average final compensation.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Retirement Plan (Continued)

A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS and PORS is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

The majority of employees of the City are covered by a retirement plan through the SCRS, a cost sharing multiple-employer plan administered by the Retirement Division, a public employee retirement system. Generally all City employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided by Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group-life insurance benefits to eligible employees and retirees.

The City of Bennettsville's actual contributions to the SCRS for the three most recent fiscal years ended April 30, 2010, 2009, and 2008, were \$277,299, \$274,595, and \$264,739, respectively, and equaled the required contribution for each year. Under this system, the City's contributions were 9.24 percent of each covered employee's compensation as of April 30, 2010. Also, The City of Bennettsville paid employer group-life insurance contributions of \$4,502 in the current fiscal year at the rate of .15 percent of compensation.

The South Carolina PORS is a cost-sharing multiple-employer defined benefit public employee retirement plan administered by the Retirement Division. Generally all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment. This plan provides annuity benefits as well as disability and group-life insurance benefits to eligible employees and retirees. In addition, participating employees in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Since July 1, 1988, employees participating in PORS have been required to contribute 6.5 percent of all compensation. The City's actual contributions to the PORS for the three most recent fiscal years ended April 30, 2010, 2009, and 2008 were \$177,143, \$167,979, and \$167,304, respectively, and equaled the required contribution for each year. Under the PORS system, the City's contributions were 10.3 percent for each covered employee's compensation as of April 30, 2010. Also, the City paid employer group-life insurance contributions of \$3,327 and accidental death insurance contributions of \$3,327 in the current fiscal year for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. Neither the City, nor the State of South Carolina, has any liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate City employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

10. Due From Other Governments

The following are due from other governments:

Due from grantor agencies	\$	59,870
Due from state government		<u>348,262</u>
Total due from other governments	\$	<u><u>408,132</u></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, 2010 the City incurred \$669,223 in health care premiums and \$184,578 in worker's compensation premiums.

12. Contingencies

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 insure 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, 2020.

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 Assets

The Governmental Fund Balance Sheet includes a reconciliation between fund balance amounts and Net Assets-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	\$ 11,771,041
Less, accumulated depreciation	(3,918,397)
Net amount reported	<u>\$ 7,852,644</u>

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

Property taxes receivable	\$ 58,989
Mortgages receivable, net	(829,600)
Net amount reported	<u>\$ (770,611)</u>

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

Accrued interest expense	\$ (8,597)
Bond and installment purchase contracts	(1,022,956)
Accrued compensated absences	(372,924)
Net amount reported	<u>\$ (1,404,477)</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 Assets-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 capital outlay exceeds depreciation in the current period.

Capital outlay expenditures	\$ 637,379
Depreciation expense	(334,600)
Net amount reported	<u>\$ 302,779</u>

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

Property taxes	\$ 17,068
Change in accrued interest expense	(3,365)
Change in accrued compensated absence	(6,381)
Net amount reported	<u>\$ 7,322</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:

General obligation bonds	\$ 185,000
Principal repayments – Capital lease obligations	249,712
Net amount reported	<u>\$ 434,712</u>

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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.

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 \$40,000 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, net of imputed interest (*See Note 4*). The outstanding principal balance of these notes (\$880,000) have been reported as a Special Revenue Fund and reserved for the Upper Story Housing project in housing assistance.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BENNETTSVILLE, SOUTH CAROLINA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

YEAR ENDED APRIL 30, 2010

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenue				
Taxes, penalties and fees	\$ 938,000	\$ 938,000	\$ 932,276	\$ (5,724)
Local option sales tax	540,000	540,000	672,627	132,627
Licenses and permits	549,000	549,000	739,746	190,746
Fines and forfeitures	187,000	187,000	171,911	(15,089)
Intergovernmental revenue:				
Grants	—	—	197,421	197,421
Rural fire protection	60,000	60,000	60,000	—
Other intergovernmental	411,500	411,500	520,609	109,109
User fees	35,000	35,000	38,860	3,860
Franchise fees	70,000	70,000	74,612	4,612
Rental fees	18,000	18,000	23,750	5,750
Garbage collection fees	1,050,000	1,050,000	980,866	(69,134)
Interest income	5,000	5,000	23,773	18,773
Sale of fixed assets	10,000	10,000	190,592	180,592
Other	79,500	79,500	50,332	(29,168)
Total revenue	<u>3,953,000</u>	<u>3,953,000</u>	<u>4,677,375</u>	<u>724,375</u>
Expenditures				
Current:				
General government	1,054,995	1,054,995	914,471	(140,524)
Public safety	2,854,243	2,854,243	3,009,635	155,392
Public works	1,421,780	1,421,780	1,439,805	18,025
Culture and recreation	559,982	559,982	440,008	(119,974)
Capital outlay	55,000	55,000	25,199	(29,801)
Debt service	259,000	259,000	478,582	219,582
Total expenditures	<u>6,205,000</u>	<u>6,205,000</u>	<u>6,307,700</u>	<u>102,700</u>
Excess (deficiency) of revenue over expenditures	(2,252,000)	(2,252,000)	(1,630,325)	621,675
Other Financing Sources (uses)				
Proceeds from general obligation bonds	—	—	—	—
Transfers in	2,252,000	2,252,000	2,033,000	(219,000)
Transfers out	—	—	(964,785)	(964,785)
Total other financing sources	<u>2,252,000</u>	<u>2,252,000</u>	<u>1,068,215</u>	<u>(1,183,785)</u>
Net change in fund balance	—	—	(562,110)	(562,110)
Fund balance, beginning of year	3,411,070	3,411,070	3,411,070	—
Fund balance, end of year	<u>\$ 3,411,070</u>	<u>\$ 3,411,070</u>	<u>\$ 2,848,960</u>	<u>\$ (562,110)</u>

OTHER FINANCIAL INFORMATION

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINING 'NON-MAJOR' GOVERNMENTAL
FINANCIAL STATEMENTS

CITY OF BENNETTSVILLE, SOUTH CAROLINA

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

APRIL 30, 2010

	Special Revenue Funds										
	Housing Rehabilitation Fund	Housing Assistance	CDBG Repayment Fund	Upper Story Housing Fund	Tourism & Business Fund	Hospitality Fund	Chamber of Commerce Fund	Fire Ins. & Inspectors Fund	Total Special Revenue Funds	Capital Projects Fund	Total
Assets											
Cash and cash equivalents:											
Unrestricted	\$ —	\$ —	\$ —	\$ —	\$ 103,747	\$ 135,227	\$ —	\$ 13,310	\$ 252,284	\$ 24,780	\$ 277,064
Restricted	73,089	19,898	19,589	—	—	—	—	—	112,576	—	112,576
Due from other funds	—	—	—	—	—	47,575	—	—	47,575	270,555	318,130
Notes receivables-housing assistance loans, net	—	—	—	880,000	—	—	—	—	880,000	—	880,000
Total assets	\$ 73,089	\$ 19,898	\$ 19,589	\$ 880,000	\$ 103,747	\$ 182,802	\$ —	\$ 13,310	\$ 1,292,435	\$ 295,335	\$ 1,587,770
Liabilities and Fund Balances											
Liabilities:											
Deferred revenue	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Due to other funds	—	—	—	—	21,000	—	—	—	21,000	—	21,000
Total liabilities	—	—	—	—	21,000	—	—	—	21,000	—	21,000
Fund balances:											
Reserved for:											
Housing assistance	73,089	19,898	—	880,000	—	—	—	—	972,987	—	972,987
Unreserved, undesignated	—	—	19,589	—	82,747	182,802	—	13,310	298,448	295,335	593,783
Total fund balances	73,089	19,898	19,589	880,000	82,747	182,802	—	13,310	1,271,435	295,335	1,566,770
Total liabilities and fund balances	\$ 73,089	\$ 19,898	\$ 19,589	\$ 880,000	\$ 103,747	\$ 182,802	\$ —	\$ 13,310	\$ 1,292,435	\$ 295,335	\$ 1,587,770

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED APRIL 30, 2010

	Special Revenue Funds								Total Special Revenue Funds	Capital Projects Fund	Total
	Housing Rehabilitation Fund	Housing Assistance Fund	CDBG Repayment Fund	Upper Story Housing Fund	Tourism & Business Fund	Hospitality Fund	Chamber of Commerce Fund	Fire Ins. & Inspectors Fund			
Revenue											
Intergovernmental	\$ —	\$ —	\$ —	\$ —	\$ 59,842	\$ 228,637	\$ —	\$ 24,029	\$ 312,508	\$ —	\$ 312,508
Other	4,434	146	93	—	99	236	10,381	183	15,572	25	15,597
Total revenue	4,434	146	93	—	59,941	228,873	10,381	24,212	328,080	25	328,105
Expenditures											
General government:											
Miscellaneous	—	5,525	—	—	—	—	—	23,040	28,565	180	28,745
Culture and recreation:											
Tourism related	—	—	—	—	21,000	78,672	3,707	—	103,379	—	103,379
Capital outlay	—	—	—	—	—	—	—	—	—	612,180	612,180
Total expenditures	—	5,525	—	—	21,000	78,672	3,707	23,040	131,944	612,360	744,304
Excess (deficiency) of revenue over expenditures	4,434	(5,379)	93	—	38,941	150,201	6,674	1,172	196,136	(612,335)	(416,199)
Other Financing Sources (Uses)											
Transfers in (out)	—	—	—	—	(33,000)	(119,000)	(58,663)	—	(210,663)	1,142,448	931,785
Net change in fund balances	4,434	(5,379)	93	—	5,941	31,201	(51,989)	1,172	(14,527)	530,113	515,586
Fund balances, beginning of year	68,655	25,277	19,496	880,000	76,806	151,601	51,989	12,138	1,285,962	(234,778)	1,051,184
Fund balances, end of year	\$ 73,089	\$ 19,898	\$ 19,589	\$ 880,000	\$ 82,747	\$ 182,802	\$ —	\$ 13,310	\$ 1,271,435	\$ 295,335	\$ 1,566,770

CITY OF BENNETTSVILLE, SOUTH CAROLINA

INDIVIDUAL FUND
FINANCIAL SCHEDULES

GENERAL FUND

CITY OF BENNETTSVILLE, SOUTH CAROLINA

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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

YEAR ENDED APRIL 30, 2010

(With comparative actual amounts at year ended April 30, 2009)

	Final Budget	Actual	Variance Over (Under)	Prior Year
Revenue				
Taxes, penalties and fees	\$ 938,000	\$ 932,276	\$ (5,724)	\$ 921,276
Local option sales tax	540,000	672,627	132,627	643,451
Licenses and permits	549,000	739,746	190,746	741,066
Fines and forfeitures	187,000	171,911	(15,089)	146,482
Intergovernmental revenue:				
Grants	—	197,421	197,421	139,022
Rural fire protection	60,000	60,000	—	60,000
Other intergovernmental	411,500	520,609	109,109	560,766
User fees	35,000	38,860	3,860	48,734
Franchise fees	70,000	74,612	4,612	78,519
Rental fees	18,000	23,750	5,750	20,935
Garbage collection fees	1,050,000	980,866	(69,134)	993,287
Interest income	5,000	23,773	18,773	64,171
Sale of fixed assets	10,000	190,592	180,592	302,023
Other	79,500	50,332	(29,168)	20,157
Total revenue	3,953,000	4,677,375	724,375	4,739,889
Expenditures				
Current:				
General Government:				
City council	106,601	105,927	(674)	113,842
City attorney	21,569	21,569	—	21,569
Municipal judge	107,916	94,891	(13,025)	105,470
City administrator	202,729	190,652	(12,077)	217,326
Planning and zoning	206,111	192,255	(13,856)	244,778
Finance	91,353	87,375	(3,978)	94,229
Human resources	35,907	34,763	(1,144)	57,579
Non-departmental	282,809	187,039	(95,770)	371,944
Total general government	1,054,995	914,471	(140,524)	1,226,737
Public Safety:				
Police	2,189,477	2,332,674	143,197	2,312,660
Fire	664,766	676,961	12,195	730,942
Total public safety	2,854,243	3,009,635	155,392	3,043,602
Public Works:				
Streets and sanitation	1,212,317	1,237,622	25,305	1,231,896
Maintenance shop	54,094	50,020	(4,074)	104,020
Beautification and recycling	155,369	152,163	(3,206)	171,157
Total public works	1,421,780	1,439,805	18,025	1,507,073
Culture and recreation:				
Recreation	559,982	440,008	(119,974)	443,741
Chamber operating	—	—	—	31,458
Total culture and recreation	559,982	440,008	(119,974)	475,199
Capital outlay	55,000	25,199	(29,801)	12,666
Debt service	259,000	478,582	219,582	453,971
Total expenditures	6,205,000	6,307,700	102,700	6,719,248

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>	<u>Prior Year</u>
Excess (deficiency) of revenue over expenditures	(2,252,000)	(1,630,325)	621,675	(1,979,359)
Other Financing Sources (uses)				
Proceeds from general obligations bonds	—	—	—	605,000
Transfers in	2,252,000	2,033,000	(219,000)	2,388,000
Transfers out	—	(964,785)	(964,785)	—
Total other financing sources (uses)	<u>2,252,000</u>	<u>1,068,215</u>	<u>(1,183,785)</u>	<u>2,993,000</u>
Net change in fund balance	—	(562,110)	(562,110)	1,013,641
Fund balance, beginning of year	<u>3,411,070</u>	<u>3,411,070</u>	<u>—</u>	<u>2,397,429</u>
Fund balance, end of year	<u>\$ 3,411,070</u>	<u>\$ 2,848,960</u>	<u>\$ (562,110)</u>	<u>\$ 3,411,070</u>

COMBINED UTILITY FUND

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS-
BUDGET AND ACTUAL

YEAR ENDED APRIL 30, 2010

(With comparative actual amounts at year ended April 30, 2009)

	<u>Final Budget</u>	<u>Current Year</u>	<u>Variance Over (Under)</u>	<u>Prior Year</u>
Operating Revenue				
Electric sales	\$ 10,602,500	\$ 8,821,905	\$ (1,780,595)	\$ 10,374,492
Gas sales	4,400,000	3,436,274	(963,726)	5,032,445
Water sales	1,700,000	1,758,815	58,815	1,797,546
Sewer sales	1,930,000	1,960,147	30,147	1,639,968
Other revenue	405,500	437,325	31,825	510,847
Total operating revenue	<u>19,038,000</u>	<u>16,414,466</u>	<u>(2,623,534)</u>	<u>19,355,298</u>
Operating Expenses				
Water treatment plant	1,034,802	888,042	(146,760)	932,276
Administration	514,820	547,465	32,645	476,819
Wastewater plant	525,428	514,177	(11,251)	538,502
Electric distribution	8,740,785	7,969,660	(771,125)	7,728,236
Gas distribution	3,852,613	2,762,507	(1,090,106)	3,756,729
Sewer/Stormwater collection	167,886	199,001	31,115	300,850
Water distribution	340,216	360,592	20,376	376,908
Billing office	467,123	456,163	(10,960)	459,272
Non-departmental	372,327	53,254	(319,073)	54,502
Depreciation expense	—	1,074,585	1,074,585	918,181
Total operating expenses	<u>16,016,000</u>	<u>14,825,446</u>	<u>(1,190,554)</u>	<u>15,542,275</u>
Operating income	3,022,000	1,589,020	(1,432,980)	3,813,023
Non-Operating Revenue (Expenses)				
Interest income	100,000	28,755	(71,245)	36,958
Debt service	(1,122,000)	—	1,122,000	—
Gains from sale, disposal of equipment	—	—	—	—
Interest expense	—	(298,888)	(298,888)	(311,541)
Bond issuance cost amortized	—	(27,120)	(27,120)	(24,739)
Total non-operating revenue (expenses)	<u>(1,022,000)</u>	<u>(297,253)</u>	<u>724,747</u>	<u>(299,322)</u>
Transfers				
Transfers to General Fund	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>—</u>	<u>(2,250,000)</u>
Net change in assets	—	(708,233)	(708,233)	1,263,701
Net assets, beginning of year	<u>18,044,298</u>	<u>18,044,298</u>	<u>—</u>	<u>16,780,597</u>
Net assets, end of year	<u>\$ 18,044,298</u>	<u>\$ 17,336,065</u>	<u>\$ (708,233)</u>	<u>\$ 18,044,298</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF BENNETTSVILLE, SOUTH CAROLINA
 SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
 YEAR ENDED APRIL 30, 2010

Court Fines and Assessments	
Court fines and assessments collected	\$ 343,680
Court fines and assessments remitted to State Treasurer	<u>(193,324)</u>
Total court fines and assessments retained by the City	<u>\$ 150,356</u>
Surcharges and Assessments retained for Victims Services	
Total surcharges collected	\$ 16,020
Total assessments	<u>7,335</u>
Total surcharges and assessments retained for victims services	<u>\$ 23,355</u>
Funds Allocated to Victims Services	
Carryover funds from prior year	\$ —
Surcharges and assessments retained	23,355
Expenditures for victims services	<u>(23,355)</u>
Unexpended victims rights assistance funds	<u>\$ —</u>