CITY OF BENNETTSVILLE, SOUTH CAROLINA

AUDITED BASIC FINANCIAL STATEMENTS
AND
OTHER FINANCIAL INFORMATION

YEAR ENDED APRIL 30, 2025

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, 2025

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REPORT OF INDEPENDENT AUDITOR

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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REPORT OF INDEPENDENT AUDITOR

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

Report on the Audited Financial Statements

Unmodified opinion

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bennettsville, South Carolina (the "City"), as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bennettsville, South Carolina, as of April 30, 2025, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. Management's responsibility also includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date (April 30, 2025), including any currently known information that may raise substantial doubt shortly thereafter.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and Budgetary Comparison Schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Matters

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 2024 audited financial statements, and in my report dated April 9, 2025, I expressed an unmodified opinion on those financial statements.



May 6, 2026
Columbia, South Carolina

CITY OF BENNETTSVILLE, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF BENNETTSVILLE, SOUTH CAROLINA

City of Bennettsville, South Carolina

Management's Discussion and Analysis

Year Ended April 30, 2025

This section of the City of Bennettsville, South Carolina (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, 2025. 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 ended April 30, 2025 were $39.1 million and total liabilities equaled $24.1 million. Total deferred outflows equaled $2.0 million while total deferred inflows equaled $2.0 million. The difference between these amounts equals total net position of $15.0 million at April 30, 2025. Of the total net position, unrestricted (deficit) amounts totaled $(8.6) million and were not available to support short term operations of the City. This is primarily due to the City's $8.6 million net pension obligation liability.

Per the Government-wide *Statement of Activities*, the City's total net position decreased by $0.4 million for the year ended April 30, 2025. The Governmental Activities resulted in a net increase of $1,147,471, while the Business-type Activities decreased by $(1,587,933) which included a transfer out of $2.5 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, 2025. Below is a 'condensed' Statement of Net Position at April 30, 2025, which depicts the major components of the City's assets, liabilities and net position (with comparative amounts for April 30, 2024).

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Assets						
Cash and cash equivalents:						
Unrestricted	$ 966,237	$ 358,207	$ 208,788	$ 114,623	$ 1,175,025	$ 472,830
Restricted	202,344	193,607	3,257,176	3,492,004	3,459,520	3,685,611
Equity in pooled cash	2,249,934	1,778,455	(2,445,553)	(335,827)	(195,619)	1,442,628
Investments	—	—	1,535,547	1,560,728	1,535,547	1,560,728
Receivables and due from others, net	627,171	430,928	970,092	1,020,175	1,597,263	1,451,103
Inventories and prepaid items	68,880	72,571	588,041	590,815	656,921	663,386
Internal balances	1,937,346	2,339,095	(1,937,346)	(2,339,095)	—	—
Capital assets, net of accumulated depreciation	5,599,696	5,443,781	25,107,570	25,638,373	30,707,266	31,082,154
Right-to-use leased assets, net	174,751	358,534	—	—	174,751	358,534
Total assets	**11,826,359**	**10,975,178**	**27,284,315**	**29,741,796**	**39,110,674**	**40,716,974**
Deferred Outflows Resources						
Pension related	1,436,112	1,702,484	630,290	751,516	2,066,402	2,454,000
Liabilities						
Current liabilities	2,066,544	1,698,230	3,136,774	3,208,278	5,203,318	4,906,508
Non-current liabilities	5,830,038	6,933,682	13,077,542	14,001,739	18,907,580	20,935,421
Total liabilities	**7,896,582**	**8,631,912**	**16,214,316**	**17,210,017**	**24,110,898**	**25,841,929**
Deferred Inflows of Resources						
Pension related	1,426,923	1,254,255	575,650	570,723	2,002,573	1,824,978
Net Position						
Net investment in capital and leased assets	5,519,527	5,226,220	14,801,840	14,757,341	20,321,367	19,983,561
Restricted	734,406	1,070,693	2,654,618	2,853,986	3,389,024	3,924,679
Unrestricted (deficit)	(2,314,967)	(3,505,418)	(6,331,819)	(4,898,755)	(8,646,786)	(8,404,173)
Total net position	**$ 3,938,966**	**$ 2,791,495**	**$ 11,124,639**	**$ 12,712,572**	**$ 15,063,605**	**$ 15,504,067**

By far the largest portion of the City's total net position ($15.0 million in 2025, and $15.5 million in 2024) reflects its net investment in capital and leased 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 and leased 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 $3,938,966, and consists of net investment in capital and leased assets $5,519,527, restricted $734,406, and unrestricted (deficit) of $(2,314,967) at the end of 2025. The Business-type Activities total net position equaled $11,124,639 and consists of net investment in capital assets $14,801,840, restricted $2,654,618, and unrestricted (deficit) of $(6,331,819) at the end of 2025.

Although the City's investment in its capital and leased 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 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 2025 and FY 2024 are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenue						
Program Revenue:						
Charges for services	$ 1,453,686	$ 1,479,115	$ 17,184,344	$ 16,209,986	$ 18,638,030	$ 17,689,101
Operating grants and contributions	172,536	316,185	21,492	—	194,028	316,185
Capital grants and contributions	643,539	1,089,724	650,306	1,822,898	1,293,845	2,912,622
General revenue:						
Property taxes and L.O.S.T	2,491,226	2,447,109	—	—	2,491,226	2,447,109
State shared and unallocated intergovernmental	981,551	834,991	—	—	981,551	834,991
Licenses and franchise fees	1,057,073	1,065,133	—	—	1,057,073	1,065,133
Other	249,495	35,953	215,503	177,414	464,998	213,367
Total revenue	7,049,106	7,268,210	18,071,645	18,210,298	25,120,751	25,478,508
Expenses						
General government	2,233,901	1,793,404	—	—	2,233,901	1,793,404
Public safety	3,418,018	4,030,185	—	—	3,418,018	4,030,185
Public works	1,724,952	1,679,712	—	—	1,724,952	1,679,712
Culture and recreation	973,246	592,554	—	—	973,246	592,554
Interest	25,225	1,898	310,376	326,522	335,601	328,420
Combined utility	—	—	16,875,495	15,988,537	16,875,495	15,988,537
Total expenses	8,375,342	8,097,753	17,185,871	16,315,059	25,561,213	24,412,812
Transfers	2,473,707	1,900,000	(2,473,707)	(1,900,000)	—	—
Changes in net position	**1,147,471**	**1,070,457**	**(1,587,933)**	**(4,761)**	**(440,462)**	**1,065,696**
Beginning net position	2,791,495	1,721,038	12,712,572	12,717,333	15,504,067	14,438,371
Ending net position	$ 3,938,966	$ 2,791,495	$ 11,124,639	$ 12,712,572	$ 15,063,605	$ 15,504,067

Government-Wide Financial Analysis (continued)

Net position in Governmental Activities had a total increase in 2025 of $1,147,471 compared to an increase of $1,070,457 in 2024. This was primarily due to the City's increasing cash transfers from the Combined Utility Fund in 2025. Net position in Business-type Activities decreased $(1,587,933) in 2025 compared to an decrease of $(4,761) in 2024 primarily due to increased operating expenses. Both periods included transfers to the Governmental Activities of $2,473,707 in 2025, and $1,900,000 in 2024.

Key Governmental Activities highlights are as follows: Total program revenue increased by approximately $0.6 million in 2025 primarily due to decreased fees for services and reduced capital grants. Total Governmental Activities revenue equaled $7.0 million in 2025 compared to $7.3 million in 2024. Total Governmental Activities expenses in 2025 equaled $8.4 million compared to $8.1 million in 2024.

Key Business-type Activity highlights are as follows: Total program revenue decreased by approximately $0.2 million between 2025 and 2024 primarily due to seasonal temperature variations between years and reduced capital grants. The major cost drivers for the electric and gas systems are the costs of electricity and gas purchased for resale to the City's customers. Overall system demand was about the same in 2025 compared to 2024. Total Business-type expenses $17.2 million in 2025 as compared to $16.3 million in 2024.

Due to the City receiving ARPA grant revenue of $3,848,334, the City paid its employees a combined premium (hazard) pay totaling $737,156 in fiscal years 2022, 2023, and 2024 ($484,435 in Governmental Activities and $252,721 in Business-type Activities), along with funding various capital improvement projects for total expenditures equaling $1,890,895 as of April 30, 2025. Unspent amounts at April 30, 2025, totaled $1,220,283 ($698,196 in Combined Utility Fund and $522,087 in Capital Projects Fund), and have been reported as unearned revenue in the Statement of Net Position.

Expenses and Program Revenues – Governmental Activities – Governmental expenses (totaling $8.4 million) are funded in part by program-specific revenues of fees for services, operating, and capital grants and contributions. As shown below, Governmental Activities were funded by 27.1% of 'program revenues' in 2025 (compared to 35.6% in 2024), leaving 72.9% to be funded by 'general revenues' in 2025 (compared to 64.4% in 2024). 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	$ (2,233,901)	$ —	$ (2,233,901)	0.0%	100.0%
Public safety	(3,418,018)	356,912	(3,061,106)	10.4%	89.6%
Public works	(1,724,952)	1,876,808	151,856	100.0%	0.0%
Culture and recreation	(973,246)	36,041	(937,205)	3.7%	96.3%
Interest	(25,225)	—	(25,225)	0.0%	100.0%
Totals	$ (8,375,342)	$ 2,269,761	$ (6,105,581)	27.1%	72.9%

Government-Wide Financial Analysis (continued)

General Revenues by Source – Governmental Activities

As shown in the table on the preceding page, General Revenues (without transfers) funded the City's Governmental Activities by 72.9% in 2025 (as compared to 64.4% for 2024), in the following categories.

	2025	2024
Property taxes, L.O.S.T, and Rollback	$ 2,491,226	$ 2,447,109
State shared revenue	981,551	834,991
Licenses and franchise fees	1,057,073	1,065,133
Investment earnings	17,316	16,942
Miscellaneous	232,179	19,011
Total	$ 4,779,345	$ 4,383,186

Transfers in from other funds equaled $2,473,707 in 2025, and $2,374,050 in 2024. Overall, the City experienced a 9.0% increase in General Revenues in 2025 as compared to 2024.

Expenses and Program Revenues – Business-type Activities – The City's Combined Utility Enterprise Fund that comprises its Business-type Activities is used for all resources associated with supplying electricity, natural gas, water and providing sewage services to domestic, business and industrial customers within the City limits as well as some of the surrounding unincorporated areas of Marlboro County. Operating revenues totaled $17.2 million in 2025 (as compared to $16.2 million in 2024) and include electric sales of $10.7 million, natural gas sales of $2.7 million, water sales of $1.5 million plus $1.7 million from sewer services, with the balance of $0.6 million consisting of penalties, reconnect fees and other revenues. Operating expenses totaled $16.9 million in 2025 as compared to $16.0 million in 2024. Operating income at year ended April 30, 2025, totaled $318,629 (as compared to $238,616 in 2024) due to increased electricity and gas revenue. The City, over past years, has seen improvements and stability in electric revenue primarily due to timely electric rate design adjustment increasing purchased power cost recovery. The system has seen no significant growth in its customer base or consumption patterns.

General Fund Financial Analysis and Budgetary Highlights

Of the City's Governmental Funds, the City's General Fund is the primary fund. The General Fund's 'final' budgeted revenues totaled $5,262,536 and actual revenues achieved equaled $5,759,891, or $497,355 more than budget. The City had actual General Fund expenditures of $8,338,736, compared to a 'final' budget of $8,528,243 for a favorable variance of $189,507 for the fiscal year ended April 30, 2025. Transfers in and out equaled a net of $2,913,707 per the final budget, compared to actual $3,030,799.

General Fund Financial Analysis and Budgetary Highlights (continued)

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

Details of the City's General Fund budget are shown in the section entitled "Required Supplementary Information" which follows the "Notes to Financial Statements" in this report. Below is a 'condensed' summary budget-to-actual table for fiscal year 2025 compared to 2024 actual amounts achieved.

	2025			2024
General Fund	**Final Budget**	**Actual**	**Variances Positive (Negative)**	**Actual**
Revenue				
Property taxes	$ 1,260,000	$ 1,486,963	$ 226,963	$ 1,412,376
Local option sales tax	945,000	1,004,263	59,263	1,034,731
Licenses, permits & franchise fees	1,003,800	1,057,073	53,273	1,065,133
Fines and forfeitures	34,800	38,748	3,948	33,824
Intergovernmental	644,300	730,505	86,205	681,121
Charges for services	1,266,000	1,291,944	25,944	1,298,117
User fees	40,886	36,089	(4,797)	36,392
Interest income and other	67,750	114,306	46,556	122,253
Total revenue	**5,262,536**	**5,759,891**	**497,355**	**5,683,947**
Expenditures				
Current:				
General government	2,140,627	1,906,261	234,366	1,520,150
Public safety	3,836,251	4,252,959	(416,708)	3,944,641
Public works	1,703,937	1,833,021	(129,084)	1,648,638
Culture and recreation	318,165	309,532	8,633	305,994
Capital outlay	340,000	36,963	303,037	3,838
Debt service	189,263	—	189,263	167,679
Total expenditures	**8,528,243**	**8,338,736**	**189,507**	**7,590,940**
Excess (deficiency) of revenue over (under) expenditures	(3,265,707)	(2,578,845)	686,862	(1,906,993)
Other financing sources and (uses)	2,913,707	3,030,799	117,092	2,394,627
Net change in fund balance	**$ (352,000)**	**$ 451,954**	**$ 803,954**	**$ 487,634**

General Fund Financial Analysis and Budgetary Highlights (continued)

CAPITAL AND RIGHT-TO-USE ASSETS; DEBT ADMINISTRATION

Capital Assets – As of April 30, 2025, the City's investment in capital assets for its Governmental Activities totaled $16.1 million, less accumulated depreciation of $10.5 million for a net carrying value of $5.6 million. For its Business-type Activities, total investment in capital assets equaled $54.1 million, less accumulated depreciation of $30.0 million for a net carrying value of $25.1 million. The City's investment in capital assets includes land, buildings, utility system improvements, machinery and equipment, park facilities, vehicles and furniture. The City's significant capital asset acquisition for the Governmental Activities in 2025 was public safety vehicles and equipment plus ARPA related improvements to public safety facilities and street scape projects. The Business-type Activities (Combined Utility Fund), major capital improvement projects in 2025 consisted of additional water and sewer system infrastructure and equipment. Information on the City's capital assets can be found in *Note 6* of this report.

Right-To-Use Assets – The City entered into a non-cancelable vehicle fleet lease arrangement with Enterprise Fleet Management, Inc., dated January 16, 2019 for up to 27 vehicles, which was subsequently amended for additional vehicles annually thereafter. The City pays a monthly rent amount per vehicle, plus any additional charges (such as taxes, delivery fees, and other charges) for the use of the vehicle and has no right, title, or ownership interest in the assets. At April 30, 2025, the City had 33 leased vehicles outstanding with a net book value of $358,534 represented by a 'right to-use' value of $1,072,774 less the related accumulated amortization of $898,023. Information on the City's leased assets can be found in *Note 7* of this report.

Long-Term Debt – During FY 2025, the Business-type Activities and the Combined Utility Fund had long-term debt outstanding of $10.3 million at April 30, 2025, consisting of South Carolina Water Pollution Control Revolving Fund and the S.C. Drinking Water Quality Revolving Fund (collectively, SRF loans). At April 30, 2025, the outstanding balance of the Series 2009A and 2009B SRF loans equaled $400,884 and $1,347,846 respectively, plus the Series 2022A ($6,121,000) and Series 2022B ($2,436,000). Additional information on the City's long-term debt can be found in *Note 7* of this report. Additionally, the City implemented GASB #68 for its proportionate share of employee pension obligations. Net pension obligations at April 30, 2025 totaled $5.4 million for Governmental Activities and $3.2 million for Business-type Activities for a combined total of $8.6 million. Additional information on the City's pension can be found in *Note 10* of this report.

During 2022, the City entered into a Loan Assistance Agreement totaling $498,620 with the SC Water Quality Revolving Fund Authority, dated March 29, 2022, relating to sewer system evaluation. Per the agreement, the loan will not accrue interest and the principal will be forgiven in its entity as long as it is expended on the approved project. The term of the agreement expires upon the satisfaction of the requirements. As of April 30, 2025, the City expended a total of $82,200. The City anticipates the remaining expenses to occur in FY 25-26.

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, 2025

	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows			
Assets:			
Cash and cash equivalents:			
Unrestricted	$ 966,237	$ 208,788	$ 1,175,025
Restricted	202,344	3,257,176	3,459,520
Equity in pooled cash (deficit)	2,249,934	(2,445,553)	(195,619)
Investments	—	1,535,547	1,535,547
Receivables, net:			
Accounts, grants and notes	454,635	970,092	1,424,727
Due from other governments	172,536	—	172,536
Internal balances, net	1,937,346	(1,937,346)	—
Inventories and prepaid items	68,880	588,041	656,921
Capital assets:			
Nondepreciable	572,233	1,270,618	1,842,851
Depreciable, net	5,027,463	23,836,952	28,864,415
Right-to-use leased assets, net	174,751	—	174,751
Total assets	11,826,359	27,284,315	39,110,674
Deferred Outflows of Resources:			
Pension related	1,436,112	630,290	2,066,402
Total Assets and Deferred Outflows	**$ 13,262,471**	**$ 27,914,605**	**$ 41,177,076**
Liabilities, Deferred Inflows and Net Position			
Liabilities:			
Accounts and retainage payable	$ 193,919	$ 1,474,943	$ 1,668,862
Accrued payroll and other payables	195,894	—	195,894
Accrued interest payable	—	70,286	70,286
Unearned revenue	1,524,376	698,196	2,222,572
Customer deposits and prepayments	36,333	301,415	337,748
Accrued compensated absences	309,120	132,380	441,500
Leased assets payable – due in less than one year	116,022	—	116,022
Leased assets payable – due in more than one year	138,898	—	138,898
Bonds and notes payable – due in less than one year	—	591,934	591,934
Bonds and notes payable – due in more than one year	—	9,713,796	9,713,796
Net pension obligations	5,382,020	3,231,366	8,613,386
Total liabilities	7,896,582	16,214,316	24,110,898
Deferred Inflows of Resources:			
Pension related	1,426,923	575,650	2,002,573
Total liabilities and deferred inflows	9,323,505	16,789,966	26,113,471

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF NET POSITION

— CONTINUED —

	Governmental Activities	Business-type Activities	Total
Liabilities, Deferred Inflows and Net Position (continued)			
Net position:			
Net investment in capital and leased assets	5,519,527	14,801,840	20,321,367
Restricted for:			
Pensions	585,209	306,105	891,314
Debt and capital projects	—	2,348,513	2,348,513
Housing and community development	94,511	—	94,511
Fire and law enforcement activities	54,686	—	54,686
Unrestricted (deficit)	(2,314,967)	(6,331,819)	(8,646,786)
Total net position	3,938,966	11,124,639	15,063,605
Total Liabilities, Deferred Inflows and Net Position	**$ 13,262,471**	**$ 27,914,605**	**$ 41,177,076**

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED APRIL 30, 2025

Functions and Programs	Expenses	Program Revenue: Fees for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Totals
Governmental activities:							
General government	$ (2,233,901)	$ —	$ —	$ —	$ (2,233,901)	$ —	$ (2,233,901)
Public safety	(3,418,018)	125,701	172,536	58,675	(3,061,106)	—	(3,061,106)
Public works	(1,724,952)	1,291,944	—	584,864	151,856	—	151,856
Culture and recreation	(973,246)	36,041	—	—	(937,205)	—	(937,205)
Debt Service - interest	(25,225)	—	—	—	(25,225)	—	(25,225)
Total governmental activities	(8,375,342)	1,453,686	172,536	643,539	(6,105,581)	—	(6,105,581)
Business-type activities:							
Combined utility	(17,185,871)	17,184,344	21,492	650,306	—	670,271	670,271
Total business-type activities	(17,185,871)	17,184,344	21,492	650,306	—	670,271	670,271
Total functions and programs	$ (25,561,213)	$ 18,638,030	$ 194,028	$ 1,293,845	(6,105,581)	670,271	(5,435,310)
General Revenue and Transfers							
General Revenue:							
Property taxes and L.O.S.T.					2,491,226	—	2,491,226
State shared and intergovernmental (unrestricted)					981,551	—	981,551
Business licenses and other franchise fee/tax					1,057,073	—	1,057,073
Unrestricted investments earnings					17,316	160,317	177,633
Gain (loss) on disposal/contribution of assets					113,374	—	113,374
Miscellaneous					118,805	55,186	173,991
Transfers in (out)					2,473,707	(2,473,707)	—
					7,253,052	(2,258,204)	4,994,848
Changes in net position					1,147,471	(1,587,933)	(440,462)
Net Position – beginning of year					2,791,495	12,712,572	15,504,067
Net Position – end of year					**$ 3,938,966**	**$ 11,124,639**	**$ 15,063,605**

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

APRIL 30, 2025

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents:				
Unrestricted	$ 143	$ 944,919	$ 21,175	$ 966,237
Restricted	41,654	4,564	156,126	202,344
Equity in pooled cash (deficit)	(697,140)	2,944,074	3,000	2,249,934
Receivables:				
Property taxes	1,803,984		—	1,803,984
Other and notes	269,884	—	1,087,358	1,357,242
Less, allowances for doubtful accounts	(1,935,506)	—	(207,358)	(2,142,864)
Due from other governments	172,536	—	—	172,536
Due from other funds	4,605,141	82,630	1,498	4,689,269
Inventory and prepaid items	68,880	—	—	68,880
Total assets	**$ 4,329,576**	**$ 3,976,187**	**$ 1,061,799**	**$ 9,367,562**
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 147,504	$ 45,797	$ 618	$ 193,919
Accrued payroll and related payables	195,894	—	—	195,894
Due to other funds	1,498	2,715,887	34,538	2,751,923
Due to other governments	—	—	—	—
Unearned revenue	252,289	1,272,087	—	1,524,376
Deposits	13,234	—	23,099	36,333
Total liabilities	610,419	4,033,771	58,255	4,702,445
Fund balances:				
Non-spendable	68,880	—	—	68,880
Restricted	28,420	—	120,777	149,197
Committed	—	—	—	—
Assigned	25,000	—	21,175	46,175
Unassigned (deficit)	3,596,857	(57,584)	861,592	4,400,865
Total fund balances	3,719,157	(57,584)	1,003,544	4,665,117
Total liabilities and fund balances	**$ 4,329,576**	**$ 3,976,187**	**$ 1,061,799**	**$ 9,367,562**

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

— CONTINUED —

Reconciliation to amounts reported for governmental activities in the Statement of Net Position *(See Note 15):*

Total Governmental Funds fund balances	$ 4,665,117
Capital and right-to-use leased assets, net of accumulation depreciation and amortization, respectively, used in governmental activities are not financial resources and therefore, are not reported in these funds.	5,774,447
Certain receivables are not financial resources and therefore, are not reported in these funds.	(563,727)
Certain deferred outflows and inflows 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.	9,189
Long-term liabilities, including bonds/notes and right-to-use lease payable, compensated absences and pension obligation are not due and payable in the current period and therefore are not reported in these funds.	(5,946,060)
	(726,151)
Net position, end of year – Governmental Activities	$ 3,938,966

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, 2025

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Taxes, penalties and fees	$ 1,486,963	$ —	$ —	$ 1,486,963
Local options sales tax	1,004,263	—	—	1,004,263
Licenses, permits and franchise fees	1,057,073	—	—	1,057,073
Fines and forfeitures	38,748	—	86,953	125,701
Intergovernmental – grants, state shared and other	730,505	566,508	500,613	1,797,626
Charges for services – solid waste and lot clearing	1,291,944	—	—	1,291,944
User fees – community/fitness centers and other rent	36,041	—	—	36,041
Interest income	48	1,586	621	2,255
Contributions and other	114,306	—	4,498	118,804
Total revenue	**5,759,891**	**568,094**	**592,685**	**6,920,670**
Expenditures				
Current:				
General government	1,906,261	—	89,052	1,995,313
Public safety	4,252,959	—	—	4,252,959
Public works	1,833,021	—	—	1,833,021
Culture and recreation	309,532	—	21,346	330,878
Capital outlay	36,963	663,522	—	700,485
Debt service	—	—	—	—
Total expenditures	**8,338,736**	**663,522**	**110,398**	**9,112,656**
Excess (deficiency) of revenue over expenditures	(2,578,845)	(95,428)	482,287	(2,191,986)
Other Financing Sources (Uses)				
Insurance reimbursements	—	113,374	—	113,374
Transfers in	3,030,799	—	—	3,030,799
Transfers (out)	—	—	(557,092)	(557,092)
Total other financing sources (uses)	3,030,799	113,374	(557,092)	2,587,081
Net change in fund balances	**451,954**	**17,946**	**(74,805)**	**395,095**
Fund balances (deficit), beginning of year	3,267,203	(75,530)	1,078,349	4,270,022
Fund balances (deficit), end of year	$ 3,719,157	$ (57,584)	$ 1,003,544	$ 4,665,117

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES-

GOVERNMENTAL FUNDS

— CONTINUED —

Reconciliation to amounts reported for governmental activities in the Statement of Activities *(See Note 15):*	
Net change in fund balances – total governmental funds	$ 395,095
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.	(27,868)
Certain revenues and expenses are not reported as source and uses of current financial resources. This is the amount of such accruals.	459,069
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.	321,175
	752,376
Change in Net Position – Governmental Activities	$ 1,147,471

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

APRIL 30, 2025

	Business-type Activities – Enterprise Fund Combined Utility
Assets and Deferred Outflows	
Current assets:	
Cash and cash equivalents	$ 208,788
Equity in pooled cash (deficit)	(2,445,553)
Investments	1,535,547
Accounts receivable, net	970,092
Inventories and prepaid items	588,041
Due from other funds	81,018
	937,933
Current restricted assets:	
Restricted cash and cash equivalents	2,565,759
Santee Cooper Settlement fund	691,417
	3,257,176
Total current assets	4,195,109
Non-current assets:	
Capital assets, not subject to depreciation	1,270,618
Capital assets subject to depreciation, net	23,836,952
Total non-current assets	25,107,570
Deferred outflows of resources:	
Pension related	630,290
Total deferred outflows	630,290
Total assets and deferred outflows	**$ 29,932,969**
Liabilities, Deferred Inflows and Net Position	
Current liabilities:	
Accounts and retainage payable	1,474,943
Accrued payroll and withholdings payable	—
Due to other funds	2,018,364
Customer deposits and prepayments	301,415
	3,794,722
Current liabilities payable from restricted assets:	
Accrued interest payable	70,286
Bonds payable – current portion	591,934
Unearned revenue – ARPA	698,196
	1,360,416
Total current liabilities	5,155,138
Long-term (non-current) liabilities:	
Accrued compensated absences	132,380
Revenue bonds payable	9,713,796
Net pension liabilities	3,231,366
Total long-term liabilities	13,077,542
Total liabilities	18,232,680

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

— CONTINUED —

	Business-type Activities – Enterprise Fund
	Combined Utility
Liabilities, Deferred Inflows and Net Position (continued)	
Deferred inflows of resources:	
Pension related	575,650
Total deferred inflows	575,650
Net position:	
Net investment in capital assets	14,801,840
Restricted for debt, capital projects and pensions	2,654,918
Unrestricted (deficit)	(6,331,819)
Total net position	11,124,639
Total liabilities, deferred inflows and net position	**$ 29,932,969**

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, 2025

	Business-type Activities – Enterprise Fund Combined Utility
Operating Revenue (pledged as security for notes and bonds)	
Sales and services:	
Water	$ 1,560,149
Sewer	1,743,640
Electric	10,737,274
Gas	2,701,097
Penalties, reconnect fees and other revenue	442,184
Total operating revenue	**17,184,344**
Operating Expenses	
Water plant	1,022,300
Water distribution	339,675
Wastewater plant and collection	632,596
Sewer/Stormwater collection	208,972
Electricity purchase and transmission	9,891,181
Gas purchase and distribution	2,008,316
Administration	629,934
Billing office	582,422
Non-departmental	236,536
Depreciation expense	1,313,783
Total operating expenses	**16,865,715**
Operating income	318,629
Non-Operating Revenue (Expenses)	
FEMA grant reimbursement	—
Non-operating revenue	21,492
Interest income	160,317
Interest expense	(310,376)
Fiscal agent fees	(9,780)
Change in accrued income and unrealized gain (loss)	55,186
Total non-operating revenue (expenses)	(83,161)
Income before contributions and transfers	235,468
Capital contributions	
Capital grants	600,306
Contribution capital	50,000
Total capital contributions	650,306
Transfers	
Transfers (out) to other funds	(2,473,707)
Change in net position	**(1,587,933)**
Net position, beginning of year	12,712,572
Net position, end of year	$ 11,124,639

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED APRIL 30, 2025

	Business-type Activities – Enterprise Fund Combined Utility
Cash Flows from Operating Activities	
Cash received from:	
Combined utility sales and services, penalties, reconnect fees and other revenue	$ 17,197,038
Cash paid to (for):	
Employee salaries and related costs, and combined utility operations	(15,986,473)
Net cash provided by (used in) operating activities	1,210,565
Cash Flows from Non-capital Financing Activities	
Operating grants received	—
Transfers to/from other funds	(2,473,707)
Non-operating revenue and expenses, net	21,492
Net cash provided by (used in) non-capital financing activities	(2,452,215)
Cash Flows from Capital and Related Financing Activities	
Acquisition and construction of capital assets	(700,902)
Capital grants and other	350,710
Interest paid on capital related debt and fiscal agent fees	(323,929)
Principal payments under bonds and capital leases	(575,302)
Net cash provided by (used in) capital and related financing activities	(1,249,423)
Cash Flows from Investing Activities	
Interest received	160,317
Change in purchases/sales of investments and accrued income	(12,327)
Net cash provided by (used in) investing activities	147,990
Net increase (decrease) in cash and cash equivalents	**(2,343,083)**
Cash and cash equivalents, beginning of year (of which $3,492,004 is restricted)	3,363,494
Cash and cash equivalents, end of year (of which $3,257,176 restricted)	$ 1,020,411
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	$ 318,629
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation expense	1,313,783
Changes in certain assets and liabilities:	
(Increase) decrease in accounts receivable	50,083
(Increase) decrease in inventory and prepaid items	2,774
Increase (decrease) in accounts payable/accrued expenses	95,765
Increase (decrease) in accrued compensated absences	23,667
Increase (decrease) in customer deposits	37,389
Increase (decrease) in internal balances due to other funds	(401,748)
(Increase) decrease in deferred outflows of resources	121,226
Increase (decrease) in deferred inflows of resources	4,927
Increase (decrease) in net pension liabilities	(355,930)
Net cash provided by (used in) operating activities	$ 1,210,565

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

APRIL 30, 2025

	Custodial Fund Firemen's 1% Fund
Assets	
Cash and cash equivalents	$ 68,305
Total assets	$ 68,305
Net Position	
Amounts held for City Firemen's	$ 68,305
Total net position	$ 68,305

See accompanying notes to financial statements.

CITY OF BENNETTSVILLE, SOUTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUND

YEAR ENDED APRIL 30, 2025

	Custodial Fund
	Firemen's 1% Fund
Additions	
Contributions:	
Amounts collected from the State	$ 44,870
Interest income	1,049
Total additions	45,919
Deductions	
Payments made for City firemen's association activities	41,181
Total deductions	41,181
Change in net position	**4,738**
Net position, beginning of year	63,567
Net position, end of year	$ 68,305

See accompanying notes to financial statements.

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.

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Governmental Funds

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting (Continued)

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. The City's policy for applying expenses that can use both restricted and unrestricted resources is to first apply the expense to restricted resources then to unrestricted resources.

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

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

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

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 $8,528,243. Actual expenditures totaled $8,338,736. Budgeted transfers-in(out) netted to $2,913,707 with actual amounts netting to $3,030,799. The Combined Utility Fund operated under a budget totaling $14,918,623, (which does not include non-operating expenses, transfers, debt service and capital outlay). Actual operating expenses totaled $16,865,715 (including a non-budgetary charge of $1,313,783 for depreciation), plus net non-operating expenses totaled $83,161, and transfers-out totaled $2,473,707.

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.

1. Summary of Significant Accounting Policies (Continued)

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

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

Capital Assets and Right-to-use Leased Assets
Capital assets, which include land, buildings, improvements, machinery and equipment, and infrastructure assets, are reported in the applicable Governmental or Business-type Activities columns in the Government-wide financial statements. Capital assets are defined by the City as those assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. All capital assets are valued at historical cost if purchased or constructed, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

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

Long-term Obligations
In the Government-wide financial statements, and the Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental Activities, Business-type Activities, or Proprietary Fund type Statement of Net Position. Long-term debt represents unmatured principal of general obligation and revenue bond indebtedness, and outstanding portions due on long-term contracts. Other long-term obligations represent outstanding net present value portions due on lease obligations, and long-term portions of claims or judgments. Liabilities arising from interfund activities do not constitute general long-term liabilities. Bond issuance costs, as well as bond premiums and discounts, are expensed during the period pursuant to GASB Statement No. 65.

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

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Property Taxes
The City assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real property and personal property of every description owned and used in the City, except that which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the 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.

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

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

Deferred Inflows/Outflows of Resources

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

Comparative Data and Reclassifications

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

Use of Estimates

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

2. Deposits and Investments

As of April 30, 2025, the City had the following cash and investment balances:

Cash on hand	$ 2,343
Carrying amount of deposits	1,181,515
Investments	4,101,306
Totals	$ 5,285,164
Statement of Net Position balances:	
Cash and cash equivalents:	
Unrestricted	$ 1,175,025
Restricted	3,459,520
Fiduciary	68,305
Equity in pooled cash	(195,619)
Investments	1,535,547
Totals	$ 5,285,164

2. Deposits and Investments (Continued)

Deposits

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

Custodial credit risk for deposits is the risk that in the event of a depository institution's failure, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. Deposits include cash and cash equivalents on deposits in banks or the State Treasurer Investment Pool and non-negotiable certificates of deposits. At April 30, 2025, the carrying amount of the City's deposits with financial institutions equaled $1,181,515, and the bank balances totaled $1,711,247. Of the bank balances, approximately $1,186,278 was covered by federal depository insurance with the balance collateralized by securities held by the financial institution in the City's name.

Investments

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

Types of investments at April 30, 2025 were certificates of deposit with a financial institution, securities of the U.S. Treasury or agencies, mutual funds of governmental agency securities, and corporate bonds and notes as follows:

	Fair Value	Maturity
Certificate of deposit – 4.00%	$ 164,646	10/27/2026
Federal government agencies' securities	1,370,901	Varies
Mutual and money market (debt service trust) funds	2,565,759	Varies
Total fair value	$ 4,101,306	

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, 2025, 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, 2025.

3. Restricted Assets

Restricted cash and cash equivalents reported for the Governmental Activities totaled $202,344 at April 30, 2025. Of this total, $27,820 was restricted to the Fire Department Activity; $13,834 for community center deposits; $4,564 for capital projects; $93,911for housing-related assistance; and $62,215 restricted for municipal court, and law enforcement activities. Restricted cash and cash equivalents reported in the Business-type Activities totaled $3,257,176 at April 30, 2025. Of this total, $2,348,513 was for construction projects authorized by the Combined Utility System Revenue Bonds, Series 2022B, plus the Series 2009 A & B, and Series 2022 A & B, Debt Service Reserve Funds totaling $217,246. The remaining balance of $691,417 represents funds received from the South Carolina Public Service Authority (Santee Cooper) as part of their settlement to the City for the failed nuclear-power plant project.

4. Receivables

Accounts receivable at April 30, 2025, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities
Property taxes	$ 1,803,984	$ —
Sanitation fees	76,138	—
Upper Story housing notes receivables, net *(see Note16)*	316,273	—
Other housing-related notes receivables	207,358	—
Lot clearing fees and other	193,746	—
Combined Utility Accounts	—	975,092
Total receivables	2,597,499	975,092
Less, allowance for uncollectible accounts	(2,142,874)	(5,000)
Receivables, net	$ 454,625	$ 970,092

Housing-related notes receivable at April 30, 2025, including the Upper Story Housing notes, less the applicable allowances for uncollectible accounts and unrealized imputed interest are as follows:

	Governmental Activities
Upper Story Housing *(see Note 16)*	$ 880,000
Housing Rehabilitation	111,836
Housing Assistance	80,533
CDBG Repayment Fund	14,989
Total notes receivable	1,087,358
Less, allowance for uncollectible accounts and unrealized imputed interest	(771,085)
Notes receivables, net	$ 316,273

5. Internal Balances

A. Due to/from Other Funds

Short-term interfund receivables and payables at April 30, 2025, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	$ 4,605,141	$ (1,498)
Special Revenue Fund	1,498	(34,538)
Capital Project Fund	82,630	(2,715,887)
Utility Fund	81,018	(2,018,364)
Total interfund balances	4,770,287	(4,770,287)
Less, eliminations	(2,832,941)	2,832,941
Internal balances, net	$ 1,937,346	$ (1,937,346)

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

B. Transfers to/from Other Funds

Transfers in (out) for the year ended April 30, 2025 are summarized below:

	Transfers In	Transfers (Out)
General Fund	$ 3,030,799	$ —
Special Revenue Funds	—	(557,092)
Capital Project Fund	—	—
Utility Fund	—	(2,473,707)
	$ 3,030,799	$ (3,030,799)

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, 2025, net transfers between Governmental Activities and Business-type Activities totaled $2,473,707 budgeted for indirect overhead operating activities to the General Fund. Additionally, if the Governmental Activities transferred capital assets to the Business-type they would have been reported as both transfer-out and contributed capital, respectively in the Statement of Activities. There were no capital assets transferred during the year ended April 30, 2025.

6. Capital Assets

A summary of the changes in the City's capital assets during the year ended April 30, 2025, are as follows:

A. Governmental Activities:

	Balance April 30, 2024	Additions	Retirements	Transfers	Balance April 30, 2025
Capital assets not being depreciated:					
Land	$ 572,233	$ —	$ —	$ —	$ 572,233
Construction in progress	—	—	—	—	—
Total capital assets not being depreciated	572,233	—	—	—	572,233
Capital assets being depreciated:					
Land improvements	118,195	—	—	—	118,195
Buildings and improvements	3,174,082	128,762	—	—	3,302,844
Facades, parking and improvements	4,878,137	24,735	—	—	4,902,872
Furniture, fixtures, and equipment	3,194,745	534,844	—	—	3,729,589
Vehicles	3,487,272	55,932	—	—	3,543,204
Totals capital assets being depreciated	14,852,431	744,273	—	—	15,596,704
Less, accumulated depreciation for:					
Land improvements	(106,602)	(930)	—	—	(107,532)
Buildings and improvements	(1,541,012)	(92,533)	—	—	(1,633,545)
Facades, parking and improvements	(3,687,704)	(143,074)	—	—	(3,830,778)
Furniture, fixtures, and equipment	(2,179,211)	(200,652)	—	—	(2,379,863)
Vehicles	(2,466,354)	(151,169)	—	—	(2,617,523)
Total accumulated depreciation	(9,980,883)	(588,358)	—	—	(10,569,241)
Total capital assets being depreciated, net	4,871,548	155,915	—		5,027,463
Net capital assets – Governmental Activities	$ 5,443,781	$ 155,915	$ —	$ —	$ 5,599,696

6. Capital Assets (Continued)

A. Governmental Activities (continued):

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

General government	$ 335,364
Public safety	176,507
Public works	64,719
Culture and recreation	11,768
Total depreciation expense	$ 588,359

B. Business-Type Activities:

	Balance April 30, 2024	Additions	Retirements	Transfers	Balance April 30, 2025
Capital assets not being depreciated:					
Land	$ 447,359	$ —	$ —	$ —	$ 447,359
Construction in progress	437,049	582,820	—	(196,610)	823,259
Total capital assets not being depreciated	884,408	582,820	—	(196,610)	1,270,618
Capital assets being depreciated:					
Buildings and improvements	2,061,004	—	—	—	2,061,004
Systems improvements	47,009,783	77,218	—	196,610	47,283,611
Equipment and vehicles	4,404,772	122,942	—	—	4,527,714
Total capital assets being depreciated	53,475,559	200,160	—	196,610	53,872,329
Less, accumulated depreciation for:					
Buildings and improvements	(730,060)	(31,208)	—	—	(761,268)
Systems improvements	(24,481,453)	(1,074,446)	—	—	(25,555,899)
Equipment and vehicles	(3,510,081)	(208,129)	—	—	(3,718,210)
Total accumulated depreciation	(28,721,594)	(1,313,783)	—	—	(30,035,377)
Total capital assets being depreciated, net	24,753,965	(1,113,623)	—	196,610	23,836,952
Net capital assets – Business-type activities	$ 25,638,373	$ (530,803)	$ —	$ —	$ 25,107,570

Depreciation expense for Business-type Activities and the Proprietary Fund equaled $1,313,783 for the year ended April 30, 2025.

7. Long-Term Debt

The City's long-term debt (excluding 'right-to-use' vehicle leases – S*ee Note 8*) consists of the following:

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

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

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

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

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

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

7. Long-Term Debt (Continued)

Events and Remedies of Default

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

Refunded Series 2013 Revenue Bonds

The City issued Series 2022A, Combined Utility System Refunding Revenue Bonds, to 'advanced refund' the outstanding amounts of the Series 2013 Revenue Bonds. At the date of delivery, April 7, 2022, proceeds of the Series 2022A Bonds, net of costs of issuance, were deposited with U.S. Bank National Association, as Trustee, to redeem $6,980,000 principal amount outstanding (along with interest of $541,075 due through call date) of the Series 2013 Bonds maturing February 1, 2024 through 2034, inclusive. The refunding resulted in a cash flow deficit of $333,036 from the old remaining debt service to the new debt service requirements, and an economic (present value) gain of $100,075.

SRF Loan Forgiveness

During 2024, the City entered into a Loan Assistance Agreement totaling $498,620 with the SC Water Quality Revolving Fund Authority, dated March 29, 2024, relating to certain sewer system evaluation. Per the agreement, the loan will not accrue interest and the principal will be forgiven in its entity as long as it is expended on the approved project. The term of the agreement expires upon the satisfaction of the requirements. As of April 30, 2025, the City expended $82,200 of the assistance funding and anticipates expending the remaining balance in FY 25-26.

7. Long-Term Debt (continued)

Long-term debt (excluding vehicle leases) of the City at April 30, 2025 consists of the following:

A. Governmental Activities

Installment note contracts	$ —
Less, current portions (due within one year)	—
Net long-term debt – Governmental Activities	**$** —

B. Business–Type Activities

Series 2009A South Carolina Water Pollution Control Revolving Fund Loan, dated 8/31/09, due in quarterly installments of $20,146 through October 1, 2030; interest at 1.85%.	$ 400,884
Series 2009B South Carolina Drinking Water Revolving Fund Loan, dated 8/31/09, due in quarterly installments of $25,366 through September 1, 2040; interest at 1.88%.	1,347,846
Series 2022A Combined Utility System Refunding Revenue Bond (Taxable Series), dated 4/7/2022 payable semi-annually with interest fixed at 3.25% per annum; final payment due February 2036.	6,121,000
Series 2022B Combined Utility System Revenue Bond, dated 4/7/2022, payable semi-annually with interest fixed at 2.79% per annum; final payment due February 2040.	2,436,000
	10,305,730
Less, current portions (due within one year):	(591,934)
Net long-term debt – Business-type Activities	**$ 9,713,796**

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, 2025, were as follows:

	Outstanding 4/30/24	Additions	Retirements	Outstanding 4/30/25
Governmental Activities:				
Installment note contract	$ —	$ —	$ —	$ —
Business-type Activities:				
Series 2009A SRF Loan	$ 472,754	$ —	$ (71,870)	$ 400,884
Series 2009B SRF Loan	$ 1,422,278	$ —	$ (74,432)	$ 1,347,846
Series 2022A Refunding Revenue Bond	$ 6,550,000	$ —	$ (429,000)	$ 6,121,000
Series 2022B Revenue Bond	$ 2,436,000	$ —	$ —	$ 2,436,000

D. Accrued Compensated Absences

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

	Balances 4/30/24	Additions	Deletions	Balances 4/30/25
Governmental Activities:	$ 305,492	$ 3,628	$ —	$ 309,120
Business-type Activities	108,713	23,667	—	132,380
	$ 414,205	$ 27,295	$ —	$ 441,500

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:

	SRF Loan - Series 2009A		
Fiscal Year	**Principal**	**Interest**	**Total**
2026	$ 73,231	$ 7,353	$ 80,584
2027	74,640	5,944	80,584
2028	76,098	4,486	80,584
2029	77,608	2,976	80,584
2030	79,172	1,412	80,584
2031	20,135	12	20,147
	$ 400,884	**$ 22,183**	**$ 423,067**

	SRF Loan – Series 2009B		
Fiscal Year	**Principal**	**Interest**	**Total**
2026	$ 75,703	$ 25,760	$ 101,463
2027	77,020	24,443	101,463
2028	78,383	23,080	101,463
2029	79,793	21,670	101,463
2030	81,256	20,207	101,463
2031	82,769	18,694	101,463
2032	84,336	17,127	101,463
2033	85,959	15,504	101,463
2034	88,206	13,257	101,463
2035	89,379	12,084	101,463
2036	91,180	10,283	101,463
2037	93,046	8,417	101,463
2038	94,977	6,486	101,463
2039	96,977	4,486	101,463
2040	99,048	2,415	101,463
2041	49,814	919	50,731
	$1,347,846	**$ 224,832**	**$1,572,674**

7. Long-Term Debt (Continued)

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

	Series 2022A – Taxable Refunding Revenue Bond		
Fiscal Year	**Principal**	**Interest**	**Total**
2026	$ 443,000	$ 198,933	$ 641,933
2027	457,000	184,535	641,535
2028	472,000	169,683	641,683
2029	487,000	154,343	641,343
2030	503,000	138,515	641,515
2031	560,000	122,168	682,168
2032	618,000	103,968	721,968
2033	638,000	83,883	721,883
2034	659,000	63,148	722,148
2035	680,000	41,730	721,730
2036	604,000	19,630	623,630
	$6,121,000	**$1,280,536**	**$7,401,536**

	Series 2022B Revenue Bond		
Fiscal Year	**Principal**	**Interest**	**Total**
2026	$ —	$ 65,528	$ 65,528
2027	—	65,528	65,528
2028	—	65,528	65,528
2029	—	65,528	65,528
2030	—	65,528	65,528
2031	—	65,528	65,528
2032	—	65,528	65,528
2033	—	65,528	65,528
2034	—	65,528	65,528
2035	—	65,528	65,528
2036	98,000	65,528	163,528
2037	561,000	62,892	623,892
2038	577,000	47,801	624,801
2039	592,000	32,280	624,280
2040	608,000	16,355	624,355
	$2,436,000	**$ 880,136**	**$ 3,316,136**

8. Leases - Vehicles

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

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

Pursuant to GASB Statement No. 87, *Leases*, requires the City to account for leases as exchange-like transaction for the 'right-to-use' the asset over the lease term or their respective useful life. Accordingly, the City reports the assets as non-current assets and amortizes such value to expenses. The lease debt is being reported at the present value of the future minimum lease payments. Monthly payments are recognized as principal reduction and interest expense. At April 30, 2025, the City had 33 leased vehicles outstanding with a net book value of $358,534 represented by a 'right to-use' value of $1,072,774 less the related accumulated amortization of $898,023. Amortization expense totaled $183,783 for the year ended April 30, 2025. The lease payments have an annual percentage interest rate ranging from 4.19% to 8.97%, with an effective rate equal to 6.36%. Changes in the lease debt during the year ended April 30, 2025, were as follows:

Governmental Activities:	Outstanding 4/30/24	Additions	Deletions	Outstanding 4/30/25
Vehicle leases	$ 396,175	$ —	(141,255)	$ 254,920

The annual debt service requirements are as follows:

	Vehicle Leases		
Fiscal Year	**Principal**	**Interest**	**Total**
2026	$ 116,022	$ 16,231	$ 132,253
2027	103,385	8,844	112,229
2028	35,513	2,261	37,773
	$ 254,920	**$ 27,336**	**$ 282,255**

9. Net Position and Fund Balances

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

	Governmental Activities	Business-type Activities
Net Investment in Capital and Leased Assets:		
Net capital assets	$ 5,599,696	$ 25,107,570
Right-to-use leased assets, net	174,751	—
Less, long-term debt payables	(254,920)	(10,305,730)
Total net investment in capital and leased assets	$ 5,519,527	$ 14,801,840

	Governmental Activities	Business-type Activities
Restricted for:		
Pensions	$ 585,209	$ 306,105
Debt services	—	—
Capital projects	—	2,348,513
Housing assistance	93,911	—
Community development	600	—
Fire prevention and education	27,820	—
Public safety and municipal court	26,866	—
Total restricted	$ 734,406	$ 2,654,618

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

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Non-spendable:				
Inventory and prepaid items	$ 68,880	$ —	$ —	$ 68,880
Restricted for:				
Housing assistance	—	—	93,911	93,911
Community center	600	—	—	600
Fire prevention and education	27,820	—	—	27,820
Municipal court	—	—	26,866	26,866
	28,420	—	120,777	149,197
Assigned to:				
Police department	—	—		—
Tourism and hospitality	—	—	21,175	21,175
Underground storage tanks (UST)	25,000	—	—	25,000
	25,000	—	21,175	46,175
Unassigned (deficit)	3,596,857	(57,584)	861,592	4,400,865
Totals	**$ 3,719,157**	**$ (57,584)**	**$ 1,003,544**	**$ 4,665,117**

10. Employee Retirement

Plan Descriptions

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 part of 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.

Both the new SCRS and PORS offer retirement and disability benefits, cost of living adjstments (on an ad hoc basis), life insurance, and survivor benefits.

Benefits

Benefits of the retirement systems are established by state statutes. Under current statutes, non-public safety 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.

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

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

The SCRS plan measurement year ended June 30, 2024, is used for determining pension liability for City's fiscal year ended April 30, 2025. State statutes determine the levels of contributions required by both employees and employers.

For the plan's measurement year ended June 30, 2024, SCRS contribution rate for non-public safety employees was 9.00 percent of pensionable wages, and the employer contribution rate was 16.41 percent plus .15 percent for incidental death benefit coverage, for a total rate of 15.56 percent of pensionable wages. For PORS, the contribution rate for public safety employees was 9.75 percent of pensionable wages, and the employer contribution rate was 18.84 percent, plus .20 percent for group life and .20 percent for accidental death benefits coverage, for a total rate of 19.24 percent of pensionable wages.

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

10. Employee Retirement (Continued)

Funding Policy (continued)

Also effective July 1, 2017, legislation was passed where the employer required contribution rate would annually increase by 1.00 percent for five years to reach an ultimate rate of 18.41 percent plus .15 percent for incidental death benefit coverage, for a total rate of 18.56 percent for non-public safety employees ("SCRS") and an ultimate rate of 20.84 percent plus .20 percent for incidental death benefit coverage and .20 percent for accidental death benefits coverage for a total rate of 21.24 percent for public safety employees ("PORS") by July 1, 2023 (subsequently deferred to July 1, 2024).

Effective July 1, 2024 (plan measurement year 2025), the City made its SCRS employer required contributions at a rate of 18.41 percent, plus .15 percent for incidental death benefit coverage, and its PORS employer required contributions at a rate of 20.84 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, 2025, 2024 and 2023 were approximately $5,661,891, $5,217,554, and $5,139,668, respectively, and contributed 100% of the required contributions for each year as shown in the table below.

	SCRS			PORS		
	2025	**2024**	**2022**	**2025**	**2024**	**2022**
Wages:						
Pensionable	$ 3,625,756	$ 3,189,626	$ 3,118,964	$ 2,036,135	$ 2,027,928	$ 2,020,704
Contribution Rates:						
Employees	9.00%	9.00%	9.00%	9.75%	9.75%	9.75%
Employer	18.41%	18.41%	17.41%	20.84%	20.84%	19.84%
Contributions:						
Employees	$ 326,318	$ 287,067	$ 280,707	$ 198,523	$ 197,723	$ 197,019
Employer	$ 661,502	$ 581,217	$ 538,176	$ 424,330	$ 418,720	$ 397,927

For the next plan measurement period July 1, 2024 to June 30, 2025, SCRS contribution rate for non-public safety employees remains 9.00 percent of pensionable wages, and the employer contribution rate remains 19.41 percent plus .15 percent for incidental death benefit coverage, for a total rate of 18.56 percent of pensionable wages. For PORS, the contribution rate for public safety employees remains 9.75 percent of pensionable wages, and the employer contribution rate remains 20.84 percent, plus .20 percent for group life and .20 percent for accidental death benefits coverage, for a total rate of 21.24 percent of pensionable wages.

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

At April 30, 2025, the City reported a liability of $8,613,386 for the plan measurement period June 30, 2024 for its proportionate share of the net pension liabilities, of which $5,549,285 was for SCRS ($2,317,919 in the Governmental Activities and $3,231,366 in the Business-type Activities) and $3,064,101 was for PORS (all in Governmental Activities).

10. Employee Retirement (Continued)

Net Pension Liabilities, Pension Expenses, Deferred Outflows/Inflows of Resources (continued)
The net pension liabilities were measured by PEBA as of June 30, 2024 and the total pension liabilities used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 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, 2024, PEBA reported the City's proportion of the collective net pension liability was 0.023664% for SCRS and 0.102144% for PORS.

For the year ended April 30, 2025, the City recognized pension expense $427,162 of which, $255,062 was for SCRS ($109,140 in Governmental Activities and $145,922 in the Business-type Activities) and $172,100 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, 2024, follows:

	SCRS	PORS	Total
Pension expense:			
Service cost	$ 279,825	$ 246,059	$ 525,884
Interest on total pension liability	948,388	665,777	1,614,165
Changes in plan benefits	—	—	—
Plan administrative costs	4,296	3,441	7,737
Plan member contributions	(264,424)	(201,936)	(466,360)
Expected return on plan assets	(568,325)	(461,533)	(1,029,858)
Recognition of net amortization:			
Plan performance, net	83,603	120,993	204,596
Assumption changes, net	132,168	100,754	232,922
Investment experience, net	(91,689)	(39,914)	(131,603)
Allocated proportion change, net	(280,557)	(216,822)	(497,379)
Other	11,777	(44,719)	(32,942)
Total pension expense	255,062	172,100	427,162
PEBA employer contributions	(571,969)	(409,330)	(981,299)
Non-member contributions	(31,573)	(18,609)	(50,182)
Total contributions	(603,542)	(427,939)	(1,031,481)
Changes in deferred items (net of amortization):			
Outflow – Plan performance	74,979	115,020	189,999
Outflow – Assumption changes	3,063	(13,175)	(10,112)
Outflow – Investment experience	(308,719)	(286,758)	(595,477)
Outflow – Allocated proportion change	(21,559)	(23,543)	(45,102)
Inflow – Plan Performance	10,266	27,683	37,949
Inflow – Assumption changes	—	—	—
Inflow – Investment experience	103,370	121,272	224,642
Inflow – Allocated proportion change	(149,077)	(291,109)	(440,186)
	(287,677)	(350,610)	(638,287)
Total change in net pension liability	**$ (636,157)**	**$ (606,449)**	**$(1,242,606)**

10. Employee Retirement (Continued)

Net Pension Liabilities, Pension Expenses, Deferred Outflows/Inflows of Resources (continued)
At April 30, 2025, 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	$ 182,369	$ 287,759	$ 470,128
Changes of assumptions	97,833	66,711	164,544
Net difference between projected and actual earnings on pension plan investments	299,217	238,138	537,355
Changes in allocated proportion	—	3,061	3,061
Total before City Contributions	579,419	595,669	1,175,088
City contributions subsequent to the measurement date	546,616	344,698	891,314
Total	$ 1,126,035	$ 940,367	$ 2,066,402

	Deferred Inflows of Resources Related to Pensions		
	SCRS	PORS	Total
Differences between expected and actual plan performance	$ (6,887)	$ (17,567)	$ (24,454)
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on pension plan investments	(513,033)	(409,924)	(922,957)
Changes in allocated proportion	(508,946)	(546,216)	(1,055,162)
Total	$ (1,028,866)	$ (973,707)	$ (2,002,573)

10. Employee Retirement (Continued)

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

	Net Deferrals Related to Pensions		
	SCRS	PORS	Total
Differences between expected and actual plan performance	$ 175,482	$ 270,192	$ 445,674
Changes of assumptions	97,833	66,711	164,544
Net difference between projected and actual earnings on pension plan investments	(213,816)	(171,786)	(385,602)
Changes in allocated proportion	(508,946)	(543,155)	(1,052,101)
Total	$ (449,447)	$ (378,038)	$ (827,485)

The $818,220 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources Related to Pensions		
	SCRS	PORS	Total
Year ended April 30:			
2026	$ (281,437)	$ (303,425)	$ (584,862)
2027	(246,182)	(221,613)	(467,795)
2028	(51,800)	(70,631)	(122,431)
	$ (246,182)	$ (221,613)	$ (467,795)

	Deferred Inflows of Resources Related to Pensions		
	SCRS	PORS	Total
Year ended April 30:			
2026	$ 603,896	$ 540,342	$ 1,144,238
2027	224,048	244,345	468,393
2028	189,431	189,020	378,451
2029	11,491	—	11,491
	$ 1,028,866	$ 973,707	$ 2,002,573

10. Employee Retirement (Continued)

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

	Net Deferrals Related to Pensions		
	SCRS	**PORS**	**Total**
Year ended April 30:			
2026	$ 325,459	$ 236,917	$ 562,376
2027	(22,134)	22,732	598
2028	137,631	18,389	156,020
2029	11,491	—	11,491
	$ 449,447	$ 378,038	$ 827,485

10. Employee Retirement (Continued)

Actuarial Assumptions

The total pension liabilities in the GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* measured as of June 30, 2024, was based on the July 1, 2023 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 24 years, closed period	Max of 24 years, closed period
Inflation	2.25 percent	2.25 percent
Salary Increases	3.0 – 11.0 percent plus step-rate increases for members with less than 21 years of service including inflation	3.5% to 10.5% plus step-rate increases for members with less than 15 years of service including inflation
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation	7.0 percent, net of pension plan investment expense, including inflation
Benefit increases	Lesser of 1% or $500 annually	Lesser of 1% or $500 annually
Mortality	The 2020 Public Retirees of South Carolina Mortality Tables for Males and Females projected at 80% of Scale UMP from the year 2020. Male rates at 97% for non-educators and 95% for educators. Female rates a 107% for non-educators and 94% for educators.	The 2020 Public Retirees of South Carolina Mortality Tables for Males and Females both projected at 80% of Scale UMP from the year 2020. Male and female rates at 127% and 107%, respectively.

10. Employee Retirement (Continued)

Actuarial Assumptions (continued)

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

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The actuarial assumptions used in the plans' GASB Statement No. 67 valuation reports were prepared as of June 30, 2024, and are based on the results of an actuarial experience study for the period ended on June 30, 2019. A more recent experience study report on the plans was issued for the period ended June 30. 2023, which will be used for future valuations.

For the plan measurement year ended June 30, 2024 total pension liability, net pension liability and sensitivity information were determined based on the July 1, 2023, actuarial valuations, as adopted by the PEBA Board and State Fiscal Accountability Authority which utilized membership data as of July 1, 2023. The consulting actuary for PEBA was Gabriel, Roeder, Smith and Company (GRS). The total pension liability was rolled forward from the valuation date to the plan's fiscal year ended June 30, 2024, using generally accepted actuarial principles. The Act included a provision to reduce the assumed rate of return from 7.25% to 7.00% effective July 1, 2021. That rate is still in effect.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 20-year capital market assumptions at the beginning of the Plans' 2024 fiscal year: July 1, 2023. Expected returns are net of investment fees. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using an arithmetic building block approach, primarily based observable inflation and interest rate information available in the fixed income markets as well as consensus economic expectations and market inputs. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

10. Employee Retirement (Continued)

Long-term Expected Rate of Return (continued)

The RISC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the SCRS System, statutory provisions and governance policies allow the RISC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return (5.49%), along with the expected inflation rate (2.25%) for an expected nominal return of 7.74%, form the basis for the target asset allocation adopted annually by the RISC (at the beginning of the Plans' 2024 fiscal year – July 1, 2023). For actuarial purposes, the long-term expected rate of return is calculated by weighing the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below.

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

Asset Class	Policy Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	**46.0%**	**6.23%**	**2.86%**
Bonds	**26.0%**	**2.60%**	**0.68%**
Private Equity [1]	**9.0%**	**9.60%**	**0.86%**
Private Debt [1]	**7.0%**	**6.90%**	**0.48%**
Real Assets [1]	**12.0%**	**11.60%**	**0.61%**
Real estate [1]	9.0%	4.30%	0.39%
Infrastructure [1]	3.0%	7.30%	0.22%
Total expected return [2]	100.0%		5.49%
Inflation for actuarial purposes			2.25%
Total expected nominal return			7.74%

[1] RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Estate Assets exceeds 30 percent of total plan assets.

[2] Portalde Alpha Strategies, which utilize Hedge Funds (not included in the Policy Target) will be capped at 15% of total assets.

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

10. Employee Retirement (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities as of June 30, 2024, was 7.0 percent (meeting statutory requirement). The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0) percent than the current rate:

	City's proportionate share of the net pension liabilities to changes in the discount rate		
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
SCRS	$ 7,191,246	$ 5,549,285	$ 4,037,169
PORS	$ 4,439,295	$ 3,064,101	$ 1,937,745

Pension Plans Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PEBA financial report. A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS and PORS, which is issued and publicly available on the website www.peba.sc.gov, or a copy may be obtained by submitting in writing a request to the PEBA, South Carolina Retirement System, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the State.

11. Post-Employment Benefits Other Than Pension

Plan Description

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

Annual Other Post-Employment Benefit (OPEB) Cost

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

12. Due From (To) Other Governments

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

13. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the South Carolina State Insurance Reserve Fund. Through the Fund, the City maintains property insurance at replacement value and contents coverage at actual value. The City also maintains tort and fleet auto coverage through the Fund. The City has also transferred a portion of its risk of loss for health insurance and workers compensation claims to various state agencies and commercial insurance carriers. For the year ended April 30, 2025, the City incurred $1,136,518 in health care premiums and approximately $373,151 in worker's compensation premiums.

14. Contingencies and Commitments

Litigation

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

Federal and State Assisted Programs

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

Facilities Abandonment Charge

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

15. Reconciliation of Government-wide and Fund Financial Statements

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

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

Capital assets in governmental activities are not financial resources and therefore are not reported in the fund financial statements:	
Capital assets	$ 16,168,937
Less, accumulated depreciation	(10,569,241)
Right-to-use leased assets	1,072,774
Less, accumulated amortization	(898,023)
Net amount reported	$ 5,774,447
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	316,273
Net amount reported	$ (563,727)
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.	$ 1,436,112
Deferred inflows related to pensions are not due and payable in the current period and, therefore, are not reported in the fund financial statements	(1,426,923)
Net amount reported	$ 9,189
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	$ —
Long-term debt	—
Right-to-use leased assets payable	(254,920)
Accrued compensated absences	(309,120)
Net pension liabilities	(5,382,020)
Net amount reported	$ (5,946,060)

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

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

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.		
Capital outlay expenditures	$	744,273
Right-to-use leased assets expenditures		—
Less, depreciation expense		(588,358)
Less, amortization expense		(183,783)
Net amount reported	$	(27,868)

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	$	(3,628)
Pension expenses		447,636
Imputed interest realized		15,061
Loss or disposal of capital assets		—
Net amount reported	$	459,069

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	$	—
Principal payments – bonds and installment note obligations		—
Principal payments – leased assets obligations		321,175
Interest payments – leased assets obligations		—
Leased assets contract – new		—
Net amount reported	$	321,175

16. Notes Receivable – Upper Story Housing

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

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

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

These mortgage notes have been recorded in the Government-wide Financial Statements – Governmental Activities equal to $316,273, net of unrealized imputed interest of $563,727 at April 30, 2025. The outstanding principal balance of these notes ($880,000) have been reported as a Special Revenue Fund and reserved fund balance for the Upper Story Housing project in housing assistance.

17. Subsequent Events and Commitments

The City received $3,848,334 in American Recovery and Protection Act (ARPA) funds. As of April 30,2025, the City has expended a total of $2,628,051 in ARPA funds. All ARPA fund expenditures must be incurred for authorized projects by December 31, 2024, and paid by December 31, 2026. At April 30, 2025, the unspent balance equaled $1,220,283 and has been reported as unearned revenue. Any remaining balances at December 31, 2026 must be returned to the U.S. Department of the Treasury.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BENNETTSVILLE, SOUTH CAROLINA

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED APRIL 30, 2025

	Budget			
	Original	Final	Actual	Variances Positive (Negative)
Revenue				
Taxes, penalties and fees	$ 1,260,000	$ 1,260,000	$ 1,486,963	$ 226,963
Local option sales tax	945,000	945,000	1,004,263	59,263
Licenses, permits & franchise fees	1,003,800	1,003,800	1,057,073	53,273
Fines and forfeitures	34,800	34,800	38,748	3,948
Intergovernmental	644,300	644,300	730,505	86,205
Charges for services	1,266,000	1,266,000	1,291,944	25,944
User fees	40,886	40,886	36,089	(4,797)
Interest income and other	67,750	67,750	114,306	46,556
Total revenue	**5,262,536**	**5,262,536**	**5,759,891**	**497,355**
Expenditures				
Current:				
General government	2,140,627	2,140,627	1,906,261	234,366
Public safety	3,836,251	3,836,251	4,252,959	(416,708)
Public works	1,703,937	1,703,937	1,833,021	(129,084)
Culture and recreation	318,165	318,165	309,532	8,633
Capital outlay	340,000	340,000	36,963	303,037
Debt service	189,263	189,263	-	189,263
Total expenditures	**8,528,243**	**8,528,243**	**8,338,736**	**189,507**
Excess (deficiency) of revenue over expenditures	(3,265,707)	(3,265,707)	(2,578,845)	686,862
Other Financing Sources (uses)				
Leased vehicle assets additions	—	—	—	—
Transfers in	2,913,707	2,913,707	3,030,799	117,092
Transfers (out)	—	—	—	—
Total other financing sources (uses)	2,913,707	2,913,707	3,030,799	117,092
Net change in fund balance	(352,000)	(352,000)	451,954	803,954
Fund balance, beginning of year	3,267,203	3,267,203	3,267,203	—
Fund balance, end of year	$ 2,915,203	$ 2,915,203	$ 3,719,157	$ 803,954

CITY OF BENNETTSVILLE, SOUTH CAROLINA

NOTES TO BUDGETARY COMPARISON SCHEDULE

APRIL 30, 2025

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 (4/30):	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
PEBA Plan Year (6/30):	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
City's proportion of the net pension liability	N/A	0.023664%	0.025584%	0.026386%	0.028430%	0.028031%	0.030483%	0.029304%	0.031050%	0.031963%
City's proportion share of the net pension liability	N/A	$ 5,549,285	$ 6,185,442	$ 6,396,630	$ 6,152,687	$ 7,162,524	$ 6,960,535	$ 6,566,119	$ 6,989,854	$ 6,827,250
City's covered-employee payroll	$ 3,625,756	$ 3,189,626	$ 3,118,964	$ 3,161,633	$ 3,184,321	$ 3,131,263	$ 3,204,511	$ 3,018,133	$ 3,154,959	$ 3,023,323
City's proportion share of the net pension liability as a percentage of its covered-employee payroll	N/A	174.0%	198.3%	202.3%	193.2%	228.7%	217.2%	217.6%	221.6%	225.8%
Plan fiduciary net position as a percentage of the total pension liability	N/A	61.8%	58.6%	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%

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

N/A – Not available

CITY OF BENNETTSVILLE, SOUTH CAROLINA

SCHEDULE OF THE CITY'S CONTRIBUTIONS

SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 661,502	$ 581,217	$ 538,176	$ 544,986	$ 528,056	$ 456,704	$ 432,089	$ 400,515	$ 357,602	$ 348,548
Less: State provided revenue credit [1]	(31,573)	(31,573)	(31,573)	(31,573)	(31,573)	(31,573)	(31,573)	(31,573)	—	—
Contributions in relation to the contractually required contribution	$ 629,929	$ 549,644	$ 506,603	$ 513,413	$ 496,483	$ 425,131	$ 456,704	$ 400,515	$ 357,602	$ 348,548
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
City's covered-employee payroll	$ 3,625,756	$ 3,189,626	$ 3,118,964	$ 3,161,633	$ 3,184,321	$ 3,131,263	$ 3,204,511	$ 3,018,113	$ 3,154,959	$ 3,023,323
Contributions as a percentage of pensionable wages	18.24%	18.22%	17.3%	16.2%	15.6%	14.6%	14.3%	13.3%	11.3%	11.5%

[1] Because the employer rate was increased by more than the maximum allowed, pension funding credits were provided annually by the State of South Carolina beginning with the twelve-month period ended 6/30/2018.

N/A – Not available

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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

POLICE OFFICERS RETIREMENT SYSTEM (PORS)

LAST TEN FISCAL YEARS*

City's Fiscal Year (4/30):	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
PEBA Plan Year (6/30):	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
City's proportion of the net pension liability (asset)	N/A	0.102144%	0.120579%	0.130986%	0.133382%	0.129970%	0.131284%	0.132760%	0.138470%	0.141970%
City's proportion share of the net pension liability (asset)	N/A	$ 3,064,101	$ 3,670,550	$ 3,928,235	$ 3,431,807	$ 4,310,097	$ 3,762,517	$ 3,761,799	$ 3,793,388	$ 3,601,059
City's covered employee payroll	$ 2,036,135	$ 2,027,928	$ 2,020,704	$ 2,098,466	$ 1,985,453	$ 1,966,905	$ 1,869,844	$ 1,866,506	$ 1,850,227	$ 1,881,759
City's proportion share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	151.1%	181.6%	187.2%	172.80%	219.10%	201.2%	201.5%	205.0%	191.4%
Plan fiduciary net position as a percentage of the total pension liability	N/A	70.5%	67.8%	66.4%	70.4%	58.8%	62.7%	61.7%	60.9%	60.4%

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

N/A – Not available

CITY OF BENNETTSVILLE, SOUTH CAROLINA

SCHEDULE OF THE CITY'S CONTRIBUTIONS

POLICE OFFICERS RETIREMENT SYSTEM (PORS)

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 424,330	$ 418,720	$ 397,927	$ 410,097	$ 380,148	$ 366,436	$ 330,224	$ 316,550	$ 254,708	$ 249,890
Less: State provided revenue credit[1]	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	(18,609)	—	—
Contributions in relation to the contractually required contribution	$ 405,721	$ 400,111	$ 379,318	$ 391,488	$ 361,539	$ 347,827	$ 311,615	$ 297,941	$ 254,708	$ 249,890
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
City's covered-employee payroll	$ 2,036,135	$ 2,027,928	$ 2,020,704	$ 2,098,466	$ 1,985,453	$ 1,966,905	$ 1,869,844	$ 1,866,506	$ 1,850,227	$ 1,881,759
Contributions as a percentage of covered-employee payroll	20.8%	20.6%	19.7%	18.7%	18.2%	17.7%	16.7%	16.0%	13.8%	13.3%

[1] Because the employer rate was increased by more than the maximum allowable increase, pension funding credits were provided annually by the State of South Carolina beginning with the twelve-month period ended 6/30/2018.

N/A – Not available

CITY OF BENNETTSVILLE, SOUTH CAROLINA

SCHEDULE OF THE CITY'S CONTRIBUTIONS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

APRIL 30, 2025

A. Pensions

Note: Disclosures are for the plan measurement year ended June 30, 2024. The plan changes for the year ended June 30, 2025 are not yet known..

SCRS & PORS: *Changes of benefit terms:* Plan measurement years: 2024: None. 2017 – 2023: None.

Changes to assumptions:

SCRS & PORS: *Investments*: Plan measurement years 2024: None. 2023: None. 2022: the assumed investment return was changed from 7.25% - 7.00% effective July 1, 2021. 2021: None. 2020: None. 2019: None. 2018: the assumed investment return was changed from 7.5% - 7.25% effective July 1, 2017.

SCRS & PORS: *Mortality:* Plan measurement years 2024: None. 2023: None. 2022: None. 2021: the mortality tables were changed from the 2016 Public Retirees of South Carolina Mortality Tables to the newly developed 2020 Public Retirees of South Carolina Mortality Tables with future improvements in mortality adjusted at 80% of Scale UMP projected from the next plan year. 2020: None. 2019: None. 2018: the mortality tables were changed from the RP-2000 Mortality Table to the newly developed 2016 Public Retirees of South Carolina Mortality Tables.

SCRS: *Projected salary increases:* Plan measurement years 2024: None. 2023: None. 2022: None. 2021: changed to 3.0% - 11.0% for members with less than 21 years of service from 3.5% - 12.5% for members with less than 21 years of service. 2020: None. 2019: None. 2018: changed to 3.0% - 12.5% for members with less than 21 years of service from 3.5% - 12.5% for members with less than 25 years of service.

PORS: *Projected salary increases:* Plan measurement years 2024: None. 2023: None. 2022: None. 2021: changed to 3.5% - 10.5% for members with less than 15 years of service from 3.5% to 9.5% for members with less than 15 years of service. 2020: None. 2019: None. 2018: changed to 3.5% - 9.5% for members with less than 15 years of service from 4.0% - 10.0% for members with less than 12 years of service.

SCRS & PORS: *Asset Valuation Method:* Plan measurement years 2024: None. 2019-2023: None. None. 2018: changed to 5-year smoothed from 20% difference recognition.

SCRS & PORS: *Inflation:* Plan measurement years 2024: None. 2019-2023: None. 2018: changed to 2.25% from 2.75%.

OTHER FINANCIAL INFORMATION

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINING ‘NON-MAJOR’ GOVERNMENTAL FINANCIAL STATEMENTS

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

APRIL 30, 2025

	Special Revenue Funds										
	Housing Rehabilitation Fund	Housing Assistance Fund	CDBG Repayment Fund	Upper Story Housing Fund	Tourism & Business Fund	Hospitality Fund	Municipal Court	Confiscated Drugs Fund	Donations/ Sponsorships	Totals	Debt Service Fund
Assets											
Cash and cash equivalents:											
Unrestricted	$ —	$ —	$ —	$ —	$ 21,175	$ —	$ —	$ —	$ —	$ 21,175	$ —
Restricted	39,528	29,592	24,791	—	—	—	29,989	32,226	—	156,126	—
Equity in pooled cash	—	—	—	—	—	—	—	—	3,000	3,000	—
Due from other funds	—	—	—	—	—	—	—	—	1,498	1,498	—
Notes receivables-housing assistance loans	111,836	80,533	14,989	880,000	—	—	—	—	—	1,087,358	—
Less, allowance for doubtful accounts	(111,836)	(80,533)	(14,989)	—	—	—	—	—	—	(207,358)	—
Total assets	$ 39,528	$ 29,592	$ 24,791	$ 880,000	$ 21,175	$ —	$ 29,989	$ 32,226	$ 4,498	$1,061,799	$ —
Liabilities and Fund Balances											
Liabilities:											
Accounts payable	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 618	$ 618	$ —
Deposits	—	—	—	—	—	—	3,123	19,976	—	23,099	—
Due to other funds	—	—	—	—	—	15,562	—	16,594	2,382	34,538	—
Total liabilities	—	—	—	—	—	15,562	3,123	36,570	3,000	58,255	—
Fund balances:											
Restricted for:											
Housing assistance	39,528	29,592	24,791	—	—	—	—	—	—	93,911	—
Court Administration	—	—	—	—	—	—	26,866	—	—	26,866	—
Assigned to:											
Police department	—	—	—	—	—	—	—	—	—	—	—
Tourism and community development	—	—	—	—	21,175	—	—	—	—	21,175	—
Unassigned (deficit)	—	—	—	880,000	—	(15,562)	—	(4,344)	1,498	861,592	—
Total fund balances	39,528	29,592	24,791	880,000	21,175	(15,562)	26,866	(4,344)	1,498	1,003,544	—
Total liabilities and fund balances	$ 39,528	$ 29,592	$ 24,791	$ 880,000	$ 21,175	$ —	$ 29,989	$ 32,226	$ 4,498	$1,061,799	$ —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED APRIL 30, 2025

	Special Revenue Funds										
	Housing Rehabilitation Fund	Housing Assistance Fund	CDBG Repayment Fund	Upper Story Housing Fund	Tourism & Business Fund	Hospitality Fund	Municipal Court	Confiscated Drugs Fund	Donations/ Sponsorships	Totals	Debt Service Fund
Revenue											
Fines and forfeitures	$ —	$ —	$ —	$ —	$ —	$ —	$ 83,602	$ 3,351	$ —	$ 86,953	$ —
Intergovernmental	—	452	—	—	100,956	399,205	—	—	—	500,613	—
Interest income	41	366	186	—	—	—	13	15	—	621	—
Contributions	—	—	—	—	—	—	—	—	4,498	4,498	—
Total revenue	41	818	186	—	100,956	399,205	83,615	3,366	4,498	592,685	—
Expenditures											
General government:											
Surcharges and assessments	—	—	—	—	—	—	84,402	—	—	84,402	—
Miscellaneous	175	—	—	—	—	—	—	1,459	3,016	4,650	—
Culture and recreation:											
Tourism related	—	—	—	—	221	21,125	—	—	—	21,346	—
Capital outlay	—	—	—	—	—	—	—	—	—	—	—
Debt retirement	—	—	—	—	—	—	—	—	—	—	—
Total expenditures	175	—	—	—	221	21,125	84,402	1,459	3,016	110,398	—
Excess (deficiency) of revenue over expenditures	(134)	818	186	—	100,735	378,080	(787)	1,907	1,482	482,287	—
Other Financing Sources (Uses)											
Transfers in (out)	—	—	—	—	(80,000)	(477,092)	—	—	—	(557,092)	—
Net change in fund balances	**(134)**	**818**	**186**	**—**	**20,735**	**(99,012)**	**(787)**	**1,907**	**1,482**	**(74,805)**	—
Fund balances (deficit), beginning of year	39,662	28,774	24,605	880,000	440	83,450	27,653	(6,251)	16	1,078,349	—
Fund balances (deficit), end of year	$ 39,528	$ 29,592	$ 24,791	$ 880,000	$ 21,175	$ (15,562)	$ 26,866	$ (4,344)	$ 1,498	$1,003,544	$ —

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, 2025
(With comparative amounts at year ended April 30, 2024)

	2025	2024
Assets		
Cash and cash equivalents:		
Unrestricted	$ 143	$ 81,517
Restricted	41,654	34,891
Equity in pooled cash (deficit)	(697,140)	533,363
Receivables:		
Property taxes	1,803,984	300,376
Sanitation	76,138	171,985
Other and notes	193,746	172,401
Less, allowances for doubtful accounts	(1,935,506)	(515,046)
Due from other governments	172,536	—
Due from other funds	4,605,141	3,986,876
Inventory and prepaid items	68,880	72,571
Total assets	**$ 4,329,576**	**$ 4,838,934**
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	$ 147,504	$ 60,737
Accrued payroll and related payables	195,894	11,144
Due to other funds	1,498	1,251,199
Unearned revenue – business licenses	252,289	234,151
Deposits	13,234	14,500
Total liabilities	610,419	1,571,731
Fund balances:		
Non-spendable	68,880	72,571
Restricted	28,420	20,391
Committed	—	—
Assigned – UST Program	25,000	25,000
Unassigned	3,596,857	3,149,241
Total fund balances	3,719,157	3,267,203
Total liabilities and fund balances	**$ 4,329,576**	**$ 4,838,934**

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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

YEAR ENDED APRIL 30, 2025
(With comparative actual amounts at year ended April 30, 2024)

	Final Budget	Actual	Variance Positive (Negative)	Prior Year
Revenue				
Taxes, penalties and fees	$ 1,260,000	$ 1,486,963	$ 226,963	$ 1,412,376
Local option sales tax	945,000	1,004,263	59,263	1,034,731
Licenses, permits, and franchise fees	1,003,800	1,057,073	53,273	1,065,133
Fines and forfeitures	34,800	38,748	3,948	33,824
Intergovernmental:				
Grants	56,000	77,031	21,031	114,882
State shared	388,300	480,938	92,638	353,253
Other intergovernmental	200,000	172,536	(27,464)	212,986
Charges for service:			—	
Solid waste collection fees	1,250,000	1,235,827	(14,173)	1,273,467
Lot clearing fees	16,000	56,117	40,117	24,650
User fees:				
Community and fitness center	38,300	33,907	(4,393)	34,190
Other rental fees	2,586	2,134	(452)	2,202
Interest income	—	48	48	43
Sale of capital assets	10,000	—	(10,000)	19,011
Contributions	8,000	7,893	(107)	14,220
Other	49,750	106,413	56,663	88,979
Total revenue	**5,262,536**	**5,759,891**	**497,355**	**5,683,947**
Expenditures				
Current:				
General government:				
City council	104,966	120,108	(15,142)	116,396
City attorney	23,937	23,937	—	23,937
Municipal judge and court	132,421	134,530	(2,109)	141,081
City administrator	332,134	386,397	(54,263)	374,108
Planning and zoning	430,627	435,711	(5,084)	346,143
Finance	318,252	237,958	80,294	205,236
Human resources	97,241	98,718	(1,477)	45,185
Business development and community	215,245	189,098	26,147	—
Non-departmental	485,804	279,804	206,000	268,064
Total general government	2,140,627	1,906,261	234,366	1,520,150
Public safety:				
Police	2,671,606	2,845,731	(174,125)	2,643,085
Fire	1,164,645	1,407,228	(242,583)	1,301,556
Total public safety	3,836,251	4,252,959	(416,708)	3,944,641
Public works:				
Streets and sanitation	1,393,838	1,518,024	(124,186)	1,320,470
Maintenance shop	79,807	92,882	(13,075)	101,882
Beautification and recycling	230,292	222,115	8,177	226,286
Total public works	1,703,937	1,833,021	(129,084)	1,648,638
Culture and recreation:				
Recreation and parks	318,165	309,532	8,633	305,994
Total culture and recreation	318,165	309,532	8,633	305,994
Capital outlay – all departments	340,000	36,963	303,037	3,838
Debt service	189,263	—	189,263	167,679
Total expenditures	**8,528,243**	**8,338,736**	**189,507**	**7,590,940**

CITY OF BENNETTSVILLE, SOUTH CAROLINA

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

— CONTINUED —

	Final Budget	Actual	Variance Positive (Negative)	Prior Year
Excess (deficiency) of revenue over expenditures	(3,265,707)	(2,578,845)	686,862	(1,906,993)
Other Financing Sources (Uses)				
Leased vehicle asset additions	—	—	—	—
Transfers in	2,913,707	3,030,799	117,092	2,394,627
Transfers (out)	—	—	—	—
Total other financing sources (uses)	2,913,707	3,030,799	117,092	2,394,627
Net change in fund balance	**(352,000)**	**451,954**	**803,954**	**487,634**
Fund balance, beginning of year	3,267,203	3,267,203	—	2,779,569
Fund balance, end of year	$ 2,915,203	$ 3,719,157	$ 803,954	$ 3,267,203

CAPITIAL PROJECTS FUND

CITY OF BENNETTSVILLE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

BALANCE SHEET

APRIL 30, 2025
(With comparative amounts at April 30, 2024)

	2025	2024
Assets		
Cash and cash equivalents:		
Unrestricted	$ 944,919	$ 192,800
Restricted	4,564	4,564
Equity in pooled cash	2,944,074	2,935,901
Due from other governments	—	—
Due from other funds	82,630	153,130
Total assets	**$ 3,976,187**	**$ 3,286,395**
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	$ 45,797	$ 86,686
Due to other funds	2,715,887	2,223,927
Unearned revenues – State Grant	750,000	—
Unearned revenues - ARPA	522,087	1,051,312
Total liabilities	4,033,771	3,361,925
Fund balances:		
Non-spendable	—	—
Restricted	—	—
Committed	—	—
Assigned	—	—
Unassigned (deficit)	(57,584)	(75,530)
Total fund balances	(57,584)	(75,530)
Total liabilities and fund balances	**$ 3,976,187**	**$ 3,286,395**

CITY OF BENNETTSVILLE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED APRIL 30, 2025
(With comparative actual amounts at year ended April 30, 2024)

	2025	2024
Revenue		
Intergovernmental:		
CDBG grants	$ —	$ 268,097
ARPA grant	529,225	449,934
SCMIT grant	—	4,000
Eat Smart grant	8,875	500
Hometown Economic Development grant	—	21,437
State grant – mosquito control	28,408	205,000
Interest income	1,586	829
Total revenue	**568,094**	**949,797**
Expenditures		
Capital outlay:		
General government	88,114	29,085
Public safety	511,245	191,878
Public works	37,701	224,529
Culture and recreation	26,462	275,487
Debt service	—	—
Total expenditures	**663,522**	**720,979**
Excess (deficiency) of revenue over expenditures	(95,428)	228,818
Other Financing Sources (Uses)		
Insurance reimbursement	113,374	25,874
Transfers in	—	—
Transfers (out)	—	(46,627)
Total other financing sources (uses)	113,374	(20,753)
Net change in fund balance	**17,946**	**208,065**
Fund balance (deficit), beginning of year	(75,530)	(283,595)
Fund balance (deficit), end of year	$ (57,584)	$ (75,530)

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

BALANCE SHEET

APRIL 30, 2025
(With comparative amounts at April 30, 2024)

	2025	2024
Assets and Deferred Outflows		
Current assets:		
Cash and cash equivalents – unrestricted	$ 208,788	$ 207,317
Equity in pooled cash (deficit)	(2,445,553)	(335,827)
Investments	1,535,547	1,468,034
Accounts receivable, net	970,092	1,020,175
Inventories and prepaid items	588,041	590,815
Due from other funds	81,018	191,760
	937,933	3,142,274
Current restricted assets:		
Restricted cash and cash equivalents	2,565,759	2,801,277
Santee Cooper Settlement fund	691,417	690,727
	3,257,176	3,492,004
Total current assets	4,195,109	6,634,278
Non-current assets:		
Capital assets, not subject to depreciation	1,270,618	884,408
Capital assets subject to depreciation, net	23,836,952	24,753,965
Total non-current assets	25,107,570	25,638,373
Deferred outflows of resources:		
Pension related	630,290	751,516
Total deferred outflows	630,290	751,516
Total assets and deferred outflows	**$ 29,932,969**	**$ 33,024,167**
Liabilities, Deferred Inflows and Net Position		
Current liabilities:		
Accounts and retainage payable	$ 1,474,943	$ 1,297,100
Accrued payroll and withholdings payable	—	—
Due to other funds	2,018,364	2,530,854
Customer deposits and prepayments	301,415	264,026
	3,794,722	4,091,980
Current liability payable from restricted assets:		
Accrued interest payable	70,286	74,059
Bonds payable – current portion	591,934	575,302
Unearned revenue – ARPA Grant	698,196	997,792
	1,360,416	1,647,153
Total current liabilities	5,155,138	5,739,133
Long-term (non-current) liabilities:		
Accrued compensated absences	132,380	108,713
Revenue bonds payable	9,713,796	10,305,730
Net pension liabilities	3,231,366	3,587,296
Total long-term liabilities	13,077,542	14,001,739
Total liabilities	18,232,680	19,740,872

— CONTINUED —

CITY OF BENNETTSVILLE, SOUTH CAROLINA

COMBINED UTILITY FUND

BALANCE SHEET

— CONTINUED —

	2025	2024
Liabilities, Deferred Inflows and Net Position (continued)		
Deferred inflows of resources:		
Pension related	575,650	570,723
Total deferred inflows	575,650	570,723
Net position:		
Net investment in capital assets	14,801,840	14,757,341
Restricted for debt	—	—
Restricted for capital projects	2,348,513	2,580,256
Restricted for pensions	306,105	273,730
Unrestricted (deficit)	(6,331,819)	(4,898,755)
Total net position	11,124,639	12,712,572
Total liabilities, deferred inflows and net position	**$ 29,932,969**	**$ 33,024,167**

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, 2025
(With comparative actual amounts at year ended April 30, 2024)

	Final Budget	Current Year	Variance Positive (Negative)	Prior Year
Operating Revenue				
Sales and services:				
Water	$ 1,578,000	$ 1,560,149	$ (17,851)	$ 1,540,248
Sewer	1,807,700	1,743,640	(64,060)	1,762,765
Electric	10,493,876	10,737,274	243,398	10,235,770
Gas	2,250,850	2,701,097	450,247	2,112,756
Penalties, reconnect fees and other revenue	406,200	442,184	35,984	558,447
Total operating revenue	**16,536,626**	**17,184,344**	**647,718**	**16,209,986**
Operating Expenses				
Water plant	1,253,126	1,022,300	230,826	982,651
Water distribution	424,680	339,675	85,005	370,771
Wastewater treatment plant	666,301	632,596	33,705	623,467
Sewer/Stormwater collection	206,795	208,972	(2,177)	197,613
Electricity purchase and transmission	8,407,761	9,891,181	(1,483,420)	9,292,963
Gas purchase and distribution	2,395,403	2,008,316	387,087	1,792,765
Administration	669,161	629,934	39,227	567,398
Billing office	532,896	582,422	(49,526)	595,662
Non-departmental	362,500	236,536	125,964	324,080
Depreciation expense	—	1,313,783	(1,313,783)	1,224,000
Total operating expenses	**14,918,623**	**16,865,715**	**(1,947,092)**	**15,971,370**
Operating income	1,618,003	318,629	(1,299,374)	238,616
Non-Operating Revenue (Expenses)				
FEMA grant reimbursements	—	—		—
Non-operating revenue	1,000	21,492	20,492	3,165
Interest income	43,050	160,317	117,267	174,249
Interest expense	(346,913)	(310,376)	(36,537)	(326,522)
Fiscal agent fees	(12,000)	(9,780)	(2,220)	(14,325)
Change in accrued income and unrealized gain (loss)	—	55,186	55,186	(2,842)
Total non-operating revenue (expenses)	(314,863)	(83,161)	231,702	(166,275)
Income before contributions and transfers	1,303,140	235,468	(1,067,672)	72,341
Capital contributions				
Capital grants –ARPA/RIA/CDBG	—	600,306	600,306	1,822,898
Capital grants – MECO	—	50,000	50,000	—
Total capital contributions	—	650,306	650,306	1,822,898
Transfers				
Transfers (out) to other funds	(2,473,707)	(2,473,707)	—	(1,900,000)
Change in net position	**(1,170,567)**	**(1,587,933)**	**(417,366)**	**(4,761)**
Net position, beginning of year	12,712,572	12,712,572	—	12,717,333
Net position, end of year	$ 11,542,005	$ 11,124,639	$ (417,366)	$ 12,712,572

VICTIM'S RIGHTS ASSISTANCE

CITY OF BENNETTSVILLE, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED APRIL 30, 2025

Court Fines and Assessments		
Court fines and assessments collected	$	83,602
Court fines and assessments remitted to State Treasurer		(40,306)
Total court fines and assessments retained by the City	$	43,296
Surcharges and Assessments retained for Victims Services		
Total assessments collected	$	3,632
Total surcharges collected		4,169
Total surcharges and assessments retained for victims services	$	7,801
Funds Allocated to Victims Services		
Carryover funds from prior year	$	—
Surcharges and assessments retained		7,801
Expenditures for victims services		(7,801)
Unexpended victim's rights assistance funds	$	—