

**Abbeville**  
SOUTH CAROLINA



# **Annual Comprehensive Financial Report**

City of Abbeville  
South Carolina

For The Fiscal Year Ended October 31, 2022



# **City of Abbeville, South Carolina**

## ***Annual Comprehensive Financial Report***

***Year ended October 31, 2022***

**Issued by City of Abbeville Financial Department**



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**City of Abbeville**  
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## INTRODUCTORY SECTION

May 31, 2023

Honorable Mayor, Members of City Council, City Manager,  
and Citizens of the City of Abbeville, South Carolina:

State law requires that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted accounting standards by a firm of licensed certified public accountants. This annual comprehensive financial report of the City of Abbeville (City) is published to fulfill that requirement for the fiscal year ended October 31, 2022.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by McKinley, Cooper & Co., LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended October 31, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended October 31, 2022, are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Abbeville MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City, chartered in 1756 and incorporated in 1832, is located in the southwestern region of South Carolina and is the last major city along the S.C. Highway 72 corridor west to the Georgia state line and Lake Russell. The City of Abbeville is the largest city in Abbeville County and serves as the county seat. The City currently occupies a land area of 5.89 square miles and serves a population of approximately 5,000. The City of Abbeville is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by governing council.

The City of Abbeville operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and eight other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the

government's manager, municipal judge and city attorney. The government's manager is responsible for carrying out policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of various departments. The Council is elected through a non-partisan election process. Council members serve four-year staggered terms, with four council members elected every two years. The mayor is elected to serve a four-year term. The eight members of council are elected from single member districts and the mayor runs at large. In March 2004, the council approved a change from the plurality method of election to the run-off method.

The City provides a full range of services, including: police and fire protection, sanitation services, the maintenance of streets, sidewalks, and storm drainage, planning and zoning, community and economic development, and recreation activities. In addition to general government activities, the City provides electrical generation and distribution, water treatment and distribution, and wastewater collection and treatment. The City owns and operates the hydroelectric plant at Lake Secession and utilizes its excess potable water production capacity by selling finished water to the town of Calhoun Falls, a municipality of 2,300 population, located approximately 13 miles west of Abbeville. The 16-inch transmission line has the capacity of 4 million gallons per day. The waterline follows the route of Highway 72 and can provide service to all contingent sites between the two municipalities. In addition, a sixteen-inch waterline between Abbeville and the town of Due West allows the City to provide wholesale water to the Donalds-Due West Water Authority (DDWWA). The line connects to the City's 750,000 gallon water tank at the Lakelands Commerce Park.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City of Abbeville are required to submit requests for appropriations to the City Manager in the Summer of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review. The council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than October 31, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the City Manager at the department level. The City Manager is authorized to transfer appropriations within departments, but not between departments, as necessary in case of an emergency up to \$5,000.00 and to inform city council of any transfer at the next regular city council meeting. No such transfers shall be used to increase the total appropriation within any fund. The City Manager may execute all documents related to the lease purchase financing of equipment authorized in the Budget and shall have delegated authority to "assign" and "unassign" fund balance which shall be intended for specific purposes. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds.

### **Factors Affecting Financial Conditions**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

### **Local Economy**

The City of Abbeville is located within a fifty-mile radius of three major interstates. Interstate Highway 85 is located approximately 35 miles to the north, I-26 is approximately 35 miles to the east, and I-20 is approximately 50 miles to the south of the City. Located within a 25 to 35 miles radius is Hickory Knob State Park, which attracts visitors who contribute to trade in the area and Savannah Lakes Village, a planned resort community with some 4,000 sites. As such, the City of Abbeville is able to reap significant economic benefits beyond those provided by its modest population.

The City hosts the Abbeville Opera House, which, along with the Historic District, is a significant attraction in the region. Approximately 34,000 tickets are sold to sell-out crowds annually in the elegant, turn-of-the-century setting. Frequently, visitors will combine an afternoon and evening of dinner, shopping, a performance at the Opera House and then dessert and coffee afterwards. Tourists are also drawn to the historical landmarks and architectural aspects of the town such as the Burt Stark Mansion, Trinity Episcopal Church, built in 1860, the McGowan House and the Belmont Inn, a renovated hotel originally constructed in 1902, as well as many other historically designed buildings and homes.

Abbeville is part of the South Carolina Heritage Corridor in which several communities pool their resources to promote the area through stewardship of natural, cultural and historic resources. The Corridor runs from the mountains through the state to the sea and in October, 1996, won designation as a "National Heritage Area" under the Parks Bill making it

one of only fourteen in the country.

The town square portrays a quaint Charleston style façade as each of the stores have been renovated over the years to resemble the original look at the turn of the century. A variety of businesses provide locals and tourists with a myriad of gift shops, antique stores, and restaurants in the square area. The historic Belmont Inn is a focal point of the square.

The City of Abbeville sponsors two festivals during the year, one in spring and the other in the fall, that draws thousands of visitors to the town square. Within the city is an active Chamber of Commerce, Merchant's Association, and Artist's Guild who host various other events throughout the year.

The county hospital is located in the city along with elementary, middle, and highschool facilities as well. Piedmont Tech, a two year college located in Greenwood, fifteen miles away, owns a satellite facility for higher and continuing education within the City of Abbeville. Two four-year colleges, are located within a fifteen minute drive. Erskine College and Seminary, located in Due West, is a private liberal arts institution and seminary. Lander University, located in Greenwood, is a state supported college. Both host fine arts series, which complements the cultural atmosphere of the area.

The Abbeville Area Medical Center has recently completed construction of a new medical office facility which opened its' doors in April 2017. The \$5.5 million 20,000 square foot building houses nine physicians, nurse practitioners and physician assistants along with their staff, which totals about 45 employees. The Center houses Family Medicine Associates, Abbeville Internal Medicine, Abbeville Surgical, Abbeville Diabetes Care and Behavioral Health.

Abbeville is home to several industries including Sage Automotive Interiors (formerly Milliken) which has two plants in the area, one of which is located inside the city limits. Along with many other national industries, two international companies reside just outside the city limits one being Italian manufacturer, Prysmian Cable (formerly Pirelli Cable), and the other Flexible Technologies, an English company who has its United States headquarters office located here.

Prysmian is a global leader in power and telecommunication cables and systems. In 2008 Prysmian invested \$35 million to expand its manufacturing operations at the Abbeville location. The facility houses the Vertical Continuous Vulcanization process in a 325 foot tower adjacent to its existing medium and low voltage power cable manufacturing facility. This expansion allows the company to produce high and extra-high voltage power cables and further reinforces its market position in North America.

Flexible Technologies opened the Abbeville plant in 1964 and along with its other locations serves customers in a global capacity. Flexible manufactures various hoses and accessories for the appliance industry. Globally, Flexible also makes hosing and rigid tubing to heat and move liquids in airplanes, medical devices and other industrial machines.

### **Long-term Financial Planning**

***Civic Center Renovations*** – In 2016 work began on upgrades to the Civic Center building located on North Main Street. Adjacent property was developed into additional parking and the entranceway was upgraded. In 2017 the swimming pool was filled in and the parking lot was revitalized. HVAC replacement work was complete in 2022. Future enhancements will include a new façade for the building and other renovations to the current rooms inside the Civic Center. The Civic Center hosts multiple city and county sporting events as well as provides a place for the community to hold private functions.

***Police Department Headquarters***- In 2022, the City purchased a property to transition into the Police Department Headquarters. Engineering work has begun and the first phase of the renovation project should begin in 2023.

### **Relevant Financial Policies**

The investment goal of the City is to maintain adequate cash to meet current obligations and to invest in those legal securities that maximize earnings and protect principal. Monies that are not required on a short-term basis are invested in compliance with the guidelines of the South Carolina Code of Laws 6-5-10. The City maintains interest bearing checking accounts to maximize its interest earning capability on funds required to meet short-term operational

expenses. Periodic reviews of deposits are made with financial institutions used by the City to ensure that deposits over \$250,000 (insured limit of federal depository insurance) are collateralized. Cash available for investing during the year was invested in obligations of the U.S. government and its agencies, and the State of South Carolina Local Government Investment Pool.

## **Major Initiatives**

***Downtown Parking Project*** –The City is working to enhance and improve downtown parking around the historic square. In 2019, the city owned parking lot behind the Belmont Inn was resurfaced and improvements were completed. The next downtown Parking Project will be a Streetscape project, funded through a SC Department of Transportation TAP Grant. Construction for this improvement will begin in FY 2023.

***Wilson Hill Park*** – The City is working to enhance Wilson Hill Park located off Washington Street (SC 203) in Abbeville. In 2015 a new picnic shelter was constructed along with a new parking lot, and an area for new basketball courts. The 25'x40' picnic shelter, supported by stone-faced pillars, is built on a slab concrete foundation. The parking lot includes an entrance from Washington Street into the interior of the park with approximately 25 spaces. In 2016 two stationary barbeque grills were added near the picnic shelter. In 2017 two new picnic tables were added to the picnic shelter area. The park is funded from the Hospitality Tax Fund and a grant from the Parks and Recreation Development Fund administered by the South Carolina Department of Parks, Recreation, and Tourism. In 2019, a new entrance sign was installed and was dedicated to the late Councilman, Gus Wilson. In 2021, a restroom facility was built and installed.

***City Parks***- The City is working to enhance and improve all of the mini neighborhood parks around the City of Abbeville. The beginning phase of the enhancement includes new fill dirt, mulch, sanding and painting of existing equipment, new trash receptacles, backboards and rims for basketball equipment and a new raised border for the current recreation equipment. In 2022, Adams Drive Park received new playground equipment and a new basketball court. The City is going to continue to enhance the mini parks in upcoming budget years, including new fencing around the Adams Drive basketball court.

***Downtown Revitalization Master Plan*** - The plan is part of the downtown revitalization efforts that support the City's identity as a place for visiting, working and living, while promoting Abbeville as a designation of culture, arts, and entertainment.

***Signage*** – The City began the upgrade of both street and directional signs throughout the city as part of the Strategic Plan and Downtown Revitalization commitment. Street signs were designed with larger lettering and color schemes to aid in visual navigation. The City also added coordinated directional signage to highlight business, historical and main corridor points of interest. In addition, the City began the process of designing welcome signs at each major entrance to the city. In 2018, one major entrance sign was added and the second sign was added in 2019. An additional and final entrance sign will be added in a future budget year.

***North Main Waterline Replacement Project***- In 2022, work began on replacing the current waterline on North Main Street from Henry Street to the intersection of North Main and the Square with brand new Ductile Iron Pipe. This much needed project will replace one of the oldest sections of waterline in the City, resulting in increased water quality and pressure. The project should be complete in the Summer of 2023.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Abbeville for its annual comprehensive financial report for the fiscal year ended October 31, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

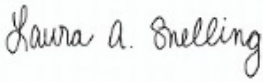
To be awarded a Certificate of Achievement award, a governmental entity must publish an easily readable and efficiently organized annual comprehensive financial report, with contents which conform to GFOA program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The Certificate awarded for fiscal year ended 2021 marks the thirty first consecutive year the award has been received by the City of Abbeville. We believe that this annual comprehensive financial report conforms to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

The preparation of the current annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the Administrative Services Department as well as the City's independent auditors, McKinley, Cooper & Co., LLC. Their assistance provided in the preparation of this report is sincerely appreciated.

In closing, without the guidance, leadership, and support of the City Manager, Mayor, and City Council, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in cursive script that reads "Laura A. Snelling". The signature is written in dark ink on a light-colored background.

Laura A. Snelling  
Chief Financial Officer

**MAYOR**

Trey Edwards

**CITY COUNCIL MEMBERS**

Benjamin P. Greeson

Louise Aikens

Christopher R. Crawford

Jason Edwards

Matthew Gambrell

James Jackson

John Sutherland

Annetta F. Thomas

**CITY MANAGER**

R. Blake Stone

**ASSISTANT CITY MANAGER**

Fran S. Anderson

**DEPUTY ADMINISTRATIVE OFFICER**

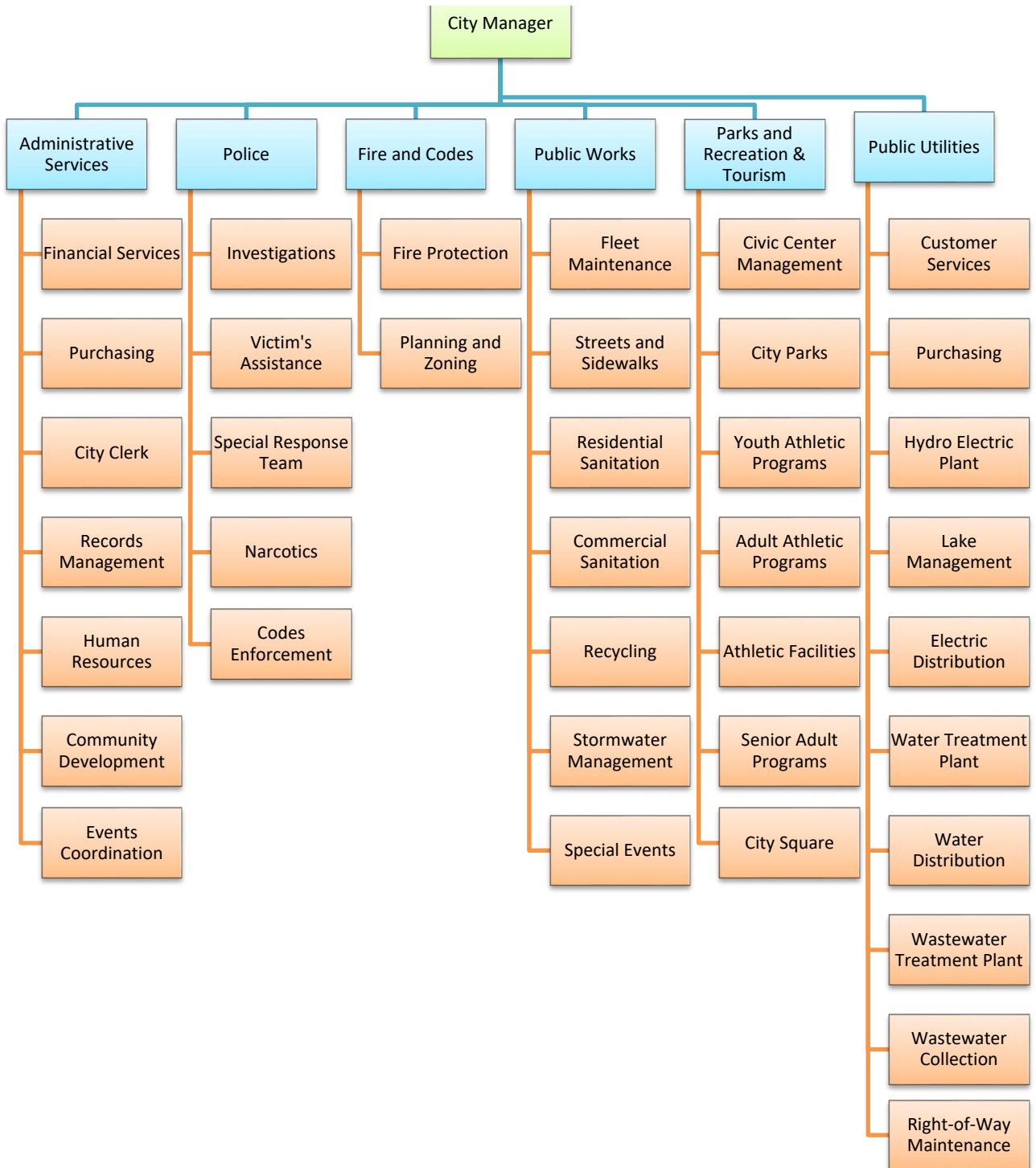
Mike Clary

**CHIEF FINANCIAL OFFICER**

Laura A. Snelling

# City Master Organization Chart

FISCAL YEAR 2022







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Abbeville  
South Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

October 31, 2021

*Christopher P. Morill*

Executive Director/CEO



## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council  
City of Abbeville  
Abbeville, South Carolina

### Report on the Audit of the Financial Statements

#### *Opinions*

We 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 Abbeville, South Carolina as of and for the year ended October 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining funding formation of the City of Abbeville, South Carolina as of October 31, 2022 and the respective changes in the financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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, including any currently known information that may raise substantial doubt shortly thereafter.

Members  
American Institute of Certified Public Accountants  
S.C. Association of Certified Public Accountants

To the Honorable Mayor and Members of City Council  
City of Abbeville  
May 31, 2023

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

Our 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 our opinions. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 our 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.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Honorable Mayor and Members of City Council  
City of Abbeville  
May 31, 2023

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund budgetary comparison schedule, pension plan schedules, and other post-employment benefit plan schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the City of Abbeville, South Carolina's basic financial statements. The introductory section, supplementary information, and statistical section, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the financial statements.

The supplementary information consisting of the combining fund financial statements, individual fund schedules, and schedule of fines, assessments and surcharges are the responsibility of management and were derived from and relate 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 financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory and the statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

To the Honorable Mayor and Members of City Council  
City of Abbeville  
May 31, 2023

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2023 on our consideration of City of Abbeville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

***McKinley, Cooper & Co., LLC***

Greenville, South Carolina  
May 31, 2023

This section of the City of Abbeville's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended October 31, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

## **FINANCIAL HIGHLIGHTS**

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at October 31, 2022 by \$22.2 million (net position).
- The City repaid principal of \$988 thousand on bonds, notes and capital leases payable during the year.
- The City's total net position increased \$2.43 million during the course of this year's operations. Net position of our business-type activities increased \$2.53 million; net position of our governmental activities decreased \$98 thousand.
- During the year, the City's general fund balance decreased \$530 thousand.
- In the City's enterprise funds, net position increased by \$2.53 million.
- Actual general fund revenues were \$214 thousand less than budgeted. See General Fund Budgetary Highlights section for contributing factors.
- The City issued new debt during the year consisting of \$800,000 SRF bonds.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four sections – *Introductory Section*, *Financial Section* (which includes management's discussion and analysis, the basic financial statements, required supplementary information and other supplementary information), *Statistical Section* and *Compliance Section*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer short- and long-term financial information about the activities the government operates like businesses.



- Fiduciary fund statements provide information about resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds.

The financial statements also include notes that explain some of the information in the financial statements. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provides details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

# CITY OF ABBEVILLE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

OCTOBER 31, 2022

**Figure A-1**  
**Major Features of City of Abbeville's Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except Fiduciary funds)	The activities of the City that are not proprietary or fiduciary.	Activities the City operates similar to private businesses.	Instances in which the City is the agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> <li>•Statement of net position</li> <li>•Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>•Balance Sheet</li> <li>•Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>•Statement of net position</li> <li>•Statement of revenues, expenses, and changes in net position</li> <li>•Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>•Statement of fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short- term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All agency assets and liabilities, both short- term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position – the difference between the City's assets and liabilities – is one way to measure the City's financial health, or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City one needs to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The government-wide financial statements of the City are divided into two categories:

- Governmental activities – Most of the City's basic services are included here, such as the police, fire, public works, parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.
- Business-type activities – The City charges fees to customers to help it cover the costs of certain services it provides.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has three kinds of funds:

- Governmental funds – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term

focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

- Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.
- Fiduciary funds – The City acts as agent, or fiduciary, for other entities' resources. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Net Position**

The City's combined net position increased approximately \$2.43 million, between fiscal years 2021 and 2022 (see Table A-1). The City's net investment in capital assets of approximately \$22 million is 98% of the total net position. The net investment in capital assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table A-1**  
**City of Abbeville's Net Position**  
*(in thousands of dollars)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Percentage Change</b>
	2022	2021	2022	2021	2022	2021	2021-2022
<b>Assets</b>							
Current and other	\$ 2,003	\$ 2,300	\$ 9,259	\$ 6,491	\$11,262	\$ 8,791	28.1%
Capital assets, net	5,501	5,247	22,689	22,522	28,190	27,769	1.5%
<b>Total assets</b>	<b>7,504</b>	<b>7,547</b>	<b>31,948</b>	<b>29,013</b>	<b>39,452</b>	<b>36,560</b>	<b>7.9%</b>
<b>Total deferred outflows of resources</b>	<b>527</b>	<b>768</b>	<b>319</b>	<b>440</b>	<b>846</b>	<b>1,208</b>	<b>-30.0%</b>
<b>Liabilities</b>							
Long-term liabilities	4,847	4,654	9,700	9,828	14,547	14,482	0.4%
Other liabilities	397	284	2,299	1,592	2,696	1,876	43.7%
<b>Total liabilities</b>	<b>5,244</b>	<b>4,938</b>	<b>11,999</b>	<b>11,420</b>	<b>17,243</b>	<b>16,358</b>	<b>5.4%</b>
<b>Total deferred inflows of resources</b>	<b>417</b>	<b>908</b>	<b>470</b>	<b>766</b>	<b>887</b>	<b>1,674</b>	<b>-47.0%</b>
<b>Net position</b>							
Net investment in capital assets	5,188	4,884	16,543	16,241	21,731	21,125	2.9%
Restricted	392	481	1,300	486	1,692	967	75.0%
Unrestricted	(3,210)	(2,897)	1,955	540	(1,255)	(2,357)	-46.8%
<b>Total net position</b>	<b>\$ 2,370</b>	<b>\$ 2,468</b>	<b>\$ 19,798</b>	<b>\$ 17,267</b>	<b>\$22,168</b>	<b>\$ 19,735</b>	<b>12.3%</b>

### **Changes in Net Position**

The City's total revenues decreased by approximately 8 percent to \$19 million (see Table A-2). Approximately 9 percent of the City's revenue comes from property taxes. Fees charged for services account for about 73 percent of the City's revenues.

Net position of the business-type activities increased by 14.7 percent to \$19.8 million. The net position of our governmental activities decreased by 4 percent to \$2.37 million.

The total cost of all programs and services was \$16.57 million, an increase of 8.2 percent from the prior year. The City's expenses cover a range of services, with about 15 percent related to public safety and 71 percent related to enterprise fund operations.

**CITY OF ABBEVILLE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**OCTOBER 31, 2022**

Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately.

**Table A-2**  
**Changes in City of Abbeville's Net Position**  
*(in thousands of dollars)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Percentage Change</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2021-2022</b>
<b>Revenues</b>							
<b>Program revenues</b>							
Charges for services	\$ 1,452	\$ 1,442	\$ 12,440	\$ 11,563	\$ 13,892	\$ 13,005	6.8%
Operating grants and contributions	-	-	830	2,938	830	2,938	-71.7%
Capital grants and contributions	-	-	1,282	1,075	1,282	1,075	19.3%
<b>General revenues</b>							
Property taxes	1,620	1,481	-	-	1,620	1,481	9.4%
Other taxes	540	560	-	-	540	560	-3.6%
Intergovernmental	266	578	-	-	266	578	-54.0%
Other	286	334	287	735	573	1,069	-46.4%
<b>Total revenues</b>	<b>4,164</b>	<b>4,395</b>	<b>14,839</b>	<b>16,311</b>	<b>19,003</b>	<b>20,706</b>	<b>-8.0%</b>
<b>Program expenses</b>							
General government	1,474	1,432	-	-	1,474	1,432	2.9%
Public safety	2,404	2,417	-	-	2,404	2,417	-0.5%
Public works	460	558	-	-	460	558	-17.6%
Recreation	409	365	-	-	409	365	12.1%
Development	128	724	-	-	128	724	-82.3%
Interest and other charges	8	7	-	-	8	7	14.3%
Enterprise	-	-	11,687	9,811	11,687	9,811	19.1%
<b>Total expenses</b>	<b>4,883</b>	<b>5,503</b>	<b>11,687</b>	<b>9,811</b>	<b>16,570</b>	<b>15,314</b>	<b>8.2%</b>
Change in net position before transfers	(719)	(1,108)	3,152	6,500	2,433	5,392	-54.9%
Transfers in (out)	621	587	(621)	(587)	-	-	0.0%
<b>Change in net position</b>	<b>(98)</b>	<b>(521)</b>	<b>2,531</b>	<b>5,913</b>	<b>2,433</b>	<b>5,392</b>	<b>-54.9%</b>
<b>Net position, beginning of year</b>	<b>2,468</b>	<b>2,989</b>	<b>17,267</b>	<b>11,354</b>	<b>19,735</b>	<b>14,343</b>	
<b>Net position, end of year</b>	<b>\$ 2,370</b>	<b>\$ 2,468</b>	<b>\$ 19,798</b>	<b>\$ 17,267</b>	<b>\$ 22,168</b>	<b>\$ 19,735</b>	

**Governmental Activities**

- Total revenues for the City's governmental activities decreased \$231 thousand, or 5.3 percent. This is primarily due to one-time grants that were received in the prior year. Total expenses decreased \$620 thousand primarily due to one-time upgrades to the Opera House that were made in the prior fiscal year.

### **Business-type Activities**

- Total revenues decreased by approximately \$1.47 million. This is primarily due to various grants received in the prior fiscal year.
- The City issued SRF bonds totaling \$800,000 to fund the Lowndesville Tie-in-Point Project.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

### **Governmental Funds**

As the City completed the year, its governmental funds reported a combined fund balance of \$1.3 million or 32 percent below last year's. The general fund is the chief operating fund of the City. At the end of the fiscal year 2022, the unassigned fund balance of the general fund was \$704 thousand or 79 percent of the total fund balance of the general fund. The fund balance of the general fund decreased by \$530 thousand during fiscal year 2022 compared to a decrease in the general fund of \$172 thousand for the fiscal year ended October 31, 2021.

### **General Fund Budgetary Highlights**

Actual general fund expenditures were \$241 thousand more than budgeted amounts. This is primarily due to the capital outlay and general operating expenses. The general fund revenues were under budget by \$214 thousand due to a decrease in community development revenues.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2022, the City had invested approximately \$28 million in a broad range of capital assets, net of depreciation (see Table A-3). Additions totaling \$2 million were offset by depreciation expense totaling \$1.6 million.

**Table A-3**  
**City of Abbeville's Capital**  
**Assets**  
*(in thousands of dollars)*

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>		<b>Total</b>
	<b>Activities</b>		<b>Activities</b>				<b>Percentage</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>Change</b>
							<b>2021-2022</b>
Land	\$ 700	\$ 500	\$ 317	\$ 320	\$ 1,017	\$ 820	24.0%
Construction in progress	-	518	638	1,231	638	1,749	-63.5%
Buildings and improvements	3,139	2,290	3,511	3,511	6,650	5,801	14.6%
Infrastructure	5,502	5,383	38,744	36,798	44,246	42,181	4.9%
Machinery and equipment	3,717	3,715	6,759	6,774	10,476	10,489	-0.1%
Works of Art	350	350	-	-	350	350	0.0%
Accumulated depreciation	(7,907)	(7,509)	(27,280)	(26,112)	(35,187)	(33,621)	4.7%
<b>Totals</b>	<b>\$ 5,501</b>	<b>\$ 5,247</b>	<b>\$ 22,689</b>	<b>\$ 22,522</b>	<b>\$28,190</b>	<b>\$ 27,769</b>	<b>1.5%</b>

This year's major capital asset additions by fund included:

**General Fund-**

- Purchase of a building for the future sight of the Abbeville Police Department at a cost of \$200 thousand.
- Installation of new gas pumps and a canopy for the cost of \$77 thousand.
- Addition of a sidewalk on Adams Drive for \$119 thousand.
- New vehicle for Parks and Recreation at a cost of \$25 thousand.
- Installation of a new HVAC unit at the Civic Center for the cost of \$72 thousand.
- Roof Upgrades at the Civic Center for the cost of \$106 thousand.

**Public Utilities-**

- Completion of the turbine generator project at the Hydro Electric Dam for a total cost of \$1.1 million.
- Installation of a new waterline on McGowan Avenue for a cost of \$723 thousand.

**Hospitality Fund-**

- Historic Opera House Improvements at a cost of \$692 thousand.
- Installation of new playground equipment on Adams Drive for a cost of \$49 thousand.

More detailed information about the City's capital assets is presented in Notes 1 and 5 to the



financial statements.

### **Long-term Debt**

At yearend, the City had \$6.6 million in bonds, notes payable, and capital lease obligations outstanding as shown in Table A-4. The City repaid principal of \$988 thousand on bonds, notes and capital leases payable during the year.

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8 percent of its total assessed valuation. The current available debt margin for the City is \$1.09 million.

More detailed information about the City's long-term debt is presented in Note 8 to the financial statements.

**Table A-4**  
**City of Abbeville's**  
**Outstanding Debt**  
*(in thousands of dollars)*

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>		<b>Total</b>
	<b>Activities</b>		<b>Activities</b>				<b>Percentage</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>Change</b>
<b>Long-term Obligations</b>							
Revenue bonds	\$ 313	\$ 363	\$ 6,118	\$ 6,160	\$ 6,431	\$ 6,523	-1.4%
Capital lease obligations	-	-	48	144	48	144	-66.7%
<b>Totals</b>	<b>\$ 313</b>	<b>\$ 363</b>	<b>\$ 6,166</b>	<b>\$ 6,304</b>	<b>\$ 6,479</b>	<b>\$ 6,667</b>	<b>-2.8%</b>

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Unemployment in Abbeville County now stands at 3.4%. This compares favorably with the South Carolina unemployment rate of 3.5% and is the same as the national rate of 3.4%, which is not more favorable than the 2.2% unemployment figure three years ago. These indicators along with several other economic factors, which can be found in the statistical section of this report, were considered in preparing the City's budget for the 2023 fiscal year.

Amounts available for appropriation in the general fund budget are 4.4 million with a decrease of \$9 thousand over the final 2022 budget. The change is attributable to the economy and business within the City remaining stable and unchanged.

As for the City's business-type activities, the 2023 budget will include a 1.34% volumetric rate and base rate increase in water and a 4.48% rate increase in sewer utilities.

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**CITY OF ABBEVILLE****MANAGEMENT'S DISCUSSION AND ANALYSIS****OCTOBER 31, 2022**

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The budget includes a decrease of one million in expenditures over the 2022 budget. Key expenditures for the year include: Henry and Hillcrest Waterline Project, North Main Waterline Replacement, Electric Tie-in-Point Project, Hydro Relicensing, Mini Park Improvements, and Civic Center Improvements.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact Laura A. Snelling, Chief Financial Officer, or visit the City website at <http://abbvillecitysc.com>.

## **BASIC FINANCIAL STATEMENTS**



## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

## CITY OF ABBEVILLE

STATEMENT OF NET POSITION  
OCTOBER 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 299,610	\$ 2,292,833	\$ 2,592,443
Restricted cash and cash equivalents	408,331	798,861	1,207,192
Investments	816,007	2,459,774	3,275,781
Restricted investments	75,414	501,667	577,081
Receivables, net			
Taxes	166,498	-	166,498
Accounts	96,232	2,027,441	2,123,673
Due from other governments	53,950	-	53,950
Internal balances	(55,353)	55,353	-
Inventories and prepaid items	142,734	1,122,223	1,264,957
Capital assets			
Land	699,718	317,777	1,017,495
Construction in progress	-	637,530	637,530
Works of Art	350,000	-	350,000
Buildings and other improvements	3,139,233	3,511,200	6,650,433
Infrastructure	5,502,332	38,743,628	44,245,960
Machinery and equipment	3,717,166	6,759,087	10,476,253
Less accumulated depreciation	(7,907,464)	(27,279,795)	(35,187,259)
<b>Total assets</b>	<b>7,504,408</b>	<b>31,947,579</b>	<b>39,451,987</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on bond refunding	-	19,228	19,228
Deferred outflows related to pensions	514,416	277,419	791,835
Deferred outflows related to OPEB	12,979	22,100	35,079
<b>Total deferred outflows of resources</b>	<b>527,395</b>	<b>318,747</b>	<b>846,142</b>
<b>LIABILITIES</b>			
Accounts payable	150,516	723,200	873,716
Accrued expenses	41,475	140,910	182,385
Accrued interest payable	-	26,950	26,950
Unearned revenue	141,280	-	141,280
Other liabilities	1,729	432,781	434,510
Noncurrent liabilities due in more than one year			
Net pension liability	4,093,097	3,790,826	7,883,923
Net OPEB liability	396,005	674,280	1,070,285
Due within one year	62,401	974,757	1,037,158
Due in more than one year	357,814	5,235,170	5,592,984
<b>Total liabilities</b>	<b>5,244,317</b>	<b>11,998,874</b>	<b>17,243,191</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	291,031	255,152	546,183
Deferred inflows related to OPEB	126,084	214,683	340,767
<b>Total deferred inflows of resources</b>	<b>417,115</b>	<b>469,835</b>	<b>886,950</b>
<b>NET POSITION</b>			
Net investment in capital assets	5,188,311	16,542,581	21,730,892
Restricted for			
Debt service	57,838	501,667	559,505
Public safety and drug enforcement	11,834	-	11,834
Capital outlay	80,546	798,861	879,407
Development	239,613	-	239,613
Victims' assistance	1,764	-	1,764
Unrestricted	(3,209,535)	1,954,508	(1,255,027)
<b>Total net position</b>	<b>\$ 2,370,371</b>	<b>\$ 19,797,617</b>	<b>\$ 22,167,988</b>

The accompanying notes are an integral part of these financial statements.

## CITY OF ABBEVILLE

STATEMENT OF ACTIVITIES  
YEAR ENDED OCTOBER 31, 2022

					Net (Expense) Revenue and Changes in Net Position		Total
	Program Revenues				Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary Government							
Governmental activities							
General government	\$ 1,473,918	\$ 1,378,956	\$ -	\$ -	\$ (94,962)	\$ -	\$ (94,962)
Public safety	2,404,095	44,947	-	-	(2,359,148)	-	(2,359,148)
Public works	459,954	-	-	-	(459,954)	-	(459,954)
Recreation	409,182	28,428	-	-	(380,754)	-	(380,754)
Development	128,039	-	-	-	(128,039)	-	(128,039)
Interest and fiscal charges	8,255	-	-	-	(8,255)	-	(8,255)
Total governmental activities	4,883,443	1,452,331	-	-	(3,431,112)	-	(3,431,112)
Business-type activities							
Electric	7,103,926	8,302,788	830,399	1,281,845	-	3,311,106	3,311,106
Water	2,450,755	2,288,888	-	-	-	(161,867)	(161,867)
Sewer	1,338,222	1,263,662	-	-	-	(74,560)	(74,560)
Solid waste	793,934	584,125	-	-	-	(209,809)	(209,809)
Total business-type activities	11,686,837	12,439,463	830,399	1,281,845	-	2,864,870	2,864,870
Total primary government	\$ 16,570,280	\$ 13,891,794	\$ 830,399	\$ 1,281,845	(3,431,112)	2,864,870	(566,242)
General revenues							
Property taxes					1,620,043	-	1,620,043
Sales taxes					238,139	-	238,139
Accommodations taxes					80,694	-	80,694
Hospitality taxes					220,523	-	220,523
Intergovernmental, not restricted for specific purposes					266,178	-	266,178
Investment earnings					8,865	23,021	31,886
Community development					203,633	-	203,633
Miscellaneous					73,905	263,924	337,829
Transfers					621,177	(621,177)	-
Total general revenues and transfers					3,333,157	(334,232)	2,998,925
Change in net position					(97,955)	2,530,638	2,432,683
Net Position, beginning of year					2,468,326	17,266,979	19,735,305
Net Position, end of year					\$ 2,370,371	\$ 19,797,617	\$ 22,167,988

The accompanying notes are an integral part of these financial statements.





## **FUND FINANCIAL STATEMENTS**

## CITY OF ABBEVILLE

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**OCTOBER 31, 2022**

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 299,610	\$ -	\$ 299,610
Restricted cash and cash equivalents	9,329	399,002	408,331
Investments	816,007	-	816,007
Restricted investments	-	75,414	75,414
Receivables, net			
Property taxes	162,828	-	162,828
Other taxes	3,670	-	3,670
Accounts	96,212	20	96,232
Inventories	113,799	-	113,799
Prepaid items	28,935	-	28,935
Due from other governments	53,950	-	53,950
<b>Total assets</b>	<b>\$ 1,584,340</b>	<b>\$ 474,436</b>	<b>\$ 2,058,776</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 58,346	\$ 92,170	\$ 150,516
Unearned revenue	141,280	-	141,280
Accrued expenditures	41,475	-	41,475
Due to enterprise fund	55,353	-	55,353
Other liabilities	1,729	-	1,729
<b>Total liabilities</b>	<b>298,183</b>	<b>92,170</b>	<b>390,353</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	395,782	-	395,782
<b>Total deferred inflows of resources</b>	<b>395,782</b>	<b>-</b>	<b>395,782</b>
<b>FUND BALANCES</b>			
Nonspendable	142,734	-	142,734
Restricted			
Special revenue - development	-	239,613	239,613
Special revenue - public safety	-	4,269	4,269
Special revenue - debt service	-	57,838	57,838
Special revenue - capital outlay	-	80,546	80,546
General fund - public safety	7,565	-	7,565
General fund - victim's assistance	1,764	-	1,764
Assigned - public safety	34,435	-	34,435
Unassigned	703,877	-	703,877
<b>Total fund balances</b>	<b>890,375</b>	<b>382,266</b>	<b>1,272,641</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,584,340</b>	<b>\$ 474,436</b>	<b>\$ 2,058,776</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF ABBEVILLE**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE  
SHEET WITH THE STATEMENT OF NET POSITION  
OCTOBER 31, 2022**

<b>Fund Balance - Governmental Funds</b>		\$ 1,272,641
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
The cost of capital assets is	13,408,449	
Accumulated depreciation is	<u>(7,907,464)</u>	5,500,985
Some liabilities (such as Notes payable, Accrued interest payable, Capital leases payable, Long-term compensated absences, and Bonds payable) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
Bonds payable	(312,674)	
Compensated absences	<u>(107,541)</u>	(420,215)
Certain other long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Net pension liability		(4,093,097)
Net OPEB liability		(396,005)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	514,416	
Deferred inflows of resources related to pensions	(291,031)	
Deferred outflows of resources related to OPEB	12,979	
Deferred inflows of resources related to OPEB	<u>(126,084)</u>	110,280
Certain amounts relating to property taxes receivable are reported as inflows of resources in the governmental funds, as they are not current financial resources.		
		<u>395,782</u>
<b>Total Net Position - Governmental Activities</b>		<u><u>\$ 2,370,371</u></u>

*The accompanying notes are an integral part of these financial statements.*

## CITY OF ABBEVILLE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED OCTOBER 31, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 1,725,168	\$ 220,523	\$ 1,945,691
Licenses and permits	1,378,956	-	1,378,956
Intergovernmental	154,626	111,552	266,178
Charges for services	27,000	-	27,000
Building rent and recreation fees	28,428	-	28,428
Fines and forfeitures	17,947	-	17,947
Interest and investment earnings	7,928	937	8,865
Community development	203,633	-	203,633
Miscellaneous revenue	96,392	-	96,392
<b>Total revenues</b>	<b>3,640,078</b>	<b>333,012</b>	<b>3,973,090</b>
<b>EXPENDITURES</b>			
Current			
General government	1,431,892	-	1,431,892
Public safety	2,231,756	500	2,232,256
Public works	314,547	-	314,547
Parks and recreation	394,168	-	394,168
Development	-	(6,137)	(6,137)
Nondepartmental	26,874	-	26,874
Capital outlay	384,166	377,605	761,771
Debt service			
Principal	-	50,126	50,126
Interest	-	8,255	8,255
<b>Total expenditures</b>	<b>4,783,403</b>	<b>430,349</b>	<b>5,213,752</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,143,325)</b>	<b>(97,337)</b>	<b>(1,240,662)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	621,177	208,124	829,301
Transfers out	(7,811)	(200,313)	(208,124)
<b>Total other financing sources (uses)</b>	<b>613,366</b>	<b>7,811</b>	<b>621,177</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(529,959)</b>	<b>(89,526)</b>	<b>(619,485)</b>
<b>FUND BALANCES, beginning of year</b>	<b>1,420,334</b>	<b>471,792</b>	<b>1,892,126</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 890,375</b>	<b>\$ 382,266</b>	<b>\$ 1,272,641</b>

The accompanying notes are an integral part of these financial statements.

# CITY OF ABBEVILLE

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED OCTOBER 31, 2022

**Net Change in Fund Balances - Total Governmental Funds** \$ (619,485)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those cost are shown in the Statement of Net Position and allocated over the estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation exceeded capital outlays in the period.

Capital outlay	761,771	
Depreciation expense	(485,701)	276,070

The cost of capital assets disposed of during the current year is expensed in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net assets differs from the change in fund balances by the undepreciated cost of the disposed assets.

(22,487)

Governmental funds report the issuance of long-term debt (e.g., bond proceeds and capital lease issuances) as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.

Repayment of long-term debt	50,126
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the (increase) decrease in liability for these expenses.

Compensated absences	(16,329)
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Changes in the City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year for its participation in the State Retirement Plans are not reported in the governmental funds but are reported in the Statement of Activities.

2,249

Changes in the net OPEB obligation and deferred outflows of resources and deferred inflows of resources related to OPEB are not reported as expenditures in governmental funds.

18,193

Certain amounts relating to various revenues and receivables are reported as inflows of resources in the governmental funds; therefore, revenue is different by:

213,708

**Change in Net Position of Governmental Activities**

\$ (97,955)

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ABBEVILLE**  
**STATEMENT OF NET POSITION**  
**ENTERPRISE FUNDS**  
**OCTOBER 31, 2022**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 2,292,833
Cash and cash equivalents - restricted	798,861
Investments	2,459,774
Investments - restricted	255,795
Accounts receivable, net	2,027,441
Due from other funds	55,353
Prepaid items	26,499
Inventories	1,095,724
	<hr/>
<b>Total current assets</b>	<b>9,012,280</b>
	<hr/>

**NONCURRENT ASSETS**

Investments - restricted	245,872
Capital assets	<hr/>
Land	317,777
Construction in progress	637,530
Buildings and improvements	3,511,200
Infrastructure	38,743,628
Machinery and equipment	6,759,087
Less: accumulated depreciation	(27,279,795)
Capital assets, net	<hr/> 22,689,427
	<hr/>
<b>Total noncurrent assets</b>	<b>22,935,299</b>
	<hr/>
<b>Total assets</b>	<b>31,947,579</b>
	<hr/>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred loss on bond refunding	19,228
Deferred outflows related to pensions	277,419
Deferred outflows related to OPEB	22,100
	<hr/>
<b>Total deferred outflows of resources</b>	<b>318,747</b>
	<hr/>

(continued)

CITY OF ABBEVILLE

STATEMENT OF NET POSITION - CONTINUED  
ENTERPRISE FUNDS  
OCTOBER 31, 2022

**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable	\$	723,200
Accrued expenses		140,910
Customer deposits		432,781
Accrued interest payable		26,950
Compensated absences		6,578
Capital leases payable		47,730
Bonds payable		920,449
<b>Total current liabilities</b>		<u>2,298,598</u>

**LONG-TERM LIABILITIES**

Net pension liability		3,790,826
Net OPEB liability		674,280
Compensated absences		37,275
Bonds payable		5,197,895
<b>Total long-term liabilities</b>		<u>9,700,276</u>
<b>Total liabilities</b>		<u>11,998,874</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows related to pensions		255,152
Deferred inflows related to OPEB		214,683
<b>Total deferred inflows of resources</b>		<u>469,835</u>

**NET POSITION (DEFICIT)**

Net investment in capital assets		16,542,581
Restricted for		
Capital projects		798,861
Debt service		501,667
Unrestricted		1,954,508
<b>Total net position (deficit)</b>	\$	<u>19,797,617</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF ABBEVILLE**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**

**ENTERPRISE FUNDS**

**YEAR ENDED OCTOBER 31, 2022**

**OPERATING REVENUES**

Sales to customers	\$ 12,161,731
Reconnection and tapping fees	94,970
Pole attachment fees	89,298
Other user fees and revenues	93,464

<b>Total operating revenues</b>	12,439,463
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**OPERATING EXPENSES**

Plant operations	2,139,726
Purchased power	5,169,244
Distribution	1,439,026
Public relations	66,027
Depreciation	1,185,536
County landfill charges	72,027
General administration	1,454,374

<b>Total operating expenses</b>	11,525,960
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<b>OPERATING INCOME</b>	913,503
-------------------------	---------

**NONOPERATING REVENUES (EXPENSES)**

Investment income	23,021
Grant revenues	830,399
Other revenues	77,426
Interest and fiscal charges	(160,877)
Gain on sale of capital assets	186,498

<b>Total nonoperating revenues (expenses)</b>	956,467
---	---------

**INCOME BEFORE CAPITAL GRANTS,  
CONTRIBUTIONS AND TRANSFERS**

1,869,970

Capital grants and contributions	1,281,845
Transfers out	(621,177)

<b>CHANGE IN NET POSITION</b>	2,530,638
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<b>NET POSITION, beginning of year</b>	17,266,979
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<b>NET POSITION, end of year</b>	\$ 19,797,617
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*The accompanying notes are an integral part of these financial statements.*



CITY OF ABBEVILLE

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUND  
OCTOBER 31, 2022

	<u>Fireman's Insurance and Inspection Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 42,969
<b>Total assets</b>	<u>\$ 42,969</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 2,207
<b>Total liabilities</b>	<u>2,207</u>
<b>NET POSITION</b>	
Restricted for individuals, organizations, and other governments	<u>40,762</u>
<b>Total net position</b>	<u>40,762</u>
<b>Total liabilities and net position</b>	<u>\$ 42,969</u>

*The accompanying notes are an integral part of these financial statements.*

CITY OF ABBEVILLE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUND  
YEAR ENDED OCTOBER 31, 2022

	<u>Fireman's Insurance and Inspection Fund</u>
<b>ADDITIONS</b>	
Interest income	\$ 2
Miscellaneous	<u>33,168</u>
<b>Total additions</b>	<u>33,170</u>
<b>DEDUCTIONS</b>	
Retirement	18,000
Training	4,830
Recruitment and retention	<u>7,657</u>
<b>Total deductions</b>	<u>30,487</u>
<b>CHANGE IN NET POSITION</b>	2,683
<b>NET POSITION, beginning of year</b>	<u>38,079</u>
<b>NET POSITION, end of year</b>	<u><u>\$ 40,762</u></u>

*The accompanying notes are an integral part of these financial statements.*

CITY OF ABBEVILLE

STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
YEAR ENDED OCTOBER 31, 2022

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from sales to customers	\$ 11,819,670
Receipts from sales to public authorities	451,589
Receipts from fees	277,732
Payments to suppliers	(6,536,045)
Payments to employees	(2,706,408)
	<hr/>
Net cash provided by operating activities	3,306,538

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Subsidy from utility association and other receipts	77,426
Transfers (to)/from other funds	(621,177)
Operating grants	830,399
	<hr/>
Net cash provided by noncapital financing activities	286,648

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of capital assets	(1,352,764)
Capital grants and contributions	1,281,845
Proceeds from issuance of bonds	800,000
Payments on capital leases	(96,266)
Payments on bonds payable	(842,004)
Proceeds from sale of disposals	186,498
Interest paid	(160,877)
	<hr/>
Net cash (used for) capital and related financing activities	(183,568)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Income received from investments	23,021
Purchase of investments	(1,142,717)
	<hr/>
Net cash (used for) investing activities	(1,119,696)

**NET INCREASE IN RESTRICTED AND UNRESTRICTED**

CASH AND CASH EQUIVALENTS	2,289,922
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**RESTRICTED AND UNRESTRICTED CASH**

AND CASH EQUIVALENTS, beginning of year	801,772
	<hr/>

**RESTRICTED AND UNRESTRICTED CASH**

AND CASH EQUIVALENTS, end of year	\$ 3,091,694
	<hr/>

**RECONCILIATION OF OPERATING INCOME TO NET**

**CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 913,503
Adjustments to reconcile operating income to net cash provided by operations	
Depreciation expense	1,185,536
Change in	
Accounts receivable	(342,061)
Prepaid expenses	(932)
Inventory	(122,833)
Deferred loss on bond refunding	4,048
Accounts payable	536,053
Accrued expenses	71,760
Customer deposits	57,573
Accrued interest payable	(6,424)
Compensated absences	(2,287)
Net pension liability and related deferred inflows and outflows	(87,332)
Net post employment benefit obligation and related deferred inflows and outflows	(30,977)
Due to(from) other funds	1,130,911
	<hr/>

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

\$ 3,306,538
<hr/>

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of City of Abbeville, South Carolina (the “City”), have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government’s accounting policies are described below.

##### **Reporting Entity**

The City is an incorporated municipality located in Abbeville County, South Carolina that was established in 1832. Section 47-26 of the 1962 Code of Laws, as amended (“Home Rule Act”), requires that municipalities adopt a specific form of government. Accordingly, the City operates under a Council-manager form of government.

All activities for which the Council exercises oversight responsibility have been incorporated into the basic financial statements to form the reporting entity. The City has no component units.

##### **Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

##### **Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from the statements. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities for the City at yearend. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Fund Financial Statements**

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-wide Financial Statements**

The government-wide financial statements are reported using the *economic resources management focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Fund Financial Statements**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Governmental funds are those through which all governmental functions of the City are financed. The City's expendable financial resources and related assets and liabilities are accounted for through governmental funds. The following is the City's major governmental fund.

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. This is a budgeted fund, and any fund balance is considered a resource available for use.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

The *Other Governmental Funds*, nonmajor funds, include special revenues and capital projects funds. The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for specified purposes and include Hospitality Tax and Drug Forfeitures funds. Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and include the Capital Projects fund.

Proprietary Fund Types are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. 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 enterprise funds are primarily charges for services and fees. Operating expenses for enterprise funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The proprietary fund type includes the following activity reported as an enterprise fund:

*The Enterprise/Public Utility Fund* is used to account for the City's electric, water, sewer, and solid waste services provided to the residents of the City and some of the surrounding areas. Activities of the government's electric distribution operations are reported in the electric department. Activities of the government's water distribution are reported in the water department. Operations of the sewage treatment plant and sewage pumping stations and collection systems are reported in the sewer department. The City's refuse collection activities provided to the residents of the City are reported in the solid waste department. The City Council has approved a multi-year strategy that aims to recover operating costs of refuse collection and reduce related costs previously supported in part by property taxes. Separate departments are maintained to report the results of operations by type of service provided.

*Fiduciary Fund Types* are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The City's fiduciary fund consists of a custodial fund which uses the economic resources measurement focus. Fiduciary funds are not included in the government-wide financial statements.

*Custodial Fund* - The City's Fireman's Insurance and Inspection Fund is utilized to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governments. Custodial funds consist primarily of various revenues collected, temporarily retained and distributed by the City to other parties in accordance with State of South Carolina statutes.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of fiscal yearend.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, 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. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditures requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**Unavailable Revenue**

Unavailable revenue in the fund financial statements arises in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes for which there is an enforceable legal claim as of October 31, 2022 have been recorded as unavailable revenue. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at fiscal yearend.

**Cash and Investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. The City's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types and component units within the State of South Carolina) that authorize the City to invest in the following:

- (1) Obligations of the United States and agencies thereof;
- (2) General obligations of the State of South Carolina or any of its political units;
- (3) Financial institutions to the extent that the same are insured by an agency of the federal government;
- (4) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a fair value not less than the amount of the certificates of deposit so secured, including interest, provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government;
- (5) Repurchase agreements when collateralized by securities as set forth in this section;
- (6) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or other financial institution when acting as trustee or agent for a bond or other debt issue of the City, if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), and (5) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

The City reports investments in accordance with GASB Statement No. 72, "Fair Value Measurement and Application." Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments are stated at fair value; except that repurchase agreements and U.S. Government agencies that have a maturity at the time of purchase of one year or less are shown at amortized cost.

The City has certain funds invested with the South Carolina State Treasurer's Office, which established the South Carolina Local Government Investment Pool (the "Pool") pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Fair Value**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. The levels are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The City has the following recurring fair value measurement:

- U.S. Treasury Notes and Obligations are valued using quoted market prices (Level 1 inputs).

The City also invests in State of South Carolina Local Government Investment Pool ("LGIP"). The LGIP is a 2a7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that will operate in a manner consistent with SEC's Rule 2a7 of the Investment Company Act of 1940. The South Carolina State Treasurer oversees the pool. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. The City's cash investment objectives are preservation of capital, liquidity and yield. The Pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. At October 31, 2022, the underlying security ratings of the City's investment in the LGIP is classified in risk category "A" and may be obtained from the LGIP's complete financial statements by writing to the following address, Office of the State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Receivables and Payables**

During the course of its operations, the City has numerous transactions occurring between funds. These transactions are representative of reimbursement arrangements outstanding at the fiscal year. The accompanying financial statements generally reflect such transactions as transfers in (out).

These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Property taxes are levied on the assessed value of real and personal property, excluding automobiles, as of December 31 of the calendar year preceding the fiscal year. Liens attach to the property at the time taxes are levied. Taxes are due without penalty, for real and personal property excluding automobiles, through January 15. After that time, penalties are added depending on the date paid as follows.

January 16 through February 1	–	3% of tax
February 1 through March 16	–	10% of tax
After March 17	–	15% of tax

Property tax revenues are recognized when due and collectible within the current period or soon enough thereafter (defined as sixty days) to pay liabilities of the current period.

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Trade receivables are comprised of amounts due from entities and individuals for a variety of types of fees, charges, and services, including natural gas and sewer fees and charges.

**Inventories and Prepaid Items**

Inventories are carried at average cost and are used on a first-in, first-out basis, and are charged to expenses when consumed rather than when purchased. Proprietary fund inventories include supplies and materials required for the repair, maintenance, and extension of the utility plants, as well as small tools. Governmental fund inventories consist of gasoline and public works supplies and materials.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as inventory or prepaid items using the consumption method. A current asset for the inventory or prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which inventory or services are consumed.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Works of art consist of paintings owned by the City, and are not depreciated. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The City maintains a capitalization threshold of \$5,000 for its capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred in the proprietary fund during the construction of capital assets is capitalized.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are complete. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<b><u>Governmental Activities</u></b>	
<b><u>Description</u></b>	<b><u>Estimated Lives</u></b>
Buildings	40 years
Improvements (Other than Buildings)	10 - 20 years
Infrastructure	
Sidewalks, Roads and Street	20 years
Bridges	25 years
All other	20 - 25 years
Machinery and Equipment	
Computers and Office Equipment	10 years
All Other	10 years

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

<b><u>Business-type Activities</u></b>	
<b><u>Description</u></b>	<b><u>Estimated Lives</u></b>
Buildings	33 - 50 years
Improvements (Other than Buildings)	10 - 20 years
Infrastructure	
Sewer System	33 years
Water System	40 years
Electric System	25 years
All other	25 - 40 years
Machinery and Equipment	
Computers and Office Equipment	10 years
All Other	10 years

**Restricted Assets**

Certain cash, cash equivalents and investments are restricted on the basic financial statements as they have been set aside for specific purposes. These assets have been restricted because their use is (a) limited to purchases of certain capital assets as outlined in a capital lease agreement, (b) limited for debt service or (c) limited for other special purposes due to externally imposed restrictions.

**Customer Deposits**

Customer deposits represent amounts held as security by the enterprise fund for water, sewer, and electrical services.

**Compensated Absences**

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." City employees are granted vacation and sick leave in varying amounts. An employee is reimbursed any accumulated vacation days upon termination of employment.

Unused sick leave is reimbursed upon termination at a rate of one third of the employee's sick leave balance. The entire compensated absence liability and expense is reported in the government-wide financial statements. The general fund is used to liquidate compensated absences incurred in governmental activities.

A liability for compensated absences is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

In the proprietary fund, compensated absences are recorded as an expense and liability.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the noncurrent portion of capital leases, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**Deferred Outflows/Inflows of Resources**

*Deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred refunding charges in its government-wide statement of net position. *Deferred refunding charges*, which are the differences between the reacquisition prices and the net carrying amount of the defeased debt, are deferred and amortized over the life of the refunding bonds, which has the same maturity as the bonds that were refunded. Amortization of deferred refunding charges is included in interest expense in the statement of activities. The City also reports deferred outflows related to pension charges in its statement of net position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. The City also reports deferred outflows related to OPEB in connection with its OPEB plan provided to employees. These deferred pension and OPEB charges are either (a) recognized in the subsequent period as a reduction of the net pension and OPEB liability (which includes employer contributions made after the measurement date of the net pension and OPEB liabilities) or (b) amortized in a systematic and rational method as pension expense and OPEB in future periods in accordance with GAAP.

*Deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows related to pensions in its statement of net position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. The City also reports deferred inflows related to OPEB in connection with its OPEB plan provided to employees. These deferred pension and OPEB inflows are amortized in a systematic and rational method and recognized as a reduction of pension and OPEB expense in future periods in accordance with GAAP.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Fund Balances**

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The equity section of the governmental fund balance sheet is comprised of these major fund balance elements: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions at the state level. Committed fund balance is self-imposed limitations imposed at the highest level of decision-making authority. Assigned fund balance is a limitation imposed by a designee of the City. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. The General Fund is the only fund that reports a positive unassigned fund balance.

The City Council is the City's highest level of decision making. The City Council can establish, modify or rescind a fund balance commitment through adoption of an ordinance. There is no formal policy used by City Council to authorize assignment of fund balance other than authorization of the City Manager to assign fund balance amounts to a specific purpose at his discretion. The City Manager is appointed by, and serves at the pleasure of, the City Council.

The City considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted amounts are available. When an expenditure is incurred for which committed, assigned or unassigned amounts could be used the City considers the expenditures to be used in this respective order.

**Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position components as are the unspent proceeds of such outstanding debt. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Accounting Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the City's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## **NOTE 2 – BUDGETARY ACCOUNTING AND REPORTING**

### **Budgetary Policies**

An annual appropriated budget is adopted for the General Fund and is presented as required supplementary information. The budget is presented on a modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. During the year, no supplementary appropriations were necessary.

The following is the City's procedure for establishing and adopting a budget:

1. At least forty days prior to November 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year beginning November 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to November 1, the budget is legally enacted through passage of an ordinance.
4. The legal level of control for each budget is maintained at the departmental level.
5. The City Manager is authorized to transfer budgeted amounts within the departments, but not between departments, up to \$5,000 as necessary in case of emergency. The City Council must be informed of such transactions at the next council meeting. The City Council must also be informed by the City Manager of any expenditure over \$500 from any miscellaneous non-line item account.

## **NOTE 3 – DEPOSITS AND INVESTMENTS**

The State of South Carolina General Statutes permits the City to invest in certain types of financial instruments. The State also has a Local Government Investment Pool (where the fair value of the position in the pool is the same as the value of the pool shares) which invests in the type of instruments allowed under laws. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice.

Cash consists of demand deposits or savings accounts, certificates of deposits, repurchase agreements, or U.S. Government Securities. There were no deposit or investment transactions during the year that were in violation of the City's investment policies.

As of October 31, 2022, the City had the following investments:

<b>Investment Type</b>	<b>Fair Value Level</b>	<b>Credit Rating <sup>a</sup></b>	<b>Fair Value</b>	<b>Investment</b>
				<b>Maturities in Years</b>
				<b>&gt; 1 yr</b>
Local Government Investment Pool	N/A	NR	\$ 3,597,067	\$ 3,597,067
U.S. Treasury Notes and Obligations	Level 1	*	255,795	255,795
Total			<u>\$ 3,852,862</u>	<u>\$ 3,852,862</u>

\* U.S. government securities or investments explicitly guaranteed by the U.S. government are not considered to have credit risk.

Credit ratings for these investments have not been disclosed.

<sup>a</sup>If available, credit ratings are for Standard & Poor's and Moody's Investors Service.

NR – Not rated.

**NOTE 3 – DEPOSITS AND INVESTMENTS, Continued**

**Custodial Credit Risk – Deposits and Investments**

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City has a policy that all deposits in excess of federal insurance amounts be collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

For investments, this 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 the counterparty. In accordance with its investment policy, the City invests in the state investment pool which is not subject to custodial credit risk.

At October 31, 2022, the carrying amount of the City’s deposits was \$3,841,004 and the bank balance was \$3,940,983. The City was covered by federal depository insurance or fully collateralized at yearend. Petty cash funds of \$1,600 were also reflected as cash.

**Interest Rate Risk**

The City has a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses due to increasing interest rates. Short-term investment maturities are as follows:

<u>Time</u>	<u>Maturing Amount</u>
Under 30 days	10% minimum
Under 90 days	25% minimum
Under 181 days	50% minimum
Under 1 year	100% minimum

Maturities for long-term funds are capped at 3 years according to the policy.

**Credit Risk**

The City has no investment policy that would further limit its investment choices other than state law.

**Concentration of Credit Risk**

The City has no limit on the amount the City may invest in any one issuer. As of October 31, 2022, the City has \$255,795 invested in United States Treasury Bills, which is approximately 7% of the City’s total investment balance as of October 31, 2022.



**NOTE 3 – DEPOSITS AND INVESTMENTS, Continued**

**Reconciliation to the Financial Statements**

The following reconciles deposits and investments to cash and cash equivalents and investments, as presented in the statement of net position:

	<u>October 31, 2022</u>
<b>Disclosures Regarding Deposits and Investments</b>	
Cash on hand	\$ 1,600
Carrying value of deposits	3,841,004
Fair value of investments	<u>3,852,862</u>
Total	<u><u>\$ 7,695,466</u></u>

	<u>October 31, 2022</u>
<b>Statements of Net Position</b>	
<b>Statement of Net Position</b>	
Cash and cash equivalents	
Unrestricted	\$ 2,592,443
Restricted	1,207,192
Investments	
Unrestricted	3,275,781
Restricted	577,081
<b>Statement of Fiduciary Net Position</b>	
Cash and cash equivalents	<u>42,969</u>
Total	<u><u>\$ 7,695,466</u></u>

**NOTE 4 – RECEIVABLES**

Receivables as of October 31, 2022 for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

**City of Abbeville**  
**Notes to Financial Statements**  
**October 31, 2022**

**NOTE 4 – RECEIVABLES, Continued**

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Property taxes receivable	\$ 166,968	\$ -	\$ -	\$ -	\$ 166,968
Other taxes receivable	3,670	-	-	-	3,670
Accounts	96,232	-	-	2,088,441	2,184,673
Intergovernmental	53,950	-	-	-	53,950
Gross receivables	320,820	-	-	2,088,441	2,409,261
Less: allowance	(4,140)	-	-	(61,000)	(65,140)
Net receivables	<u>\$ 316,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,027,441</u>	<u>\$ 2,344,121</u>

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the City for the year ended October 31, 2022 was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Governmental Activities</b>				
Capital assets, nondepreciable				
Land	\$ 499,718	\$ 200,000	\$ -	\$ 699,718
Construction in progress	518,058	-	(518,058)	-
Works of Art	350,000	-	-	350,000
<b>Total Capital Assets, Nondepreciable</b>	<u>1,367,776</u>	<u>200,000</u>	<u>(518,058)</u>	<u>1,049,718</u>
Capital assets, depreciable				
Buildings and improvements	2,290,192	849,041	-	3,139,233
Infrastructure	5,383,136	119,196	-	5,502,332
Machinery and equipment	3,956,320	111,592	(350,746)	3,717,166
<b>Total Capital Assets Being Depreciated</b>	<u>11,629,648</u>	<u>1,079,829</u>	<u>(350,746)</u>	<u>12,358,731</u>
Less accumulated depreciation:				
Buildings and improvements	1,439,192	39,349	-	1,478,541
Infrastructure	3,296,201	235,761	-	3,531,962
Machinery and equipment	3,014,629	210,591	(328,259)	2,896,961
Total accumulated depreciation	<u>7,750,022</u>	<u>485,701</u>	<u>(328,259)</u>	<u>7,907,464</u>
<b>Total Capital Assets, Depreciable, Net</b>	<u>3,879,626</u>	<u>594,128</u>	<u>(22,487)</u>	<u>4,451,267</u>
<b>Total Governmental Activities Capital Assets, Net</b>	<u>\$ 5,247,402</u>	<u>\$ 794,128</u>	<u>\$ (540,545)</u>	<u>\$ 5,500,985</u>

**City of Abbeville**  
**Notes to Financial Statements**  
**October 31, 2022**

**NOTE 5 – CAPITAL ASSETS, Continued**

	<b><u>Beginning Balances</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balances</u></b>
<b>Business-type Activities</b>				
Capital assets, nondepreciable				
Land	\$ 320,045	\$ -	\$ (2,268)	\$ 317,777
Construction in progress	1,230,685	1,231,293	(1,824,448)	637,530
<b>Total Capital Assets, Nondepreciable</b>	<b>1,550,730</b>	<b>1,231,293</b>	<b>(1,826,716)</b>	<b>955,307</b>
Capital assets, depreciable				
Buildings and improvements	3,511,200	-	-	3,511,200
Infrastructure	36,798,429	1,948,187	(2,988)	38,743,628
Machinery and equipment	6,773,520	-	(14,433)	6,759,087
<b>Total Capital Assets, Depreciable</b>	<b>47,083,149</b>	<b>1,948,187</b>	<b>(17,421)</b>	<b>49,013,915</b>
Less accumulated depreciation:				
Buildings and improvements	3,099,117	38,607	-	3,137,724
Infrastructure	18,369,670	976,250	(2,988)	19,342,932
Machinery and equipment	4,642,893	170,679	(14,433)	4,799,139
Total accumulated depreciation	26,111,680	1,185,536	(17,421)	27,279,795
<b>Total Capital Assets, Depreciable, Net</b>	<b>20,971,469</b>	<b>762,651</b>	<b>-</b>	<b>21,734,120</b>
<b>Total Business-type Activities Capital Assets, Net</b>	<b>\$ 22,522,199</b>	<b>\$ 1,993,944</b>	<b>\$ (1,826,716)</b>	<b>\$ 22,689,427</b>

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

Governmental activities:

General Government	\$ 20,319
Public Safety	167,853
Public Works	146,734
Recreation	16,619
Development	134,176
Total depreciation expense - Governmental Activities	<u>\$ 485,701</u>

**City of Abbeville**  
**Notes to Financial Statements**  
**October 31, 2022**

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**NOTE 5 – CAPITAL ASSETS, Continued**

Business-type Activities:

Enterprise Funds:

Electric System	\$ 455,128
Water System	393,242
Sewer System	<u>337,166</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 1,185,536</u>

**NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES**

The balances of interfund receivables and payables at October 31, 2022 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise/Public Utility Fund	General Fund	<u>\$ 55,353</u>

**NOTE 7 – TRANSFERS IN/(OUT)**

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Enterprise/Public Utility Fund	<u>\$ 621,177</u>
Capital Projects Fund	Hospitality Tax Fund	<u>\$ 200,313</u>
Capital Projects Fund	General Fund	<u>\$ 7,811</u>

Transfers are used to (1) move unrestricted general fund revenues to finance various programs that the government accounts for in other funds, (2) move revenues from the utility system to the general government to finance various programs benefiting the utility system that the government accounts for in other funds, (3) move tourism related revenues from collecting fund to the expending fund due to legal constraints, or to (4) move other unrestricted revenues to the general fund. The Enterprise/Public Utility Fund transferred \$621,177 to the General Fund consisting of the utility franchise fee of \$520,000 and utility credit of \$101,177. Funds were transferred from the Hospitality Tax Fund to the Capital Projects Fund for various improvements. The General Fund transferred funds to the Capital Projects Fund for opera house improvements.

## **NOTE 8 – LONG-TERM LIABILITIES**

### **Lease Recognition**

The City recognizes leases in accordance with the Accounting Standards Update (ASU) 2016-02, *Leases*. This standard requires balance sheet (statement of net position) recognition of lease agreements with terms exceeding 12 months and disclosure of significant terms of the lease. The City has evaluated lease contracts and determined that current leases do not result in a material impact on the financial statements.

Detail for each outstanding long-term debt and capital lease issue as of October 31, 2022 was as follows:

### **Revenue Bonds – Public Utility Fund**

Series 2010 Combined Public Utility System Improvement Revenue Bonds (South Carolina Drinking Water Revolving Loan Fund) – issued in November 2010 in the amount of \$2,032,590. The interest rate on the bonds is 2.25%. The bonds are payable in eighty quarterly installments of \$32,364 beginning April 1, 2011. The bonds will mature on January 1, 2031.

Series 2012 Combined Public Utility System Improvement Revenue Bond – issued in October 2012 in the amount of \$3,500,000. The interest rate on the bonds is 2.13%. The bonds are payable in fifteen annual installments ranging from \$140,000 to \$285,000 beginning August 1, 2013. The bonds will mature on August 1, 2027.

Series 2013 Combined Public Utility System Improvement Revenue Bonds (South Carolina Drinking Water Revolving Loan Fund) – issued in July, 2013 in the amount of \$445,002. The interest rate on the bonds is 0.9%. The bonds are payable in forty quarterly installments of \$11,646 beginning January 1, 2014, and will mature on October 1, 2023.

Series 2013B Combined Public Utility System Improvement Revenue Bond – issued in July 2013 in the amount of \$4,620,000. The proceeds were used to currently refund the Series 2008 Combined Public Utility System Refunding Bonds. The interest rate on the bonds is 2.59%. The bonds are payable in fourteen annual installments ranging from \$260,000 to \$390,000 beginning August 1, 2013, and will mature on July 1, 2027. The refunding resulted in a loss on refunding of approximately \$56,700, presented on the Statement of Net Position as a deferred outflow of resources. It will be amortized over fourteen years, which is the remaining term on the refunded bond and the term of the issued bond. The refunding reduced the total debt service over 14 years by \$536,296 and resulted in an economic gain on refunding the bond of \$78,632. The balance of the deferred loss on refunding is \$27,324 as of October 31, 2022.

Series 2019 Combined Public Utility System Improvement Revenue Bonds – issued in September 2019 in the amount of \$350,000. The interest rate on the bonds is 3.01%. The bonds are payable in forty quarterly installments of \$10,154 beginning December 2020 and will mature on September 1, 2029.

**City of Abbeville**  
**Notes to Financial Statements**  
**October 31, 2022**

**NOTE 8 – LONG-TERM LIABILITIES, Continued**

Series 2020 Combined Public Utility System Improvement Revenue Bonds – issued in February 2021 in the amount of \$922,360. The interest rate on the bonds is 1.00%. The bonds are payable in eighty quarterly installments of \$12,735 beginning May 2021 and will mature on February 1, 2041.

Series 2022 Combined Public Utility System Improvement Revenue Bonds – issued in July 2022 in the amount of \$800,000. The interest rate on the bonds is 2.15%. The bonds are payable in forty quarterly installments of \$22,249 beginning September 2022 and will mature on June 1, 2032.

**Revenue Bonds - Governmental Funds**

Series 2020 Hospitality Fee Revenue Bond – issued in July 2020 in the amount of \$425,000. The interest rate on the bonds is 2.4%. The bonds are payable in thirty-two quarterly installments for \$14,596 beginning September 1, 2020, and will mature on June 1, 2028.

**Note Payable - Governmental Fund**

The following is a summary of changes in the City's long-term obligations for the year ended October 31, 2022:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds Payable					
Hospitality Fee Revenue Refunding					
Bond Series 2020	\$ 362,800	\$ -	\$ 50,126	\$ 312,674	\$ 51,647
Total Bonds Payable	<u>362,800</u>	<u>-</u>	<u>50,126</u>	<u>312,674</u>	<u>51,647</u>
Compensated Absences	<u>91,212</u>	<u>34,247</u>	<u>17,918</u>	<u>107,541</u>	<u>10,754</u>
Net Pension Liability	<u>3,795,678</u>	<u>297,419</u>	<u>-</u>	<u>4,093,097</u>	<u>-</u>
Net OPEB Liability	<u>463,387</u>	<u>-</u>	<u>67,382</u>	<u>396,005</u>	<u>-</u>
<b>Total Governmental Activities</b>	<u>\$ 4,713,077</u>	<u>\$ 331,666</u>	<u>\$ 135,426</u>	<u>\$ 4,909,317</u>	<u>\$ 62,401</u>

**Net Pension Liability, Net OPEB Liability**

The general fund is used to liquidate pension liabilities and OPEB liabilities incurred in governmental activities.

**City of Abbeville**  
**Notes to Financial Statements**  
**October 31, 2022**

**NOTE 8 – LONG-TERM LIABILITIES, Continued**

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
<b>Business-type Activities</b>					
Bonds payable					
2010 Series Revenue Bonds	\$ 1,054,437	\$ -	\$ 103,732	\$ 950,705	\$ 106,086
2012 Series Revenue Bonds	1,630,000	-	258,346	1,371,654	265,000
2013 Series Revenue Bonds	92,229	-	40,594	51,635	51,635
2013B Series Revenue Bonds	2,195,000	-	345,000	1,850,000	350,000
2019 Series Revenue Bonds	287,800	-	32,314	255,486	33,298
2020 Series Revenue Bonds	900,882	-	41,108	859,774	42,506
2022 Series Revenue Bonds	-	800,000	20,910	779,090	71,924
<b>Total Bonds Payable</b>	<u>6,160,348</u>	<u>800,000</u>	<u>842,004</u>	<u>6,118,344</u>	<u>920,449</u>
Capital Leases	<u>143,996</u>	<u>-</u>	<u>96,266</u>	<u>47,730</u>	<u>47,730</u>
Compensated Absences	<u>46,140</u>	<u>17,845</u>	<u>20,132</u>	<u>43,853</u>	<u>6,578</u>
Net Pension Liability	<u>3,615,456</u>	<u>175,370</u>	<u>-</u>	<u>3,790,826</u>	<u>-</u>
Net OPEB Liability	<u>789,009</u>	<u>-</u>	<u>114,729</u>	<u>674,280</u>	<u>-</u>
<b>Total Business-type Activities</b>	<u>\$ 10,754,949</u>	<u>\$ 993,215</u>	<u>\$ 1,073,131</u>	<u>10,675,033</u>	<u>\$ 974,757</u>

Presented below is a summary of the debt service requirements to maturity by year for the governmental and business-type funds of the City:

<u>Year Ending October 31,</u> <u>Governmental Activities</u>	<u>Debt</u>		<u>Capital Lease Obligations</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 51,647	\$ 6,737	\$ -	\$ -	\$ 58,384
2024	52,898	5,486	-	-	58,384
2025	54,179	4,205	-	-	58,384
2026	55,491	2,893	-	-	58,384
2027	56,495	1,889	-	-	58,384
2028-2032	41,964	1,824	-	-	43,788
Total	<u>\$ 312,674</u>	<u>\$ 23,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,708</u>
<b>Business-type Activities</b>					
2023	\$ 920,449	\$ 130,526	\$ 47,730	\$ 779	\$ 1,099,484
2024	889,884	109,746	-	-	999,630
2025	910,491	89,063	-	-	999,554
2026	931,187	67,927	-	-	999,114
2027	948,668	49,620	-	-	998,288
2028-2032	1,102,676	67,391	-	-	1,170,067
2033-2037	239,615	15,090	-	-	254,705
2039-2042	175,374	3,204	-	-	178,578
Totals	<u>\$ 6,118,344</u>	<u>\$ 532,567</u>	<u>\$ 47,730</u>	<u>\$ 779</u>	<u>\$ 6,699,420</u>

**NOTE 8 – LONG-TERM LIABILITIES, Continued**

The City currently has no General Obligation Bonds. The Hospitality revenue bonds are to be repaid from Hospitality taxes. The Enterprise revenue bonds are to be repaid from the operations of those funds. The capital lease obligations are special obligations of the City payable from the general revenues of the City.

There are numerous limitations, restrictions, and covenants contained in the bond indentures and ordinances. At October 31, 2022, management believes the City is in compliance with all significant restrictions and covenants.

Interest paid on the debt issued by the City is exempt from federal income tax. The City sometimes temporarily reinvests the proceeds of such tax-exempt debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be refunded to the federal government. Management believes the City had no arbitrage liability at October 31, 2022.

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City shall incur any bonded debt which shall exceed 8% of the assessed value of the property therein and no such debt shall be created without the electors of such City voting in favor of such further bonded debt. As of October 31, 2022, the City had no general obligation bonded debt or general obligation notes subject to the 8% limit of approximately \$1.09 million, resulting in an unused legal debt margin of \$1.09 million.

**NOTE 9 – OTHER INFORMATION**

**Capital Leases**

The City has entered into lease agreements as lessee for financing the acquisition of equipment. These leases are reported as capital leases and have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of October 31, 2022:

	Business-type Funds
Equipment	\$ 236,428
Less: accumulated depreciation	(98,076)
	<u>\$ 138,352</u>

The schedule of future minimum lease payments under these capital leases are included in the maturity schedule reported above.



**NOTE 9 – OTHER INFORMATION, Continued**

**Contingent Liabilities**

The City participates in a number of federal and state assisted grant programs that are governed by various rules and regulations of grantor agencies. These programs are subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The City believes it has substantially complied with the contract/grant provisions. Based on prior experience, the City's management believes such disallowances, if any, would not be significant; therefore, no provision has been recorded in the accompanying government-wide and fund financial statements for such contingencies.

In addition, the City must apply for annual renewals of contracts and grants. Funding is subject to both increases and reductions at the discretion of the contractors and grantors.

The City is routinely the subject of litigation by a variety of plaintiffs in the normal course of business. City management believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.

**Commitments**

The City is a member of Piedmont Municipal Power Agency (PMPA). The PMPA has a 25% ownership interest in Duke Energy Nuclear Station Unit 2. The City has a contract with PMPA to purchase the bulk of its electrical power requirement above those provided by its hydro plant and those purchased from Southeastern Power Administration (SEPA). PMPA sets rates and charges that are sufficient to pay all of its monthly Catawba Project Power costs and all supplemental power costs. The City's payment is based upon its output share of PMPA's actual cost of owning and operating the Catawba Project. The City is also responsible for its pro rata share of costs of distribution delivery stations, and any costs incurred by PMPA associated therewith (but not limited to), payments to Duke Energy pursuant to the Interconnections Agreement for the cost of protection stations owned by Duke Energy and used to protect the safety and reliability of the Duke Energy System, the cost of distribution and transmission facilities leased from Duke Energy, and the cost of early retirement of any Duke Energy owned equipment necessitated by changes in the capacity of transmission facilities at delivery points. The most recent financial statements of PMPA may be obtained by contacting PMPA at 121 Village Drive, Greer, SC 29651.

**Risk Management**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The City has joined together with other municipalities in the state to form the South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF) which is a public entity risk pool currently operating as a common risk management and insurance program. The City obtains its general risk insurance through SCMIRF. It pays an annual premium for this coverage. For the year ended October 31, 2022, the City made premium payments totaling approximately \$305,717. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

**NOTE 9 – OTHER INFORMATION, Continued**

The City has also joined together with other municipalities in the state to form the South Carolina Municipal Insurance Trust (SCMIT), a public entity risk pool operating as a common risk management and insurance program for workers' compensation. The City pays an annual premium to SCMIT. For the year ended October 31, 2022, the City made premium payments totaling approximately \$142,739. The Trust uses reinsurance agreements to reduce its exposure to large workers' compensation losses. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

**Deferred Compensation Plans**

The City's employees may participate in the 457 and/or 401(k) deferred compensation plans, which are available to state and local governmental employees and administered by a state approved nongovernmental third party. The plans, available to all City employees, permit them to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrator for both the 457 and 401(k) plans is the South Carolina Deferred Compensation Program, c/o Great West Retirement Services, 8515 East Orchard Road, Greenwood Village, CO 80111 (under state contract).

**NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB)**

In addition to retirement benefits, the City provides post-retirement health care benefits to all employees who meet the criteria for retirement under the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS) and who have worked for at least 25 years. Effective November 1, 2017, the City adopted the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for Post Employment Benefits Plans Other Than Pensions" (GASB 75). GASB 75 replaces GASB 45. Changes required by GASB 75 include different actuarial methods for determining OPEB liability and expense, as well as additional disclosures.

**Plan Description, Contribution Information, and Funding Policies**

The City is a participant in the South Carolina Other Retirement Benefits Employer Trust (SC ORBET) for medical and dental coverage, and eligible retirees and their spouses are allowed to continue coverage in accordance with the City's Other Post Employment Benefit Plan (OPEB). The SC ORBET is an agent multiple-employer irrevocable trust administered by the Municipal Association of South Carolina. Each participating employer is responsible for determining the appropriate amount of contributions to remit to the Trust.

A City employee hired prior to January 1, 2000 who retires with 25 years or more consecutive service with the City will have the option of continuing their medical insurance coverage at the time of retirement. Employees hired after that date and have five years of service with SCRS or PORS are eligible to participate by paying the applicable retiree rate under the State Health Plan. The City will pay up to \$405 per month for only the

**NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

retiree's insurance coverage, and the retiree, if he/she chooses to do so, may cover his/her dependents at his/her own expense. Any amount in excess of \$405 each month is the responsibility of the retiree. The retiree will also reimburse the City each month for the required amount for dependent coverage. The SC ORBET Trust blends the experience of active employees and retirees, including spouses and dependents, in determining premiums. As a result, the retirees receive an implicit rate subsidy for spousal and dependent coverage purchased. As of October 31, 2022, there were 18 retirees receiving health benefits from the City's plan. The City's plan does not issue a stand-alone financial report.

**Total OPEB Liability**

In previous years, the City has reported a net OPEB obligation (liability) consisting of the difference between the annual required contribution into the plan and the actual contributions made by the City. GASB 75 requires employers to determine the Total OPEB Liability (TOL) using the Entry Age Normal (EAN) actuarial funding method and to report a net OPEB liability consisting of the difference between the TOL and the plan's fiduciary net position.

The City's TOL was determined by an actuarial valuation as of June 30, 2021, using the following key actuarial assumptions and other inputs:

**NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

Inflation	2.25%
Real wage growth	
SCRS	0.75%
PORS	1.25%
Wage inflation	
SCRS	3.00%
PORS	3.50%
Salary increases, including wage inflation	
SCRS	3.00% - 9.50%
PORS	3.50% - 10.50%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.75%
Municipal Bond Index Rate	
Prior Measurement Date	2.12%
Measurement Date	2.06%
Year FNP is projected to be depleted	
Prior Measurement Date	N/A
Measurement Date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	4.75%
Measurement Date	4.75%
Health Care Cost Rates	
Pre-Medicare	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031
Medicare	5.25% for 2021 decreasing to an ultimate rate of 4.50% by 2025

**NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

The discount rate used to measure the TOL was based upon the long-term expected rate of return.

Mortality rates were based on the PUB-2010 Mortality Table for Employees with a 135% multiplier to better reflect the anticipated experience and provide a margin for future improvements.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of the 2020 actuarial experience study adopted by SCRS and PORS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between employer and plan members to that point.

The following exhibit presents the Net OPEB Liability (NOL) of the Plan, calculated using the health care cost trend rates, as well as what the Plan's NOL would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>Health Care Cost Trend Rate Sensitivity</u>			
	1%		1%
	Decrease	Current	Increase
Net OPEB Liability	\$ 1,038,426	\$ 1,070,285	\$ 1,113,985

The following exhibit presents the NOL of the Plan, calculated using the discount rate of 4.75%, as well as what the Plan's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

**NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

	<u>Discount Rate Sensitivity</u>		
	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
Net OPEB Liability	\$ 1,229,043	\$ 1,070,285	\$ 936,942

The TOL is based upon an actuarial valuation performed as of the Valuation Date, June 30, 2021. An expected TOL is determined as of December 31, 2021 using standard roll forward techniques. The roll forward calculation begins with the TOL, as of December 31, 2020, subtracts the actual benefit payments for the year, applies interest at the Discount Rate for the year, and then adds the annual Normal Cost (also called the Service Cost). The procedure used to determine the TOL, as of December 31, 2021, (the Measurement Date) is shown in the following table:

**Changes in the Net OPEB Liability**

	<b>Total OPEB Liability (a)</b>	<b>Plan Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
<b>Balance as of December 31, 2020</b>	\$ 1,573,455	\$ 321,059	\$ 1,252,396
<b>Changes for the year</b>			
Service Cost at the end of the year*	25,315	-	25,315
Interest on TOL and Cash Flows	72,711	-	72,711
Change in benefit terms	-	-	-
Difference between expected and actual experience	(194,857)	-	(194,857)
Changes of assumptions or other inputs	(10,490)	-	(10,490)
Contributions - employer	-	86,388	(86,388)
Contributions - non-employer	-	-	-
Net investment income	-	(10,348)	10,348
Benefit payments and implicit subsidy credit**	(86,388)	(86,388)	-
Plan administrative expenses***	-	(1,250)	1,250
Other	-	-	-
<b>Net changes</b>	<b>(193,709)</b>	<b>(11,598)</b>	<b>(182,111)</b>
<b>Balance as of December 31, 2021</b>	<b>\$ 1,379,746</b>	<b>\$ 309,461</b>	<b>\$ 1,070,285</b>

\* The service cost includes interest for the year.

\*\* Benefit payments are net of participant contributions and include a payment of \$23,200 for the implicit subsidy.

Benefit payment include \$63,188 paid outside the Trust.

\*\*\* Administrative expenses are based on the fees paid from the plan's trust.

**NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts will increase OPEB expense, they are labeled Deferred Outflows of Resources. If they serve to reduce OPEB expense, they are labeled Deferred Inflows of Resources. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service lives of the active and inactive Plan members at the beginning of the measurement period.

At October 31, 2022, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,266	\$ 331,613
Changes of assumptions or other inputs	9,526	9,154
Net difference between projected and actual earnings on plan investments	22,287	-
Total	<u>\$ 35,079</u>	<u>\$ 340,767</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB expense as follows:

Measurement Period Ended December 31,	
2022	\$ (47,752)
2023	(49,752)
2024	(49,890)
2025	(48,267)
2026	(52,462)
Thereafter	(57,565)

The calculation of the OPEB expense for the year ended October 31, 2022 is shown in the following table:

**NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

**OPEB Expense  
For Year Ending October 31, 2022**

Service Cost at end of year*	\$ 25,315
Interest on the Total OPEB Liability and Cash Flow	72,711
Current-period benefit changes	-
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	(24,823)
Expensed portion of current-period changes of assumptions or other inputs	(1,336)
Active member contributions	-
Projected earnings on plan investments	(15,221)
Expensed portion of current-period differences between actual and projected earnings on plan investments	5,114
Administrative Costs**	1,250
Other	-
Recognition of beginning Deferred Outflows of Resources as OPEB Expense	5,338
Recognition of beginning Deferred Inflows of Resources as OPEB Expense	(31,130)
<b>OPEB Expense</b>	<b><u>\$ 37,218</u></b>

\*The service cost includes interest for the year.

\*\*Administrative costs are based on the actuarial fees paid from the plan's Trust.

**NOTE 11 – PENSIONS**

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.



**NOTE 11 – PENSIONS, Continued**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 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 annual comprehensive financial report of the state.

**Plan Description**

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The State Optional Retirement Program (ORP) is a defined contribution plan that is offered as an alternative to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for state ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, state ORP assets are not part of the retirement systems' trust funds for financial statement purposes.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Sections 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

**NOTE 11 – PENSIONS, Continued**

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

**Membership**

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below:

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP – As an alternative to membership in SCRS, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member

**NOTE 11 – PENSIONS, Continued**

of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

**Benefits**

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for the system is presented below:

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's credible service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

**NOTE 11 – PENSIONS, Continued**

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

**Contributions**

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with the state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year, if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

Required employee and employer contribution rates<sup>1</sup> are as follows:

	<b><u>Fiscal Year 2023<sup>1</sup></u></b>	<b><u>Fiscal Year 2022<sup>1</sup></u></b>
<b>SCRS</b>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<b>State ORP</b>		
Employee	9.00%	9.00%
<b>PORS</b>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

<sup>1</sup>Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

**NOTE 11 – PENSIONS, Continued**

Required employer contribution rates<sup>1</sup> are as follows:

	<b><u>Fiscal Year 2023<sup>1</sup></u></b>	<b><u>Fiscal Year 2022<sup>1</sup></u></b>
<b>SCRS</b>		
Employee Class Two	16.41%	15.41%
Employee Class Three	16.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>State ORP</b>		
Employer Contribution (2)	16.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>PORS</b>		
Employee Class Two	18.84%	17.84%
Employee Class Three	18.84%	17.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

<sup>1</sup>Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

<sup>2</sup>Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

**Actuarial Assumptions and Methods**

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2022, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by PEBA's consulting actuary, Gabriel, Roeder, Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

**NOTE 11 – PENSIONS, Continued**

The following table provides a summary of the actuarial assumptions and methods used to calculate TPL as of June 30, 2022:

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return <sup>^</sup>	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service) <sup>^</sup>	3.5% to 10.5% (varies by service) <sup>^</sup>
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
<sup>^</sup> Includes inflation at 2.25%		

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2022, TPL are as follows:

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

**Net Pension Liability**

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that system's fiduciary net position. NPL totals, as of June 30, 2022, for SCRS and PORS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Position Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 56,454,779,872	\$ 32,212,626,932	\$ 24,242,152,940	57.1%
PORS	\$ 8,937,686,946	\$ 5,938,707,767	\$ 2,998,979,179	66.4%

# **NOTE 11 – PENSIONS, Continued**

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

## **Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

<b>Allocation/Exposure</b>	<b>Policy Target</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long-term Expected Portfolio Real Rate of Return</b>
<b>Public Equity</b>	<b>46.0%</b>	<b>6.79%</b>	<b>3.12%</b>
<b>Bonds</b>	26.0%	-0.35%	-0.09%
<b>Private Equity<sup>1</sup></b>	9.0%	8.75%	0.79%
<b>Private Debt<sup>1</sup></b>	7.0%	6.00%	0.42%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate <sup>1</sup>	9.0%	4.12%	0.37%
Infrastructure <sup>1</sup>	3.0%	5.88%	0.18%
Total Expected Return <sup>2</sup>	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
			<u>7.04%</u>

<sup>1</sup> RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

<sup>2</sup> Portable Alpha Strategies, which are not included in Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

**NOTE 11 – PENSIONS, Continued**

**Discount Rate**

The discount rate used to measure the TPL was 7%. 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, the 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 TPL.

**Sensitivity Analysis**

The following table presents the NPL calculated using the discount rate of 7 percent, as well as what the NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6 percent) or 1.00 percent higher (8 percent) than the current rate.

<b>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</b>				
<b>System</b>	<b>1.00% Decrease (6%)</b>	<b>Current Discount Rate (7%)</b>	<b>1.00% Increase (8%)</b>	
SCRS	\$ 7,043,985	\$ 5,493,951	\$ 4,205,387	
PORS	\$ 3,332,678	\$ 2,389,972	\$ 1,618,286	

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At October 31, 2022, the City reported a liability of \$7,883,923 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's portion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

For the year ended October 31, 2022, the City recognized pension expense of \$615,865 for its participation in the Plan. This amount consisted of \$331,785 and \$284,080, respectively, for the SCRS and PORS plans. The expense amount includes actual employer contributions, changes in deferred outflows and/or inflows of resources related to changes in the employer's proportionate share of the collective pension liability, and differences between actual employer contributions and proportionate share of total employer contributions as reported by PEBA for the year ended June 30, 2022.

At October 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



**City of Abbeville**  
**Notes to Financial Statements**  
**October 31, 2022**

**NOTE 11 – PENSIONS, Continued**

	SCRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 47,732	\$ 23,942
Changes of assumptions	176,204	-
Net difference between projected and actual earnings on pension plan investments	8,473	-
Changes in proportionate share and differences between City contributions and proportionate share of total employer plan contributions	5,608	345,843
City contributions subsequent to the June 30, 2022 measurement date	134,040	-
Total	<u>\$ 372,057</u>	<u>\$ 369,785</u>

	PORS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,099	\$ 47,246
Changes of assumptions	99,522	-
Net difference between projected and actual earnings on pension plan investments	7,217	-
Changes in proportionate share and differences between City contributions and proportionate share of total employer plan contributions	158,082	129,152
City contributions subsequent to the June 30, 2022 measurement date	84,858	-
Total	<u>\$ 389,778</u>	<u>\$ 176,398</u>

Of the City's deferred outflows of resources relating to pensions, \$134,040 and \$84,858 resulted from contributions to the SCRS and PORS, respectively, subsequent to the measurement date and will be recognized as a reduction of the net pension liability and an increase in pension expense in the year ended October 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a net increase (net reduction) in pension expense as follows:

**NOTE 11 – PENSIONS, Continued**

Year Ended October 31,	SCRS	PORS	Total
2023	\$ (51,078)	\$ 73,132	\$ 22,054
2024	(20,644)	66,735	46,091
2025	(203,325)	(104,243)	(307,568)
2026	143,279	92,898	236,177
Total	<u>\$ (131,768)</u>	<u>\$ 128,522</u>	<u>\$ (3,246)</u>

**Additional Financial and Actuarial Information**

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2022, and the accounting valuation report as of June 30, 2022. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' separately issued ACFR. The ACFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at [www.retirement.sc.gov](http://www.retirement.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

**NOTE 12 – NET POSITION/FUND BALANCE**

Net position represents the difference between assets and liabilities. Net position at yearend was as follows:

	Governmental	Business-type
Net investment in capital assets:		
Net capital assets	\$ 5,500,985	\$ 22,689,427
Less:		
Bonds payable, net	(312,674)	(6,099,116)
Capital leases payable		(47,730)
	<u>5,188,311</u>	<u>16,542,581</u>
Restricted for debt service	57,838	501,667
Restricted for capital outlay	80,546	798,861
Restricted for development	239,613	-
Restricted for victims' assistance	1,764	-
Restricted for public safety and drug enforcement	11,834	-
	<u>391,595</u>	<u>1,300,528</u>
Unrestricted	<u>(3,209,535)</u>	<u>1,954,508</u>
	<u>\$ 2,370,371</u>	<u>\$ 19,797,617</u>

**City of Abbeville**  
**Notes to Financial Statements**  
**October 31, 2022**

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**NOTE 12 – NET POSITION/FUND BALANCE, Continued**

Amounts for specific purposes by fund and fund balance classifications at October 31, 2022 were as follows:

	General Fund	Nonmajor Governmental Funds	Total
Fund Balances			
Nonspendable			
Inventories	\$ 113,799	\$ -	\$ 113,799
Prepaid items	28,935	-	28,935
Restricted for			
Special revenue - capital outlay	-	80,546	80,546
Special revenue - development	-	239,613	239,613
Special revenue - drug enforcement	-	4,269	4,269
Special revenue - debt service	-	57,838	57,838
General fund - public safety	7,565	-	7,565
General fund - victim's assistance	1,764	-	1,764
Assigned to			
General fund - public safety	34,435	-	34,435
Unassigned	703,877	-	703,877
Total fund balances	<u>\$ 890,375</u>	<u>\$ 382,266</u>	<u>\$ 1,272,641</u>

**NOTE 13 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.



## **REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF ABBEVILLE

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
YEAR ENDED OCTOBER 31, 2022

	Budget - Original	Budget - Final	Actual	Variance With Final Budget
<b>REVENUES</b>				
Taxes	\$ 1,524,117	\$ 1,604,117	\$ 1,725,168	\$ 121,051
Licenses and permits	1,422,500	1,422,500	1,378,956	(43,544)
Intergovernmental	216,000	245,000	154,626	(90,374)
Charges for services	24,000	24,000	27,000	3,000
Building rent and recreation fees	13,000	13,000	28,428	15,428
Fines and forfeitures	12,500	12,500	17,947	5,447
Interest and investment earnings	1,250	1,250	7,928	6,678
Community development	300,000	300,000	203,633	(96,367)
Miscellaneous revenue	232,061	232,061	96,392	(135,669)
<b>Total revenues</b>	<u>3,745,428</u>	<u>3,854,428</u>	<u>3,640,078</u>	<u>(214,350)</u>
<b>EXPENDITURES</b>				
Current				
General government	1,311,572	1,440,112	1,431,892	8,220
Public safety	2,078,414	2,078,414	2,231,756	(153,342)
Public works	345,319	345,319	314,547	30,772
Parks and Recreation	402,996	407,456	394,168	13,288
Non-departmental	93,250	69,250	26,874	42,376
Capital outlay	201,377	201,377	384,166	(182,789)
<b>Total expenditures</b>	<u>4,432,928</u>	<u>4,541,928</u>	<u>4,783,403</u>	<u>(241,475)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(687,500)</u>	<u>(687,500)</u>	<u>(1,143,325)</u>	<u>(455,825)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	2,500	2,500	-	(2,500)
Transfers in	685,000	685,000	613,366	(71,634)
<b>Total Other Financing Sources (Uses)</b>	<u>687,500</u>	<u>687,500</u>	<u>613,366</u>	<u>(74,134)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>(529,959)</u>	<u>(529,959)</u>
<b>FUND BALANCE, beginning of year</b>	<u>1,420,334</u>	<u>1,420,334</u>	<u>1,420,334</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 1,420,334</u>	<u>\$ 1,420,334</u>	<u>\$ 890,375</u>	<u>\$ (529,959)</u>

**NOTE:** The budgets are presented on the modified accrual basis of accounting, which is consistent with accounting principles accepted in the United States of America for governmental entities.

**CITY OF ABBEVILLE, SOUTH CAROLINA**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY**

	Plan Year Ending December 31, 2021
<b>Total OPEB Liability</b>	
Service Cost at end of year	\$ 25,315
Interest on the Total OPEB Liability	72,711
Changes of benefit terms	-
Difference between expected and actual experience	(194,857)
Changes of assumptions or other inputs	(10,490)
Benefit payments *	(86,388)
<b>Net change in Total OPEB Liability</b>	<b>(193,709)</b>
<b>Total OPEB Liability - beginning</b>	<b>1,573,455</b>
<b>Total OPEB Liability - ending</b>	<b>1,379,746</b>
 <b>Plan Fiduciary Net Position</b>	
Contributions - employer **	86,388
Contributions - non-employer	-
Contributions - active member	-
Net investment income	(10,348)
Benefit payments *	(86,388)
Administrative expense	(1,250)
Other	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(11,598)</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>321,059</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>309,461</b>
 <b>Net OPEB Liability - ending</b>	 <b>\$ 1,070,285</b>

\* Benefit payments are net of participant contributions and include an amount for the implicit subsidy, if applicable, and include amounts paid outside an OPEB trust, if applicable.

\*\* The employer contribution includes amounts for the implicit subsidy, if applicable, and benefit payments paid outside the Trust, if applicable.

The amounts presented for each fiscal year were determined as of December 31 of the preceeding year (measurement date).

**CITY OF ABBEVILLE, SOUTH CAROLINA**

**SCHEDULE OF THE NET OPEB LIABILITY**

	Plan Year Ending December 31,					
	2021	2020	2019	2018	2017	2016
Total OPEB Liability	\$ 1,379,746	\$ 1,573,455	\$ 1,559,565	\$ 1,759,180	\$ 1,739,423	\$ 1,713,971
Plan Fiduciary Net Position	309,461	321,059	310,789	279,984	238,814	237,819
Net OPEB Liability	\$ 1,070,285	\$ 1,252,396	\$ 1,248,776	\$ 1,479,196	\$ 1,500,609	\$ 1,476,152
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	22.43%	20.40%	19.93%	15.92%	13.73%	13.88%
Covered payroll*	\$ 3,497,299	\$ 3,393,481	\$ 3,393,481	\$ 3,163,118	\$ 3,163,118	\$ 3,163,118
Net OPEB Liability as a percentage of covered payroll	30.60%	36.91%	36.80%	46.76%	47.44%	46.67%

\* For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS TO OPEB PLAN**

	City's Fiscal Year Ending October 31,				
	2022	2021	2020	2019	2018
Actuarially Determined Employer Contributions (ADEC)	\$ 84,418	\$ 86,457	\$ 94,232	\$ 96,037	\$ 113,019
Contributions in relation to the ADEC	86,388	86,993	102,204	123,577	65,209
Annual contribution deficiency (excess)	\$ (1,970)	\$ (536)	\$ (7,972)	\$ (27,540)	\$ 47,810
Covered payroll*	\$ 3,497,299	\$ 3,393,481	\$ 3,850,407	\$ 3,630,086	\$ 3,407,625
Actual contributions as a percentage of covered payroll	2.47%	2.56%	3.01%	3.91%	2.06%

\* For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

If the employer's fiscal yearend does not align with the Trust's fiscal yearend, contributions have been adjusted on a prorata basis to reflect the portion of each employer's contribution applicable to the Trust's fiscal year in accordance with Implimentation Guide 2017-2, question 4.90.

The amounts presented for each fiscal year were determined as of December 31 of the preceeding year (measurement date).

The schedules above are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.



## CITY OF ABBEVILLE

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM**

	2022	2021	2020	Year Ended October 31,		2017	2016	2015
				2019	2018			
<u>SCRS</u>								
City's proportion of the net pension liability	0.023%	0.024%	0.024%	0.026%	0.025%	0.025%	0.025%	0.025%
City's proportionate share of the net pension liability	\$ 5,493,951	\$ 5,239,792	\$ 6,176,115	\$ 5,854,503	\$ 5,536,348	\$ 5,704,216	\$ 5,345,089	\$ 4,788,974
City's covered payroll during the measurement period	\$ 2,698,004	\$ 2,834,674	\$ 2,691,300	\$ 2,611,747	\$ 2,461,504	\$ 2,447,772	\$ 2,372,995	\$ 2,421,178
City's proportionate share of the net pension liability as a percentage of its covered payroll	203.63%	184.85%	229.48%	224.16%	224.92%	233.04%	225.25%	197.80%
Plan's fiduciary net position	\$ 32,212,626,932	\$ 33,490,305,970	\$ 26,292,418,682	\$ 27,238,916,138	\$ 26,414,916,370	\$ 25,732,829,268	\$ 23,996,362,354	\$ 25,131,828,101
Plan fiduciary net position as a percentage of the total pension liability from PEBA	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%
<u>PORS</u>								
City's proportion of the net pension liability	0.080%	0.084%	0.074%	0.078%	0.071%	0.0716%	0.070%	0.069%
City's proportionate share of the net pension liability	\$ 2,389,972	\$ 2,171,342	\$ 2,465,343	\$ 2,239,091	\$ 2,012,806	\$ 1,961,471	\$ 1,768,557	\$ 1,508,255
City's covered payroll during the measurement period	\$ 1,287,954	\$ 1,196,990	\$ 1,159,107	\$ 1,018,340	\$ 946,120	\$ 905,903	\$ 850,961	\$ 868,239
City's proportionate share of the net pension liability as a percentage of its covered payroll	185.56%	181.40%	212.69%	219.88%	212.74%	216.52%	207.83%	173.71%
Plan's fiduciary net position	\$ 5,938,707,767	\$ 6,111,672,064	\$ 4,730,174,642	\$ 4,815,808,554	\$ 4,570,430,247	\$ 4,274,123,178	\$ 3,876,035,732	\$ 3,971,824,838
Plan fiduciary net position as a percentage of the total pension liability from PEBA	66.4%	70.4%	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the measurement date of the pension liability.

The City implemented GASB Nos. 68/71 during the year ended October 31, 2015. Information before 2015 is not available.

The discount rate was lowered from 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date. It was again lowered to 7.00% beginning with the year ended June 30, 2021 measurement date.

The schedules above are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

**CITY OF ABBEVILLE**

**SCHEDULE OF PENSION PLAN CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM**

	2022	2021	2020	2019	2018	2017	2016	2015
	Year Ended October 31,							
<b>SCRS</b>								
Contractually required contribution	\$ 454,898	\$ 425,060	\$ 436,823	\$ 396,215	\$ 358,396	\$ 296,153	\$ 271,351	\$ 256,433
Contributions in relation to the contractually required contribution	(454,898)	(425,060)	(436,823)	(396,215)	(358,396)	(296,153)	(271,351)	(256,433)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 2,714,568	\$ 2,698,004	\$ 2,834,674	\$ 2,691,300	\$ 2,611,747	\$ 2,461,504	\$ 2,447,772	\$ 2,372,995
Contributions as a percentage of covered payroll	16.75%	15.75%	15.40%	14.72%	13.72%	12.03%	11.08%	10.81%
<b>PORS</b>								
Contractually required contribution	\$ 241,586	\$ 234,030	\$ 213,543	\$ 198,867	\$ 164,519	\$ 136,694	\$ 122,376	\$ 111,664
Contributions in relation to the contractually required contribution	(241,586)	(234,030)	(213,543)	(198,867)	(164,519)	(136,694)	(122,376)	(111,664)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,259,603	\$ 1,287,954	\$ 1,196,990	\$ 1,159,107	\$ 1,018,340	\$ 946,120	\$ 905,903	\$ 850,961
Contributions as a percentage of covered payroll	19.17%	18.17%	17.84%	17.16%	16.15%	14.45%	13.51%	13.12%

**Notes to Schedule:**

Valuation date                      July 1, 2022                      July 1, 2021                      July 1, 2020                      July 1, 2019                      July 1, 2018                      July 1, 2017                      July 1, 2016                      July 1, 2015

The City implemented GASB Nos. 68/71 during the year ended October 31, 2015. Information before 2015 is not available.

The schedules above are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF ABBEVILLE**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT -**  
**BUDGET AND ACTUAL**  
**YEAR ENDED OCTOBER 31, 2022**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>GENERAL GOVERNMENT</b>				
City council				
Personnel services	\$ 118,756	\$ 111,256	\$ 105,784	\$ 5,472
Operating expenditures	43,800	50,500	51,724	(1,224)
Total city council	162,556	161,756	157,508	4,248
Administrative services				
Personnel services	333,991	325,866	353,387	(27,521)
Operating expenditures	145,800	294,265	285,965	8,300
Total administrative services	479,791	620,131	639,352	(19,221)
Planning and community development				
Personnel services	65,617	65,617	69,232	(3,615)
Operating expenditures	19,050	30,050	21,037	9,013
Total planning and community development	84,667	95,667	90,269	5,398
Municipal court				
Personnel services	113,452	113,452	132,760	(19,308)
Operating expenditures	20,340	20,340	14,720	5,620
Total municipal court	133,792	133,792	147,480	(13,688)
Community development				
Personnel services	129,131	129,131	132,612	(3,481)
Operating expenditures	321,635	299,635	264,671	34,964
Total community development	450,766	428,766	397,283	31,483
Total general government	1,311,572	1,440,112	1,431,892	8,220
<b>PUBLIC SAFETY</b>				
Police				
Personnel services	1,243,063	1,243,063	1,348,684	(105,621)
Operating expenditures	259,550	259,550	236,500	23,050
Capital outlay	45,798	45,798	200,000	(154,202)
Total police	1,548,411	1,548,411	1,785,184	(236,773)
Fire and codes				
Personnel services	486,001	486,001	547,350	(61,349)
Operating expenditures	89,800	89,800	99,222	(9,422)
Capital outlay	10,000	10,000	8,756	1,244
Total fire and codes	585,801	585,801	655,328	(69,527)
Total public safety	2,134,212	2,134,212	2,440,512	(306,300)

(Continued)

**CITY OF ABBEVILLE**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT -**  
**BUDGET AND ACTUAL**  
**YEAR ENDED OCTOBER 31, 2022**

**PUBLIC WORKS**

Administration

Personnel services	\$ 172,169	\$ 172,169	\$ 203,907	\$ (31,738)
Operating expenditures	173,150	173,150	110,640	62,510
Capital outlay	120,579	120,579	77,970	42,609
Total public works	<u>465,898</u>	<u>465,898</u>	<u>392,517</u>	<u>73,381</u>

**PARKS AND RECREATION**

Personnel services	251,696	251,696	246,533	5,163
Operating expenditures	151,300	155,760	147,635	8,125
Capital outlay	25,000	25,000	97,440	(72,440)
Total parks and recreation	<u>427,996</u>	<u>432,456</u>	<u>491,608</u>	<u>(59,152)</u>

**NONDEPARTMENTAL**

Office expenditures	750	750	812	(62)
Subscriptions and dues	3,000	3,000	1,790	1,210
Building/property insurance	3,500	3,500	3,775	(275)
Sales & tax use	4,000	2,000	(10,100)	12,100
Miscellaneous operating expenditures	10,000	-	-	-
Insurance claims deductible	3,000	6,000	8,359	(2,359)
Post-retirement benefits	15,000	15,000	-	15,000
Hospitalization/dental retirees	22,000	22,000	18,894	3,106
Condolences	1,000	1,000	740	260
Unemployment compensation	1,000	1,000	2,604	(1,604)
Contingencies	30,000	15,000	-	15,000
Total nondepartmental	<u>93,250</u>	<u>69,250</u>	<u>26,874</u>	<u>42,376</u>

Total expenditures	<u>\$ 4,432,928</u>	<u>\$ 4,541,928</u>	<u>\$ 4,783,403</u>	<u>\$ (241,475)</u>
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CITY OF ABBEVILLE

NONMAJOR SPECIAL REVENUE AND CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
OCTOBER 31, 2022

	Special Revenue		Capital Projects	Total Nonmajor Governmental Funds
	Hospitality Tax	Drug Forfeitures	Capital Projects	
<b>ASSETS</b>				
Cash and cash equivalents - restricted	\$ 292,702	\$ 25,754	\$ 80,546	\$ 399,002
Investments - restricted	54,729	20,685	-	75,414
Accounts receivable	20	-	-	20
<b>Total assets</b>	<u>\$ 347,451</u>	<u>\$ 46,439</u>	<u>\$ 80,546</u>	<u>\$ 474,436</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 50,000	\$ 42,170	\$ -	\$ 92,170
<b>Total liabilities</b>	<u>50,000</u>	<u>42,170</u>	<u>-</u>	<u>92,170</u>
<b>FUND BALANCES</b>				
Restricted				
Special revenue - capital outlay	-	-	80,546	80,546
Special revenue - development	239,613	-	-	239,613
Special revenue - public safety	-	4,269	-	4,269
Special revenue - debt service	57,838	-	-	57,838
<b>Total fund balances</b>	<u>297,451</u>	<u>4,269</u>	<u>80,546</u>	<u>382,266</u>
<b>Total liabilities and fund balances</b>	<u>\$ 347,451</u>	<u>\$ 46,439</u>	<u>\$ 80,546</u>	<u>\$ 474,436</u>

## CITY OF ABBEVILLE

**NONMAJOR SPECIAL REVENUE AND CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**YEAR ENDED OCTOBER 31, 2022**

	<b>Special Revenues</b>		<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Hospitality Tax</b>	<b>Drug Forfeitures</b>	<b>Capital Projects</b>	
<b>REVENUES</b>				
Taxes	\$ 220,523	\$ -	\$ -	\$ 220,523
Grants	111,552	-	-	111,552
Interest and investment earnings	681	234	22	937
<b>Total revenues</b>	<u>332,756</u>	<u>234</u>	<u>22</u>	<u>333,012</u>
<b>EXPENDITURES</b>				
Current				
Public safety	-	500	-	500
Development	(15,466)	-	9,329	(6,137)
Capital outlay	102,338	-	275,267	377,605
Debt service				
Principal	50,126	-	-	50,126
Interest	8,255	-	-	8,255
<b>Total expenditures</b>	<u>145,253</u>	<u>500</u>	<u>284,596</u>	<u>430,349</u>
Excess of revenues over (under) expenditures	187,503	(266)	(284,574)	(97,337)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	208,124	208,124
Transfers out	(200,313)	-	-	(200,313)
<b>Total other financing sources (uses)</b>	<u>(200,313)</u>	<u>-</u>	<u>208,124</u>	<u>7,811</u>
<b>NET CHANGE IN FUND BALANCES</b>	(12,810)	(266)	(76,450)	(89,526)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>310,261</u>	<u>4,535</u>	<u>156,996</u>	<u>471,792</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 297,451</u>	<u>\$ 4,269</u>	<u>\$ 80,546</u>	<u>\$ 382,266</u>

**CITY OF ABBEVILLE**

**ENTERPRISE FUNDS  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
YEAR ENDED OCTOBER 31, 2022**

	<b>DEPARTMENT</b>				<b>Eliminations</b>	<b>Total</b>
	<b>Electric</b>	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste</b>		
<b>OPERATING REVENUES</b>						
Sales to customers	\$ 8,061,535	\$ 2,263,272	\$ 1,255,609	\$ 581,315	\$ -	\$ 12,161,731
Sales to public authorities	450,141	920	528	-	(451,589)	-
Reconnection and tapping fees	94,590	880	(500)	-	-	94,970
Pole attachment fees	89,298	-	-	-	-	89,298
Other user fees	57,365	24,736	8,553	2,810	-	93,464
Total operating revenues	8,752,929	2,289,808	1,264,190	584,125	(451,589)	12,439,463
<b>OPERATING EXPENSES</b>						
Plant operations	219,579	1,190,111	532,437	649,188	(451,589)	2,139,726
Purchased power	5,169,244	-	-	-	-	5,169,244
Landfill charges	-	-	-	72,027	-	72,027
Distribution	848,357	327,369	263,300	-	-	1,439,026
Public relations	46,219	13,205	6,603	-	-	66,027
Depreciation	455,128	393,242	337,166	-	-	1,185,536
General administrative	770,818	421,768	189,069	72,719	-	1,454,374
Total operating expenses	7,509,345	2,345,695	1,328,575	793,934	(451,589)	11,525,960
Operating income (loss)	\$ 1,243,584	\$ (55,887)	\$ (64,385)	\$ (209,809)	\$ -	913,503
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income						23,021
Grant revenues						830,399
Other revenues						77,426
Interest and fiscal charges						(160,877)
Gain on sale of capital assets						186,498
Total nonoperating revenues (expenses)						956,467
<b>INCOME BEFORE CAPITAL GRANTS, CONTRIBUTIONS AND TRANSFERS</b>						1,869,970
Capital grants and contributions						1,281,845
Transfers out						(621,177)
<b>CHANGE IN NET POSITION</b>						2,530,638
<b>NET POSITION, BEGINNING OF YEAR</b>						17,266,979
<b>NET POSITION, END OF YEAR</b>						\$ 19,797,617



**CITY OF ABBEVILLE**

**SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES  
YEAR ENDED OCTOBER 31, 2022**

**COURT FINES**

Court fines collected	\$ 15,149
Court fines retained by City	<u>(15,149)</u>
Court fines remitted to the State Treasurer	<u><u>\$ -</u></u>

**COURT ASSESSMENTS AND SURCHARGES**

Court assessments collected	\$ 15,860
Court surcharges collected	7,529
Court assessments and surcharges retained by City	<u>(2,798)</u>
Court assessments remitted to the State Treasurer	<u><u>\$ 20,591</u></u>

**VICTIM SERVICES**

Funds available for carryforward, beginning of year	\$ 1,682
Court assessments allocated to Victim Services	2,798
Victim Services expenditures	<u>(2,716)</u>
	<u><u>\$ 1,764</u></u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members of City Council  
City of Abbeville  
Abbeville, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Abbeville, as of and for the year ended October 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Abbeville's basic financial statements, and have issued our report thereon dated May 31, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Abbeville's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Abbeville's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Abbeville's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



To the Honorable Mayor and Members of City Council  
City of Abbeville  
May 31, 2023

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Abbeville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Abbeville's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Abbeville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***McKinley, Cooper & Co., LLC***

Greenville, South Carolina  
May 31, 2023



## STATISTICAL SECTION

This part of the City of Abbeville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b><u>Page</u></b>
Financial Trends	89-94
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	95-107
These schedules contain information to help the reader assess the government's most significant local revenue source, utility system receipts. Additional data is presented on property tax revenue, the most significant general fund revenue source and a traditional revenue source of interest to readers of this report.	
Debt Capacity	108-112
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	113-114
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	115-119
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	
Sources:	Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**City of Abbeville**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities										
Net investment in capital assets	\$ 4,524,888	5,081,213	\$ 5,640,755	\$ 5,711,484	\$ 5,625,178	\$ 5,447,591	\$ 5,505,025	\$ 4,952,556	\$ 4,884,602	\$ 5,188,311
Restricted	374,669	281,701	246,028	288,854	352,220	428,274	322,826	815,031	481,037	391,595
Unrestricted	<u>831,898</u>	<u>1,244,576</u>	<u>(1,703,284)</u>	<u>(1,207,605)</u>	<u>(1,409,361)</u>	<u>(2,172,630)</u>	<u>(2,539,665)</u>	<u>(2,777,719)</u>	<u>(2,897,313)</u>	<u>(3,209,535)</u>
Total governmental activities net position	<u>\$ 5,731,455</u>	<u>\$ 6,607,490</u>	<u>\$ 4,183,499</u>	<u>\$ 4,792,733</u>	<u>\$ 4,568,037</u>	<u>\$ 3,703,235</u>	<u>\$ 3,288,186</u>	<u>\$ 2,989,868</u>	<u>\$ 2,468,326</u>	<u>\$ 2,370,371</u>
Business-type activities										
Net investment in capital assets	\$ 8,200,107	\$ 8,077,361	\$ 8,817,786	\$ 9,321,156	\$ 9,378,148	\$ 10,035,289	\$ 10,170,735	\$ 13,044,468	\$ 16,241,131	\$ 16,542,581
Restricted	383,773	396,524	397,487	397,496	403,402	406,365	768,705	470,736	485,710	1,300,528
Unrestricted	<u>1,162,501</u>	<u>1,954,338</u>	<u>(1,230,745)</u>	<u>(1,354,687)</u>	<u>(1,243,116)</u>	<u>(1,697,844)</u>	<u>(841,307)</u>	<u>(2,160,935)</u>	<u>540,138</u>	<u>1,954,508</u>
Total business-type activities net position	<u>\$ 9,746,381</u>	<u>\$ 10,428,223</u>	<u>\$ 7,984,528</u>	<u>\$ 8,363,965</u>	<u>\$ 8,538,434</u>	<u>\$ 8,743,810</u>	<u>\$ 10,098,133</u>	<u>\$ 11,354,269</u>	<u>\$ 17,266,979</u>	<u>\$ 19,797,617</u>
Primary government										
Net investment in capital assets	\$ 12,724,995	\$ 13,158,574	\$ 14,458,541	\$ 15,032,640	\$ 15,003,326	\$ 15,582,880	\$ 15,675,760	\$ 17,997,024	\$ 21,125,733	\$ 21,730,892
Restricted	758,442	678,225	643,515	686,350	755,622	834,639	1,091,531	1,285,767	966,747	1,692,123
Unrestricted	<u>1,994,399</u>	<u>3,198,914</u>	<u>(2,934,029)</u>	<u>(2,562,292)</u>	<u>(2,652,477)</u>	<u>(3,870,474)</u>	<u>(3,380,972)</u>	<u>(4,938,654)</u>	<u>(2,357,175)</u>	<u>(1,255,027)</u>
Total primary government net position	<u>\$ 15,477,836</u>	<u>\$ 17,035,713</u>	<u>\$ 12,168,027</u>	<u>\$ 13,156,698</u>	<u>\$ 13,106,471</u>	<u>\$ 12,547,045</u>	<u>\$ 13,386,319</u>	<u>\$ 14,344,137</u>	<u>\$ 19,735,305</u>	<u>\$ 22,167,988</u>

**City of Abbeville**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<b>Expenses</b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
Governmental activities:										
General government	\$ 545,702	\$ 789,202	\$ 820,738	\$ 1,018,860	\$ 1,051,590	\$ 1,045,350	\$ 1,189,574	\$ 1,233,881	\$ 1,432,459	\$ 1,473,918
Public Safety	1,747,188	1,786,267	1,764,098	1,828,473	1,928,981	2,063,705	2,408,383	2,309,551	2,416,891	2,404,095
Public Works	747,102	733,434	1,048,220	553,774	648,532	640,459	566,698	481,808	557,928	459,954
Community Development	359,813	343,797	208,667	168,125	182,356	196,883	388,935	352,182	364,930	128,039
Culture and recreation	407,766	727,772	293,249	408,571	446,592	441,862	241,831	162,551	724,206	409,182
Interest on long-term debt	39,285	27,690	45,493	15,917	12,410	7,683	4,009	5,624	7,008	8,255
Total governmental activities expenses	<u>3,846,856</u>	<u>4,408,162</u>	<u>4,180,465</u>	<u>3,993,720</u>	<u>4,270,461</u>	<u>4,395,942</u>	<u>4,799,430</u>	<u>4,545,597</u>	<u>5,503,422</u>	<u>4,883,443</u>
Business-type activities:										
Electric	6,607,982	7,048,462	7,357,444	7,258,512	7,282,984	6,845,858	6,166,497	6,097,444	5,657,426	7,103,926
Water	2,019,909	1,944,080	1,855,105	1,941,121	2,060,978	2,062,567	2,151,779	2,197,783	2,285,869	2,450,755
Sewer	1,077,730	1,038,580	1,094,413	1,209,178	1,259,242	1,163,511	1,042,314	1,102,173	1,145,849	1,338,222
Solid Waste	-	-	-	555,914	563,267	681,832	616,772	668,947	722,140	793,934
Total business-type activities net expenses	<u>9,705,621</u>	<u>10,031,122</u>	<u>10,306,962</u>	<u>10,964,725</u>	<u>11,166,471</u>	<u>10,753,768</u>	<u>9,977,362</u>	<u>10,066,347</u>	<u>9,811,284</u>	<u>11,686,837</u>
Total Primary government expenses	<u>13,552,477</u>	<u>14,439,284</u>	<u>14,487,427</u>	<u>14,958,445</u>	<u>15,436,932</u>	<u>15,149,710</u>	<u>14,776,792</u>	<u>14,611,944</u>	<u>15,314,706</u>	<u>16,570,280</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	1,472,536	1,376,689	1,513,706	1,463,695	1,456,792	1,424,084	1,425,419	1,376,367	1,350,901	1,378,956
Culture and recreation	34,450	20,575	37,832	27,750	33,618	23,565	35,554	27,380	21,905	28,428
Other activities	774,512	739,713	687,899	182,484	82,695	63,144	86,255	38,304	68,997	44,947
Operating grants and contributions	13,620	17,305	12,515	22,300	35,055	56,457	28,946	-	-	-
Capital grants and contributions	49,600	761,855	439,565	207,544	68,450	29,628	-	-	-	-
Total governmental activities program revenues	<u>2,344,718</u>	<u>2,916,137</u>	<u>2,691,517</u>	<u>1,903,773</u>	<u>1,676,610</u>	<u>1,596,878</u>	<u>1,576,174</u>	<u>1,442,051</u>	<u>1,441,803</u>	<u>1,452,331</u>
Business-type activities:										
Charges for services:										
Water	7,227,019	8,242,947	2,145,985	2,289,847	2,145,075	2,446,896	2,556,519	2,443,966	2,369,433	2,288,888
Sewer	2,013,794	1,984,823	1,242,763	1,241,510	1,199,902	1,313,072	1,327,708	1,304,165	1,300,935	1,263,662
Electric	1,111,171	1,152,299	7,801,894	7,911,215	7,935,773	7,715,787	7,276,133	6,786,706	7,321,936	8,302,788
Solid Waste	-	-	-	564,338	562,376	558,129	553,589	559,607	570,571	584,125
Operating grants and contributions	-	-	-	-	-	19,297	9,900	65,392	2,937,981	830,399
Capital grants and contributions	-	-	-	132,987	11,500	361,146	-	626,620	1,074,786	1,281,845
Total business-type activities program revenues	<u>10,351,984</u>	<u>11,380,069</u>	<u>11,190,642</u>	<u>12,139,897</u>	<u>11,854,626</u>	<u>12,414,327</u>	<u>11,723,849</u>	<u>11,786,456</u>	<u>15,575,642</u>	<u>14,551,707</u>
Total primary government program revenues	<u>12,696,702</u>	<u>14,296,206</u>	<u>13,882,159</u>	<u>14,043,670</u>	<u>13,531,236</u>	<u>14,011,205</u>	<u>13,300,023</u>	<u>13,228,507</u>	<u>17,017,445</u>	<u>16,004,038</u>

Source: Annual Comprehensive Financial Report for relevant year

Continued

**City of Abbeville**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net (expense)/revenue										
Governmental activities	\$ (1,502,138)	\$ (1,492,025)	\$ (1,488,948)	\$ (2,089,947)	\$ (2,593,851)	\$ (2,799,064)	\$ (3,223,256)	\$ (3,103,546)	\$ (4,061,619)	\$ (3,431,112)
Business-type activities	<u>646,363</u>	<u>1,348,947</u>	<u>883,680</u>	<u>1,175,172</u>	<u>688,155</u>	<u>1,660,559</u>	<u>1,746,487</u>	<u>1,720,109</u>	<u>5,764,358</u>	<u>2,864,870</u>
Total primary government net expense	<u>(855,775)</u>	<u>(143,078)</u>	<u>(605,268)</u>	<u>(914,775)</u>	<u>(1,905,696)</u>	<u>(1,138,505)</u>	<u>(1,476,769)</u>	<u>(1,383,437)</u>	<u>1,702,739</u>	<u>(566,242)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	1,101,631	1,127,468	1,166,906	1,091,602	1,105,302	1,220,936	1,285,596	1,356,822	1,480,591	1,620,043
Sales taxes	166,250	226,325	234,060	217,339	210,316	212,114	223,088	245,589	275,312	238,139
Business Licenses not restricted	230,126	237,183	237,496	253,420	258,692	259,081	262,201	223,247	285,434	301,217
Intergovernmental not restricted	97,035	127,586	109,653	115,285	115,630	118,287	282,011	251,544	577,908	266,178
Gain on disposal of capital assets	-	-	-	11,327	-	-	-	-	-	-
Investment Income	800	1,166	2,674	6,945	12,595	24,801	27,439	10,493	1,655	8,865
Miscellaneous	58,755	50,847	80,151	72,758	80,578	108,526	144,372	156,527	332,360	277,538
Transfers	<u>607,257</u>	<u>597,485</u>	<u>602,334</u>	<u>579,689</u>	<u>586,042</u>	<u>536,693</u>	<u>583,500</u>	<u>561,006</u>	<u>586,817</u>	<u>621,177</u>
Total general revenues and transfers	<u>2,261,854</u>	<u>2,368,060</u>	<u>2,433,274</u>	<u>2,348,365</u>	<u>2,369,155</u>	<u>2,480,438</u>	<u>2,808,207</u>	<u>2,805,228</u>	<u>3,540,077</u>	<u>3,333,157</u>
Business-type activities:										
Investment Income	7,994	3,705	3,767	8,295	13,751	24,325	41,192	22,680	1,442	23,021
Miscellaneous	67,712	53,079	224,459	126,475	58,605	87,161	50,144	74,353	733,727	263,924
Transfers	<u>(607,257)</u>	<u>(597,485)</u>	<u>(602,334)</u>	<u>(579,689)</u>	<u>(586,042)</u>	<u>(536,693)</u>	<u>(583,500)</u>	<u>(561,006)</u>	<u>(586,817)</u>	<u>(621,177)</u>
Total general revenues and transfers	<u>(531,551)</u>	<u>(540,701)</u>	<u>(374,108)</u>	<u>(444,919)</u>	<u>(513,686)</u>	<u>(425,207)</u>	<u>(492,164)</u>	<u>(463,973)</u>	<u>148,352</u>	<u>(334,232)</u>
	<u>1,730,303</u>	<u>1,827,359</u>	<u>2,059,166</u>	<u>1,903,446</u>	<u>1,855,469</u>	<u>2,055,231</u>	<u>2,316,043</u>	<u>2,341,255</u>	<u>3,688,429</u>	<u>2,998,925</u>
<b>Change in Net Position</b>										
Governmental activities	759,716	876,035	944,326	258,418	(224,696)	(318,626)	(415,049)	(298,318)	(521,542)	(97,955)
Business-type activities	<u>114,812</u>	<u>808,246</u>	<u>509,572</u>	<u>730,253</u>	<u>174,469</u>	<u>1,235,352</u>	<u>1,254,323</u>	<u>1,256,136</u>	<u>5,912,710</u>	<u>2,530,638</u>
Total primary government	<u>\$ 874,528</u>	<u>\$ 1,684,281</u>	<u>\$ 1,453,898</u>	<u>\$ 988,671</u>	<u>\$ (50,227)</u>	<u>\$ 916,726</u>	<u>\$ 839,274</u>	<u>\$ 957,818</u>	<u>\$ 5,391,168</u>	<u>\$ 2,432,683</u>

(1) Business-type activities do not reflect eliminations for service and operating expenses between departments (water, sewer, and electrical).



**City of Abbeville**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Restricted	53,293	22,600	18,070	11,491	6,213	37,165	9,534	8,894	9,246	9,329
Nonspendable	49,379	157,477	150,230	51,834	51,134	47,935	49,449	59,953	65,342	142,734
Assigned	971	5,130	8,629	6,906	9,742	39,625	75,779	4,289	15,095	34,435
Unassigned	<u>872,258</u>	<u>1,090,229</u>	<u>1,498,646</u>	<u>1,686,606</u>	<u>1,686,423</u>	<u>1,637,287</u>	<u>1,467,559</u>	<u>1,519,081</u>	<u>1,330,651</u>	<u>703,877</u>
Total general fund	<u>975,901</u>	<u>1,275,436</u>	<u>1,675,575</u>	<u>1,756,837</u>	<u>1,753,512</u>	<u>1,762,012</u>	<u>1,602,321</u>	<u>1,592,217</u>	<u>1,420,334</u>	<u>890,375</u>
All other governmental funds										
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Restricted	321,376	259,101	227,958	277,363	346,007	391,109	313,292	806,137	471,791	382,266
	<u>(367)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>321,009</u>	<u>259,101</u>	<u>227,958</u>	<u>277,363</u>	<u>346,007</u>	<u>391,109</u>	<u>313,292</u>	<u>806,137</u>	<u>471,791</u>	<u>382,266</u>
Total all governmental funds	<u>\$ 1,296,910</u>	<u>\$ 1,534,537</u>	<u>\$ 1,903,533</u>	<u>\$ 2,034,200</u>	<u>\$ 2,099,519</u>	<u>\$ 2,153,121</u>	<u>\$ 1,915,613</u>	<u>\$ 2,398,354</u>	<u>\$ 1,892,125</u>	<u>\$ 1,272,641</u>

Source: Annual Comprehensive Financial Report for relevant year

**City of Abbeville**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Revenues</b>										
Taxes and Penalties	\$ 1,451,012	\$ 1,565,418	\$ 1,578,848	\$ 1,592,576	\$ 1,617,988	\$ 1,709,053	\$ 1,752,218	\$ 1,844,325	\$ 1,947,934	\$ 1,945,691
Licenses and permits	1,472,536	1,376,689	1,513,706	1,463,695	1,456,792	1,424,084	1,425,419	1,376,367	1,350,901	1,378,956
Intergovernmental	203,324	993,350	623,560	426,351	115,630	118,287	282,011	251,544	577,908	266,178
Charges for services	591,212	577,576	566,955	48,000	24,000	24,000	24,000	18,000	33,000	27,000
Grants	49,600	-	-	-	62,555	86,085	28,946	-	-	-
Building Rent and Recreation Fees	34,450	20,575	37,832	27,750	33,618	23,565	35,554	27,380	21,905	28,428
Fines	91,676	75,533	59,117	53,262	58,695	39,144	62,255	20,304	35,997	17,947
Interest Earned	800	1,166	2,674	6,945	12,595	24,801	27,439	10,493	1,655	8,865
Other	68,833	50,845	70,151	72,758	74,595	111,760	144,372	156,527	332,360	300,025
<b>Total Revenues</b>	<u>3,963,443</u>	<u>4,661,152</u>	<u>4,452,843</u>	<u>3,691,337</u>	<u>3,456,468</u>	<u>3,560,779</u>	<u>3,782,214</u>	<u>3,704,940</u>	<u>4,301,660</u>	<u>3,973,090</u>
<b>Expenditures</b>										
General government	789,886	809,007	756,595	940,380	936,623	945,845	1,070,683	1,151,887	1,351,628	1,431,892
Public safety	1,723,269	2,115,006	1,607,741	1,620,401	1,662,676	1,866,104	2,102,281	2,015,795	2,224,361	2,232,256
Public Works	1,021,949	1,050,066	908,265	408,598	489,112	484,871	342,153	348,367	416,023	314,547
Recreation	350,222	360,859	381,025	377,433	415,686	414,957	355,721	322,791	349,426	394,168
Nondepartmental	360,540	609,214	713,594	449,496	46,726	33,811	44,247	38,516	54,377	26,874
Development	57,416	57,288	65,148	21,238	35,564	50,092	95,039	31,916	591,175	(6,137)
Capital Outlay					189,864	140,830	509,090	219,923	363,894	761,771
Debt Service:										
Principal Retirement	221,067	219,874	229,626	190,818	195,599	99,677	79,999	73,386	36,814	50,126
Interest	30,907	28,533	24,646	17,809	12,410	7,683	4,009	5,624	7,008	8,255
	<u>9,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>4,555,256</u>	<u>5,249,847</u>	<u>4,686,640</u>	<u>4,026,173</u>	<u>3,984,260</u>	<u>4,043,870</u>	<u>4,603,222</u>	<u>4,208,205</u>	<u>5,394,706</u>	<u>5,213,752</u>
Excess of revenues over (under) expenditures	<u>(591,813)</u>	<u>(588,695)</u>	<u>(233,797)</u>	<u>(334,836)</u>	<u>(527,792)</u>	<u>(483,091)</u>	<u>(821,008)</u>	<u>(503,265)</u>	<u>(1,093,046)</u>	<u>(1,240,662)</u>

Source: Annual Comprehensive Financial Report for relevant year

Continued

**City of Abbeville**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Other Financing sources (uses)</b>										
Bond Proceeds	\$ 307,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 425,000	\$ -	\$ -
Issuance of lease purchase notes	435,000	216,000	-	-	-	-	-	-	-	-
Payment of refunded bond	(295,808)	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	12,010	12,837	459	11,631	7,069	-	-	-	-	-
Transfers in	1,051,534	709,778	705,827	855,147	586,042	581,693	583,500	561,006	586,817	829,301
Transfers out	(444,277)	(112,293)	(103,493)	(275,458)	-	(45,000)	-	-	-	(208,124)
Total Other Financing Sources	<u>\$ 1,065,459</u>	<u>\$ 826,322</u>	<u>\$ 602,793</u>	<u>\$ 591,320</u>	<u>\$ 593,111</u>	<u>\$ 536,693</u>	<u>\$ 583,500</u>	<u>\$ 986,006</u>	<u>\$ 586,817</u>	<u>\$ 621,177</u>
Net Change in fund balances	<u>\$ 473,646</u>	<u>\$ 237,627</u>	<u>\$ 368,996</u>	<u>\$ 256,484</u>	<u>\$ 65,319</u>	<u>\$ 53,602</u>	<u>\$ (237,508)</u>	<u>\$ 482,741</u>	<u>\$ (506,229)</u>	<u>\$ (619,485)</u>
Debt service as a percentage of noncapital expenditures*	7%	6%	6%	7%	5%	3%	3%	2%	1%	1%

\* Noncapital expenditures less capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included with the function expenditure categories. This formula takes debt service expenditures (principal and interest) and divides them by the total noncapital expenditures (total expenditures less capitalized capital outlay from the reconciliation of the statement of revenues, expenditures and changes in fund balance of governmental funds to the statement of activities.

Source: Annual Comprehensive Financial Report for relevant year

**City Of Abbeville**  
**Governmental Activities Tax and Fee Revenues By Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Business License Tax and Permits</b>	<b>Local Hospitality Taxes</b>	<b>Sanitation Fees</b>	<b>Franchise Fees</b>	<b>Fines and Forfeitures</b>	<b>Other</b>	<b>Total</b>
2013	\$1,451,012	\$1,312,512	\$190,715	\$581,191	\$160,024	\$91,676	\$367,028	\$3,963,443
2014	\$1,565,418	\$1,209,193	\$196,070	\$566,752	\$167,496	\$75,533	\$1,076,760	\$4,661,152
2015	\$1,578,843	\$1,330,898	\$195,156	\$566,955	\$182,807	\$59,116	\$734,224	\$4,452,843
2016	\$1,592,576	\$1,301,780	\$206,788	\$0	\$161,915	\$53,262	\$581,804	\$3,691,337
2017	\$1,407,361	\$1,279,127	\$210,627	\$0	\$177,665	\$58,695	\$322,993	\$3,456,468
2018	\$1,498,803	\$1,256,629	\$210,250	\$0	\$167,455	\$39,144	\$388,498	\$3,560,779
2019	\$1,452,326	\$1,251,402	\$209,892	\$0	\$174,017	\$62,255	\$632,322	\$3,782,214
2020	\$1,665,992	\$1,223,947	\$178,333	\$0	\$152,420	\$20,304	\$463,944	\$3,704,940
2021	\$1,726,844	\$1,215,283	\$221,089	\$0	\$135,618	\$35,997	\$966,829	\$4,301,660
2022	\$1,725,168	\$1,221,728	\$220,523	\$0	\$157,228	\$17,947	\$630,496	\$3,973,090

Source: Annual Comprehensive Financial Report for relevant year

City of Abbeville  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Tax Levy Year	Real Property	Real Property	Personal Property		Estimated Personal Actual Value	Less:	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as Percentage of Actual Value
		Residential Property	Estimated Actual Value	Motor Vehicles	Other		Tax Exempt Real Property*				
2013	2013	7,096,000	141,920,000	1,141,942	1,954,829	38,580,657	916,040	9,276,731	101.0	180,500,657	5.14%
2014	2014	7,513,232	150,264,640	1,177,695	1,953,390	39,162,150	949,708	9,694,609	99.1	189,426,790	5.12%
2015	2015	7,433,940	148,678,800	1,270,585	2,107,016	42,246,577	1,014,815	9,796,726	100.3	190,925,377	5.13%
2016	2016	7,342,564	146,851,280	1,321,955	2,218,122	44,213,803	2,872,800	8,009,841	100.3	191,065,083	4.19%
2017	2017	7,719,610	154,392,200	1,294,350	2,389,819	45,470,690	2,324,450	9,079,329	100.3	199,862,890	4.54%
2018	2018	8,280,940	165,618,800	1,334,220	2,340,530	45,642,300	2,712,184	9,243,506	103.0	211,261,100	4.38%
2019	2019	8,520,680	170,413,600	1,254,860	2,477,900	45,693,333	949,370	11,304,070	105.5	216,106,933	5.23%
2020	2020	8,465,990	169,319,800	1,297,745	2,332,716	44,956,243	961,850	11,134,601	106.5	214,276,043	5.20%
2021	2021	8,603,620	172,072,400	1,437,003	2,140,779	45,357,840	950,872	11,230,530	106.5	217,430,240	5.17%
2022	2022	9,909,040	198,180,800	944,981	2,740,908	43,158,763	1,113,776	12,481,153	110.5	241,339,563	5.17%

Source: Abbeville County Assessor.

Note: Commercial property unavailable until 2009. Total real property (residential and commercial) are accounted for under Residential Property for all ten tax years.  
Senior Citizen Homestead Exemptions received from state.

**City of Abbeville**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

<b>Overlapping Rates</b>											
<b>Fiscal Year</b>	<b>City of Abbeville</b>			<b>County</b>			<b>School District</b>			<b>Special Districts</b>	<b>Total Direct &amp; Overlapping Rates</b>
	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total City Millage</b>	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total County Millage</b>	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total School Millage</b>		
2013	99.0	2.0	101.0	107.5	8.8	116.30	179.7	31.2	210.90	N/A	428.20
2014	97.1	2.0	99.1	109.4	8.8	118.20	183.4	31.2	214.60	N/A	431.86
2015	97.1	3.2	100.3	103.9	13.2	117.10	189.1	31.0	220.10	N/A	437.49
2016	97.1	3.2	100.3	113.1	13.2	126.30	189.1	31.2	220.30	N/A	446.89
2017	97.1	3.2	100.3	106.0	20.2	126.18	189.1	31.5	220.60	N/A	447.07
2018	103.0	0.0	103.0	106.0	20.2	126.18	189.1	31.5	220.60	N/A	449.80
2019	105.5	0.0	105.5	96.4	31.2	127.60	193.4	23.0	216.40	N/A	449.52
2020	106.5	0.0	106.5	96.6	27.1	123.70	193.4	32.0	225.40	N/A	455.62
2021	106.5	0.0	106.5	99.8	28.8	128.60	193.4	30.0	223.40	N/A	458.52
2022	110.5	0.0	110.5	102.4	19.4	121.80	190.7	30.0	220.70	N/A	453.02

Overlapping rates are those of local and county governments that apply to property owners within the City of Abbeville.

Not all overlapping rates apply to all City of Abbeville property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)

Source: Abbeville County Assessor

**City of Abbeville, South Carolina  
Principal Property Taxpayers  
Current and Nine Years Ago**

<u><b>Taxpayer</b></u>	<b>2022</b>			<b>2013</b>		
	<b>Total Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
CSX Transportation	725,666	1	5.81%			
West Carolina Communications, LLC	412,280	2	3.30%	713,220	1	6.25%
Sage Automotive Interiors, Inc.	368,152	3	2.95%	330,910	2	2.90%
Dominion Energy (SCE&G)	339,590	4	2.72%	293,560	3	2.57%
Brahmbhatt LLC (Split Stop)	263,300	5	2.11%			
Little River Electric Coop, Inc.	176,200	6	1.41%	167,740	4	1.47%
Ingles Market	167,120	7	1.34%	138,720	5	1.21%
Abbeville Nursing Home, Inc.	127,910	8	1.02%	96,720	8	0.85%
Abbeville Arms	119,040	9	0.95%	117,390	6	1.03%
Hickory Heights Apartments	90,050	10	0.72%	91,380	9	0.80%
Abbeville TEI Diversified				91,290	10	0.80%
Frontier Communications of Carolinas				110,600	7	0.97%

Source: Abbeville County

Total Taxable Assessed Value for 2013 was \$9,276,731  
Total Taxable Assessed Value for 2022 was \$12,481,153

**City of Abbeville**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Total Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
			<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2013	2013	592,369	554,419	93.6%	9,693	564,112	95.2%
2014	2014	553,865	530,417	95.8%	16,412	546,829	98.7%
2015	2015	615,158	562,915	91.5%	26,623	589,538	95.8%
2016	2016	524,374	476,074	90.8%	26,968	503,042	95.9%
2017	2017	556,155	499,266	89.8%	32,283	531,549	95.6%
2018	2018	638,345	618,150	96.8%	13,963	632,113	99.0%
2019	2019	692,729	675,217	97.5%	8,549	683,766	98.7%
2020	2020	715,461	699,223	97.7%	17,973	717,196	100.2%
2021	2021	746,999	729,097	97.6%	9,096	738,193	98.8%
2022	2022	730,379	710,786	97.3%	20,826	731,611	100.2%

Source: City of Abbeville property tax system



City of Abbeville Public Utilities  
Electric, Water and Sewer Rates  
Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Electric Rates</b>										
<i>Minimum Rates</i>										
Residential	\$ 13.42	\$13.42	\$13.42	\$13.42	\$13.42	\$13.96	\$13.96	\$13.96	\$13.96	\$13.96
Residential Total Electric	13.42	13.42	13.42	13.42	13.42	13.96	13.96	13.96	13.96	13.96
Commercial	15.14	15.14	15.14	15.14	15.14	15.75	15.75	15.75	15.75	15.75
<i>Kilowatts Per Hour (3)</i>										
<i>(For KWH for the first 1000 per month)</i>										
Residential	0.1141	0.1141	0.1141	0.1141	0.1141	0.1187	0.1187	0.1187	0.1187	0.1187
Residential Total Electric	0.1133	0.1133	0.1133	0.1133	0.1133	0.1178	0.1178	0.1178	0.1178	0.1178
Commercial (1)	0.1360	0.1360	0.1360	0.1360	0.1360	0.1414	0.1414	0.1414	0.1414	0.1414
<i>(For KWH over 1000 per month)</i>										
Residential	0.1070	0.1070	0.1070	0.1070	0.1070	0.1113	0.1113	0.1113	0.1113	0.1113
Residential Total Electric	0.0930	0.0930	0.0930	0.0930	0.0930	0.0967	0.0967	0.0967	0.0967	0.0967
Commercial (1)	0.1565	0.1565	0.1262	0.1262	0.1262	0.1312	0.1312	0.1312	0.1312	0.1312
<b>Water Rates</b>										
<i>Minimum Rates (Based on Meter Size) (2)</i>										
3/4"	\$ 13.23	\$ 13.23	\$ 14.02	\$ 14.02	\$ 14.02	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44
1"	33.08	33.08	35.05	35.05	35.05	36.10	36.10	36.10	36.10	36.10
1 1/2"	66.15	66.15	70.10	70.10	70.10	72.20	72.20	72.20	72.20	72.20
2"	105.84	105.84	112.16	112.16	112.16	115.52	115.52	115.52	115.52	115.52
3"	211.68	211.68	224.32	224.32	224.32	231.05	231.05	231.05	231.05	231.05
4"	330.75	330.75	350.50	350.50	350.50	350.50	350.50	361.02	361.02	361.02
<i>Per Thousand Gallons</i>										
Inside City Rate	2.73	2.73	2.89	2.89	2.89	2.98	2.98	2.98	2.98	2.98
Outside City Rate	4.91	4.91	5.20	5.20	5.20	5.36	5.36	5.36	5.36	5.36
<b>Sewer Rates</b>										
<i>Minimum Rates (Based on Meter Size) (2)</i>										
3/4"	\$ 13.23	\$ 13.23	\$ 14.02	\$ 14.02	\$ 14.02	\$ 14.58	\$ 15.16	\$ 15.16	\$ 15.16	\$ 15.16
1"	33.08	33.08	35.06	35.06	35.06	36.46	37.92	37.92	37.92	37.92
1 1/2"	66.15	66.15	70.12	70.12	70.12	72.92	75.84	75.84	75.84	75.84
2"	105.84	105.84	112.19	112.19	112.19	116.68	121.35	121.35	121.35	121.35
3"	211.68	211.68	224.38	224.38	224.38	233.36	242.69	242.69	242.69	242.69
4"	330.75	330.75	350.60	350.60	350.60	364.62	379.20	379.20	379.20	379.20
<i>Per Thousand Gallons</i>										
Inside City Rate	3.52	3.52	3.73	3.73	3.73	3.88	4.04	4.04	4.04	4.04
Outside City Rate	6.33	6.33	6.70	6.70	6.70	6.97	7.25	7.25	7.25	7.25

- (1) Purchased power adjustment clause is added to rates and changes monthly. Effective May 2012  
(2) Commercial rates are incremented for the first 500 KWH and then the next 700 KWH used per month.  
(3) Minimum rates for water and sewer are for inside rates only. Outside rates are slightly higher to compensate for costs of distribution.  
(4) Rates are per 1000 gallons for 0-2000 gallons- rates step up slightly with increased usage to encourage conservation.  
Source: City of Abbeville Public Utilities system records

**City of Abbeville Public Utilities**  
**Number of Customers by Utility Type**  
**Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Electric</b>										
Residential	2,973	2,957	2,952	2,954	2,952	2,943	2,923	2,930	2,945	2,945
Industrial	0	0	0	0	0	0	0	0	0	0
Commercial	490	490	484	479	467	460	461	456	455	455
Public Authority	29	29	29	29	27	27	28	29	29	29
<b>Water</b>										
Residential	2,310	2,293	2,277	2,267	2,259	2,263	2,245	2,258	2,276	2,276
Industrial	0	0	0	0	0	0	0	0	0	0
Commercial	385	389	389	386	392	383	381	380	389	389
Public Authority	51	51	51	51	20	51	22	22	20	20
<b>Sewer</b>										
Residential	2,054	2,029	2,020	2,013	1,997	2,002	1,985	1,993	2,006	2,006
Industrial	0	0	0	0	0	0	0	0	0	0
Commercial	303	308	306	299	302	296	295	295	303	303
Public Authority	32	32	32	32	32	32	10	10	10	10

(1) The City of Abbeville Public Utilities includes its industrial customers in the commercial category.

Source: City of Abbeville Public Utilities system records

**City of Abbeville Public Utilities**  
**Utilities Sold By Type of Customer**  
**Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Electric</b>										
<i>(Kilowatt-Hours)</i>										
Residential	31,065,519	33,581,196	33,027,805	36,066,792	29,778,978	32,672,116	32,742,157	31,058,708	31,264,159	31,352,337
Commercial	22,080,067	23,988,870	24,027,310	24,669,470	23,816,064	23,697,081	22,811,116	19,935,867	20,409,797	20,698,523
Public Authority	4,149,196	4,241,757	4,280,407	4,517,616	4,291,442	4,248,647	4,251,423	4,319,553	4,218,921	4,121,138
<b>Water</b>										
<i>(Millions of Gallons)</i>										
Residential	103.7	109.0	104.2	104.3	106.1	97.0	97.4	110.3	95.7	95.8
Commercial	483.2	438.4	459.6	519.5	455.7	598.0	657.7	608.8	561.1	517.5
Public Authority	1.4	1.8	1.4	1.9	1.3	1.6	1.4	0.9	1.1	0.7
<b>Sewer</b>										
<i>(Millions of Gallons Treated)</i>										
Residential	92.9	92.3	88.8	86.3	92.8	84.1	83.4	94.9	80.9	81.4
Commercial	60.1	64.5	69.6	75.8	66.8	82.4	74.7	71.0	69.6	65.2
Public Authority	0.4	0.6	0.4	0.7	0.5	0.6	0.4	0.5	0.6	0.6

(1) The City of Abbeville Public Utilities includes its industrial customers in the commercial category.

Source: City of Abbeville Public Utilities system records

**City of Abbeville Public Utilities**  
**Electricity Produced/Purchased and Consumed**  
**Last Ten Years**

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<b>Fiscal Year</b>	<b>Millions of Kilowatt- Hours Produced</b>	<b>Millions of Kilowatt- Hours Billed</b>	<b>Millions of Kilowatt- Hours Unbilled</b>	<b>Average Percent of kWh Unbilled</b>	<b>Average Cost per kWh</b>	<b>Average Charge per kWh</b>
2013	63,914	57,295	6,619	10.36%	0.0838	0.1198
2014	67,677	61,812	5,865	8.67%	0.0829	0.1323
2015	67,433	61,336	6,097	9.04%	0.0864	0.1288
2016	67,461	61,284	6,177	9.16%	0.0859	0.1341
2017	63,834	57,886	5,948	9.32%	0.0945	0.1421
2018	66,878	63,834	3,044	4.55%	0.0800	0.1329
2019	67,672	59,837	7,835	11.58%	0.0828	0.1242
2020	67,783	55,342	12,441	18.35%	0.0847	0.1237
2021	63,286	55,892	7,394	11.68%	0.1146	0.1330
2022	65,085	56,172	8,913	13.69%	0.0830	0.0146

Source: City of Abbeville Public Utilities system records

**City of Abbeville Public Utilities**  
**Water Produced and Consumed and Wastewater Treated**  
**Last Ten Years**

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<b>Fiscal Year</b>	<b>Millions of Gallons of Water Produced</b>	<b>Millions of Gallons of Water Billed</b>	<b>Millions of Gallons of Water Unbilled</b>	<b>Average Percent of Water Unbilled</b>	<b>Millions of Gallons of Wastewater Treated</b>	<b>Total Direct Rate</b>		
						<b>Water</b>	<b>Sewer</b>	
						<b>Base Rate (1)</b>	<b>Usage Rate (2)</b>	<b>Usage Rate (2)</b>
2013	682	588	94	13.78%	154	13.23	2.60	3.35
2014	647	549	98	15.15%	212	13.23	2.73	3.52
2015	687	565	122	17.76%	193	14.02	2.89	3.73
2016	846	626	220	26.00%	229	14.02	2.89	3.73
2017	814	563	251	30.84%	206	14.02	2.89	3.73
2018	841	633	208	24.73%	230	14.44	2.98	3.88
2019	877	757	120	13.68%	207	14.44	2.98	4.04
2020	855	720	135	15.79%	271	14.44	2.98	4.04
2021	841	658	183	21.76%	279	14.44	2.98	4.04
2022	742	614	128	17.25%	216	14.44	2.98	4.04

(1) Rate is shown for 3/4" meters.

(2) Per 1,000 gallons.

(3) Rate is per unit for first 2 units and increases for additional units

Source: City of Abbeville Public Utilities system records

**City of Abbeville Public Utilities  
Principal Electric Users in Service Area  
Current Year and Nine Years Ago**

Customer	Type of Business	2022			2013		
		<u>Rank</u>	<u>Billed Revenues</u>	<u>Percentage of Total Billed Revenues</u>	<u>Rank</u>	<u>Billed Revenues</u>	<u>Percentage of Total Billed Revenues</u>
Abbeville Area Medical Center	Medical Services	1	\$475,396	7.09%	1	\$ 423,534	6.17%
Abbeville County School District 60	Education	2	324,508	4.84%	2	\$ 270,928	2.46%
Ingle's Markets	Grocery Store	3	301,004	4.49%	3	\$ 248,771	3.62%
Abbeville County	Government	4	79,875	1.19%	5	\$ 64,699	0.96%
Abbeville Nursing Home	Medical Services	5	78,833	1.18%	6	\$ 63,013	0.92%
Gleamns	Government	6	73,142	1.09%			
KFC & Taco Bell	Restaurant	7	39,686	0.59%			
7 Eleven	Convenience Store	8	38,914	0.58%			
Stop-A-Minit	Convenience Store	9	34,884	0.52%			
Saddle Peak LLC (Hardees)	Restaurant	10	31,824	0.47%			
Bi-Lo Markets	Grocery Store				4	\$ 169,090	2.46%
Hickory Point #40	Convenience Store				9	\$ 17,485	0.25%
CVS Pharmacy	Pharmacy				7	\$ 31,722	0.46%
Davita, Inc. #4397	Medical Services				8	\$ 20,742	0.30%
Greenwood Petroleum	Manufacturing				10	\$ 11,029	0.16%
			<u>\$1,478,064</u>	<u>22.05%</u>		<u>\$ 1,321,013</u>	<u>17.76%</u>

Source: City of Abbeville Utility Customer Records

City of Abbeville Public Utilities  
Principal Water Users in Service Area  
Current Year and Nine Years Ago

Customer	Type of Business	2022			2013		
		<u>Rank</u>	<u>Billed Revenues</u>	<u>Percentage of Total Billed Revenues</u>	<u>Rank</u>	<u>Billed Revenues</u>	<u>Percentage of Total Billed Revenues</u>
Sage Automotive	Manufacturing	1	\$481,907	25.11%	2	\$ 338,889	16.93%
Town of Calhoun Falls	Municipality	2	\$436,803	22.76%	1	\$ 404,834	20.23%
Prysmian Cable & Systems	Manufacturing	3	\$119,456	6.22%	3	\$ 100,052	5.00%
Abbeville County School District 60	Education	4	\$36,487	1.90%	4	\$ 39,063	1.95%
Burnstein Von Seelan	Manufacturing	9	\$22,199	1.16%	9	\$ 14,492	0.77%
Abbeville Housing Authority 2 Accts	Apartment Complex	5	\$31,472	1.64%	7	\$ 19,868	0.99%
Hickory Heights Holdings LLC	Apartment Complex	10	\$17,028	0.89%	6	\$ 20,963	1.05%
Flexible Technologies	Manufacturing	7	\$21,670	1.13%	5	\$ 21,751	1.39%
Precision Metal Finishing LLC	Manufacturing	8	\$18,652	0.97%	10	\$ 15,318	0.73%
Law Enforcement Center	Prison	9	\$17,746	0.92%			
Abbeville Area Medical Center	Medical Services				8	\$ 15,661	0.78%
			<u>\$1,203,419</u>	<u>62.71%</u>		<u>\$ 990,891</u>	<u>49.82%</u>

Source: City of Abbeville Utility Customer Records

City of Abbeville Public Utilities  
Principal Sewer Users in Service Area  
Current Year and Nine Years Ago

Customer	Type of Business	2022			2013		
		Rank	Billed Revenues	Percentage of Total Billed Revenues	Rank	Billed Revenues	Percentage of Total Billed Revenues
Prysmian Cable & Systems	Manufacturing	1	\$125,099	9.76%	1	\$ 95,216.00	8.72%
Abbeville Housing Authority	Apartment Complex	2	39,398	3.07%	4	\$ 24,220.00	2.22%
Abbeville County School District 60	Education	3	33,018	2.58%	2	\$ 31,108.00	2.85%
Flexible Technologies	Manufacturing	4	24,445	1.91%	3	\$ 27,614.00	2.53%
Precision Metal Finishing	Manufacturing	5	23,828	1.86%	5	\$ 18,592.00	1.70%
Burnstein Von Seelan	Manufacturing	6	22,210	1.73%	7	\$ 11,362.00	1.04%
Law Enforcement Center	Prison	7	21,924	1.71%	8	\$ 8,030.00	0.74%
Hickory Heights Holdings LLC	Apartment Complex	8	21,619	1.69%	10	\$ 6,610.00	0.61%
Abbeville Area Medical Center	Medical Services	9	15,726	1.23%	6	\$ 14,682.00	1.34%
Refinery Apartments LLC	Apartment Complex	10	11,425	0.89%			
Professional Towel	Manufacturing				9	\$ 7,512.00	0.69%
			<u>\$327,267</u>	<u>25.54%</u>		<u>\$244,946</u>	<u>22.44%</u>

Source: City of Abbeville Utility Customer Records



**City of Abbeville**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Population	Per Capita	Percentage of Personal Income (1)
	General Obligation Bonds	Notes Payable	Capital Leases	Revenue Bonds	Revenue Bonds	Capital Leases				
2013	-	311,388	371,645	307,000	10,372,503	500,933	11,863,469	5,179	2,291	N/A
2014	-	248,266	286,147	267,000	9,712,527	346,677	10,860,617	5,179	2,097	N/A
2015	-	188,631	341,828	226,000	9,129,419	164,457	10,050,335	5,191	1,936	N/A
2016	-	127,127	210,925	184,000	8,475,256	44,809	9,042,117	5,237	1,727	N/A
2017	-	63,634	78,107	141,000	7,808,642	276,747	8,368,130	5,237	1,598	N/A
2018	-	32,481	11,217	95,000	7,119,529	222,243	7,480,470	5,083	1,472	N/A
2019	-	-	-	48,000	6,767,863	342,976	7,158,839	5,188	1,380	N/A
2020	-	-	-	399,614	6,966,373	244,733	7,610,720	5,014	1,518	N/A
2021	-	-	-	362,806	6,160,347	143,997	6,667,150	5,150	1,295	N/A
2022	-	-	-	312,674	6,118,344	47,730	6,478,748	5,043	1,285	N/A

(1) Personal Income Data is not available for fiscal years 2013-2022.

Source: City of Abbeville Finance Department and South Carolina Budget and Control Board Research and Statistical Research Division

**City of Abbeville**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

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<b><u>Fiscal Year</u></b>	<b><u>Population</u></b>	<b><u>Assessed Value</u></b>	<b><u>General Obligation Debt</u></b>	<b><u>Less: Amounts Available in Debt Service Fund</u></b>	<b><u>Net GO Debt</u></b>	<b><u>Percentage of Net Bonded Debt to Assessed Value</u></b>	<b><u>Per Capita</u></b>
2013	5,185	9,276,731	-	-	\$0	0.00%	0.00%
2014	5,179	9,694,609	-	-	\$0	0.00%	0.00%
2015	5,191	9,796,726	-	-	\$0	0.00%	0.00%
2016	5,237	8,009,841	-	-	\$0	0.00%	0.00%
2017	5,237	9,079,329	-	-	\$0	0.00%	0.00%
2018	5,083	9,243,506	-	-	\$0	0.00%	0.00%
2019	5,188	11,304,070	-	-	\$0	0.00%	0.00%
2020	5,014	11,134,601	-	-	\$0	0.00%	0.00%
2021	5,150	11,230,530	-	-	\$0	0.00%	0.00%
2022	5,043	12,481,153	-	-	\$0	0.00%	0.00%

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.  
(3) Population data can be found in the Schedule of Demographic and Economic Statistics.

**City of Abbeville**  
**Direct and Overlapping Governmental Activities Debt**  
**As of October 31, 2022**

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
County:			
Abbeville County			
GO Debt	\$ 1,892,000		
Other bonds or outstanding debt	\$ 1,686,800		
	<b>\$ 3,578,800</b>	17.5%	\$ 626,290
School District:			
Abbeville County School District			
GO Debt	\$ -		
	<b>\$ -</b>	17.5%	<b>-</b>
Subtotal, overlapping debt			626,290
City of Abbeville			
GO Debt		100.0%	-
Hospitality fee bond		100.0%	312,674
Capital Leases		100.0%	-
Notes Payable		100.0%	-
			<b>-</b>
Other bonds or outstanding debt			
Total direct and overlapping debt			<b>\$ 626,290</b>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding provided by the county.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Abbeville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**City of Abbeville**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	815,422	851,783	864,923	870,611	912,302	956,455	980,275	967,716	974,512	1,087,594
Total net debt applicable to limit	<u>311,314</u>	<u>248,242</u>	<u>188,629</u>	<u>127,682</u>	<u>63,634</u>	<u>32,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 504,108</u>	<u>\$ 603,541</u>	<u>\$ 676,294</u>	<u>\$ 742,929</u>	<u>\$ 848,668</u>	<u>\$ 923,974</u>	<u>\$ 980,275</u>	<u>\$ 967,716</u>	<u>\$ 974,512</u>	<u>\$ 1,087,594</u>
Total net debt applicable to the limit as a percentage of debt limit										

**Legal Debt Margin Calculation for Fiscal Year 2022**

Assessed Value	\$ 12,481,153
Add back: exempt real property	<u>\$ 1,113,776</u>
Total Assessed Value	<u>\$ 13,594,929</u>
Debt limit (8% of total assessed value)	1,087,594
Debt applicable to limit:	
General Obligation Bonds	-
Other notes payable	-
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal Debt Margin	<u>\$ 1,087,594</u>

Source: Abbeville County Assessor and City of Abbeville Finance Department

**City of Abbeville**  
**Revenue Bond Coverage - Combined Utility System Bonds**  
**Last Ten Fiscal Years**

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<b>Fiscal Year</b>	<b>Gross Revenue</b>	<b>Less: Operating Expenses</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
				<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>	
2013	10,351,984	8,500,910	1,851,074 (3)	547,632	304,777	852,409	2.17
2014	11,380,069	8,959,697	2,420,372	604,318	235,485	839,803	2.88
2015	11,190,642	9,222,207	1,968,435	638,765	224,312	863,077	2.28
2016	11,442,572	9,271,872	2,170,700	654,164	209,832	863,996	2.51
2017	11,280,750	9,483,675	1,797,075	666,613	194,949	861,562	2.09
2018	11,475,755	9,890,174	2,600,681	689,114	179,804	868,918	2.99
2019	11,160,360	8,263,422	2,896,938	701,665	176,997	878,662	3.30
2020	10,534,837	8,203,308	2,331,529	750,109	157,858	907,967	2.57
2021	10,992,304	7,867,959	3,124,345	779,766	141,958	921,724	3.39
2022	11,855,338	9,546,490	2,308,848	842,004	160,887	1,002,891	2.30

(1) Details regarding the government's outstanding debt can be found in the notes to the financial statements.

(2) Total operating expenses exclusive of depreciation.

(3) Debt service principal for 2013 excludes refunding of the Series 2008 bond in the amount of \$4,590,000

\*auditors complete

**City of Abbeville**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

	(1)	(1)	(3)	(2)	(2)	(4)
	City of Abbeville			Abbeville County		
<b>Fiscal Year</b>	<b><u>Population</u></b>	<b><u>Median Age</u></b>	<b><u>Graduating Seniors</u></b>	<b><u>Total Personal Income (in Thousands)</u></b>	<b><u>Per Capita Personal Income</u></b>	<b><u>Unemployment Rate</u></b>
2013	5,179	40.4	123	738,534	29,422	9.39%
2014	5,179	41.6	113	747,768	29,902	6.80%
2015	5,191	42.9	105	738,203	29,570	6.80%
2016	5,237	41.6	120	759,632	30,468	5.60%
2017	5,237	44.1	104	780,346	31,374	4.10%
2018	5,083	43.6	127	816,920	33,044	3.80%
2019	5,188	48.0	127	837,043	34,108	2.20%
2020	5,014	43.8	95	863,808	22,646	4.80%
2021	5,150	44.0	110	928,161	25,598	3.60%
2022	5,043	43.2	105	986,447	27,269	3.40%

(1) Source: US Bureau of Census

(2) Source: South Carolina Budget and Control Board Research and Statistical Research Division

(3) Source: Abbeville County School District

(4) Source: SC Employment Security Commission - includes rates for Abbeville County.

Estimates for personal income are developed between census years by the South Carolina Budget and Control Board Research and Statistical Research Division.

**City of Abbeville**  
**Principal Employers**  
**Current Year and Nine Years Ago**

	2022			2013		
			Percentage Of Total City Employment			Percentage of Total City Employment
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>		<u>Employees</u>	<u>Rank</u>	<u>Employment</u>
Abbeville School District	397	1	25.1%	455	1	24.80%
Abbeville Area Medical Center	333	2	21.1%	312	3	17.0%
Abbeville County	250	3	15.8%	228	4	12.4%
Ingles	130	4	8.2%			
City of Abbeville	123	5	7.8%	99	5	5.4%
Sage Automotive Interiors	100	6	6.3%	393	2	21.4%
Abbeville Nursing Home	80	7	5.1%	90	6	4.9%
Long Cane Primary School	57	8	3.6%	61	9	3.3%
Abbeville High School	55	9	3.5%	77	7	4.2%
Wright Middle School	55	9	3.5%	48	10	2.6%
Piggly Wiggly (formerly Bi-Lo)	0		0.0%	70	8	3.8%
Flexible Technologies (1)	260			298		
Prysmian (1)	333			315		
Burnstein Von Seelen (1)	208			216		
Carolina Fabrication (1)	0			35		
West Carolina Telephone (1)	101			57		
Little River (1)	31			31		
Totals	<u>2,513</u>		<u>100.0%</u>	<u>2,785</u>		<u>99.8%</u>

(1) These industries are located within one to two miles of the city limits of the City of Abbeville. Many city residents are employed by these industries.

**City of Abbeville**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

<u>Function</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General government	19	18	16	19	19	19	18	18	18	18
Municipal Court	3	3	1	1	1	1	1	1	1	1
Public safety										
Police										
Officers	18	18	18	18	17	20	17	19	19	18
Civilians	1	2	1	1	1	1	1	1	1	1
Animal Control	1	1	1	1	1	1	1	-	-	-
Fire										
Firefighters and officers	4	4	4	4	6	7	8	8	7	7
Civilians	1	1	1	1	1	1	1	1	-	-
Public Works										
Administration	2	2	2	2	2	2	2	2	2	2
Streets	7	7	3	3	3	3	3	2	2	3
Maintenance	1	1	1	1	1	1	1	1	1	1
Sanitation	5	5	9	8	10	10	7	9	9	7
Recreation	7	4	4	5	4	5	6	4	4	4
Utilities Admin.	7	8	8	8	11	11	12	9	9	9
Electric	8	10	10	10	10	10	10	10	10	9
Water	8	7	10	9	9	9	11	11	11	11
Sewer	5	5	2	4	5	4	3	2	2	2
Total	<u>97</u>	<u>96</u>	<u>91</u>	<u>95</u>	<u>101</u>	<u>105</u>	<u>102</u>	<u>98</u>	<u>96</u>	<u>93</u>

Source: City of Abbeville Human Resource Department



**City of Abbeville Public Utilities**  
**Number of Employees by Identifiable Activity**  
**Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Electric										
Hydro Plant Operations	3	3	3	4	4	4	4	3	3	3
Electric Distribution	8	7	7	6	7	6	6	7	7	6
Water										
Water Plant Operations	5	5	5	7	7	7	6	6	6	6
Water Distribution	3	2	2	2	2	2	3	3	3	3
Sewer										
Sewer Plant Operations	2	2	2	-	-	2	3	2	2	2
Sewer Distribution	3	3	3	4	5	2	2	2	2	2
Administration										
Billing/Customer Service	4	3	3	3	4	4	4	3	3	3
Meter Reading	1	1	1	1	2	2	2	2	2	2
Custodian	1	1	1	1	1	1	1	-	-	-
Finance and Accounting*	2	2	2	1	1	1	1	1	1	1
Executive Assistant	1	1	1	1	1	1	1	1	1	1
Utilities Director	1	1	1	2	2	2	2	2	2	2
Total	<u>34</u>	<u>31</u>	<u>31</u>	<u>32</u>	<u>36</u>	<u>34</u>	<u>35</u>	<u>32</u>	<u>32</u>	<u>31</u>

Source: City of Abbeville Human Resource Department

\* These employees are counted in general government on the Full-time Equivalent City Government Employees by Function as they perform duties for both the general fund and the enterprise fund.

**City of Abbeville**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Function</b>										
<b>Police</b>										
Criminal arrests	232	580	306	218	206	277	333	211	183	180
Incident Reports	1,278	1,679	1,730	1,697	2,183	1,419	2,431	921	1,159	944
Calls For Service	9,328	11,134	13,475	16,156	14,922	9,268	7,042	5,649	7,058	5,172
Traffic violations	1,052	1,800	1,582	959	642	844	3,010	1,701	1,471	1,320
<b>Fire</b>										
Number of calls answered	221	333	547	619	700	798	757	585	682	694
Inspections	90	192	136	26	53	52	50	53	72	92
<b>Sanitation</b>										
Refuse collected (tons/year)	2,262	4,690	4,550	4,714	5,333	4,715	4,827	5,041	5,117	4,690
<b>Recreation</b>										
Civic Center Events	400	418	420	442	453	385	1,001	545	425	325
Civic Center Admissions	30,000	31,000	31,000	31,500	31,750	34,685	34,149	15,670	17,660	7,800
Sports Registrations	689	727	726	734	740	651	597	292	564	580
<b>Wastewater</b>										
Service connections	2,357	2,337	2,325	2,330	2,299	2,297	2,279	2,288	2,308	2,308
Miles of sanitary lines	54	54	54	55	55	55	55	55	55	55
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Daily average treatment (mgd)	0.636	0.583	0.528	0.528	0.585	0.626	0.569	0.740	0.765	0.765
Max daily capacity of plant (mgd)	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Average daily sewage treatment (millions of gallons)	0.636	0.583	0.528	0.528	0.585	0.626	0.569	0.740	0.765	0.765

Continued

**City of Abbeville**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>
<b>Electric</b>										
Service connections	3,492	3,448	3,436	3,424	3,418	3,404	3,384	3,386	3,400	3,400
Number of substations	7	7	8	8	8	8	8	8	8	8
Miles of distribution lines	175	175	175	175	175	175	175	175	175	175
<b>Water</b>										
Service connections	2,746	2,682	2,666	2,653	2,651	2,646	2,627	2,638	2,665	2,665
Miles of distribution lines	82	82	82	82	82	82	82	82	82	82
Average daily consumption (millions of gallons)	2.076	1.778	1.882	2.274	2.478	2.16	2.208	2169	2185	2185
Max daily capacity of plant (mgd)	9	9	9	9	9	9	9	9	9	9
Water tanks maintained	4	4	4	4	4	4	4	4	4	4

Sources: Various government departments.

Note: Indicators are not available for the general government function.

**City of Abbeville**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

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	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Function</b>										
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	22	24	24	24	24	24	24	24	24	24
Fire Stations	1	1	1	1	1	1	1	1	1	1
Sanitation										
Collection trucks	3	3	3	3	3	3	2	2	2	2
Highways and streets										
Number of Streets	114	114	114	114	114	114	167	167	167	167
Streetlights	989	989	989	989	989	989	989	989	989	989
Culture and recreation										
Parks	5	5	5	5	5	5	5	5	5	5
Tennis courts	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	82	82	82	82	82	82	82	82	82	82
Fire hydrants	355	372	372	372	372	372	356	356	356	356
Maximum daily capacity (thousands of gallons)	9	9	9	9	9	9	9	9	9	9
Sewer										
Sanitary sewers (miles)	55	55	55	55	55	55	55	55	55	55
Number of Storm Sewers	42	42	42	42	42	42	42	42	42	42
Maximum daily treatment capacity (thousands of gallons)	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Electric										
Number of distribution stations	7	7	8	8	8	8	8	8	8	8
Miles of service lines	175	175	175	175	175	175	175	175	175	175

Sources: Various city departments

Note: No capital asset indicators are available for the general government function.