



**CITY OF GREENWOOD,
SOUTH CAROLINA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

CITY OF GREENWOOD, SOUTH CAROLINA
FINANCIAL STATEMENTS
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CITY OF GREENWOOD, SOUTH CAROLINA
LIST OF ELECTED AND CERTAIN OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2022

Elected Officials

Mayor
Council Member – Ward I
Council Member – Ward II
Council Member – Ward III
Council Member – Ward IV
Council Member – Ward V
Council Member – Ward VI

Brandon A. Smith
Nicoletta Hutto
Robert Dean
Betty Boles
Johnathan Bass
Matthew Miller
Ronnie Ables

Appointed Officials

City Manager
Finance Director

Julia M. Wilkie
Sara B. O'Dell



Independent Auditor's Report

Honorable Mayor and Members of City Council
City of Greenwood
Greenwood, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Greenwood, South Carolina as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Greenwood'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, each major fund, and the aggregate remaining fund information of the City of Greenwood, South Carolina, as of December 31, 2022, and the respective changes in 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 of Greenwood, South Carolina, 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 of Greenwood, South Carolina'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.

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 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 a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 of Greenwood, South Carolina'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 Greenwood, South Carolina'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.

Implementation of New Accounting Standard

As discussed in Note 11 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 87, Leases, effective for periods beginning after June 15, 2021. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Greenwood, South Carolina's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2023, on our consideration of the City'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Manley Garvin, LLC". The signature is written in a cursive, flowing style.

Greenwood, South Carolina
August 21, 2023

PART I
FINANCIAL SECTION

Management's Discussion and Analysis

As management of the City of Greenwood ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2022.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent year by \$28,507,831. The operations of the City during the fiscal year resulted in an increase in net position of \$4,342,059. The adoption of GASB Statement No. 68, GASB Statement No. 71, and GASB statement 75 are negatively impacting unrestricted net position of (\$5,908,182).
- The government's net position increased by \$4,342,059 from the prior year. This increase is primarily from the receipt of funding from the American Rescue Plan Act (\$2,591,839).
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$17,225,059, an increase of \$4,240,879 in comparison with the prior year. Of this total amount, \$5,281,356 is *unassigned fund balance* for the governmental funds.
- At the end of the current year, unassigned fund balance for the General Fund was \$5,281,356 (29.7%) of total General Fund expenditures.
- During the current year, the City had no lease purchase agreements nor any revolving fund loans. The net increase in compensated absences payable was \$100,561 and added infrastructure reimbursement agreements for \$641,395.
- The City has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, effective for periods beginning after June 15, 2021. This statement requires the City to recognize any right of use leases or lease receivables. See Notes 14 and 15 of the financial statements for further discussion.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's financial statements. The City's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the financial statements themselves.

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

The *statement of net position* presents information on all the City's assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any), with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave, etc.).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a sizable portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, economic development, court, police, fire, building inspection, public works, sanitation, non-departmental and community development. The City does not have any business-type activities.

The government-wide financial statements can be found as listed in the table of contents.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal

requirements. All the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the American Rescue Plan Fund, and the Hospitality Tax Fund, the City's three major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts annual appropriated budgets for its General Fund, American Rescue Plan Fund and Hospitality Tax Fund. Budgetary comparison schedules have been provided for the General Fund, American Rescue Plan Fund and Hospitality Tax Fund to demonstrate compliance with these budgets.

The governmental fund financial statements can be found as listed in the table of contents.

Custodial funds. *Custodial funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement 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 used for proprietary funds.

The custodial fund financial statement can be found as listed in the table of contents.

Notes to the financial statements. The notes provide additional information that is essential to fully understanding the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

Other information. In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's (a) variances in budget to actual revenues and expenditures for the General Fund, American Rescue Plan Fund and the Hospitality Tax Fund, (b) other postemployment benefits healthcare plan schedules, and (c) South Carolina Retirement and Police Officer Retirement Systems schedules. Required supplementary information can be found as listed in the table of contents.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining financial schedules can be found as listed in the table of contents.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the City, assets and deferred outflows exceed liabilities and deferred inflows by \$28,507,831 at the close of the most recent year. The following table provides a summary of the City's net position at December 31, 2022 compared to December 31, 2021.

City of Greenwood
Net Position
December 31, 2021 and 2022

	Governmental Activities	
	2022	2021
Current and other assets	\$ 25,569,429	\$ 19,171,768
Lease Receivable - Non Current	330,292	-
Capital assets(net)	28,104,912	28,200,295
Total assets	54,004,633	47,372,063
Deferred outflows of resources	1,809,673	2,064,965
Total assets and deferred outflows of resources	55,814,306	49,437,028
Current and other liabilities	\$ 8,046,302	\$ 5,501,870
Long-term liabilities	18,006,206	16,495,532
Total liabilities	26,052,508	21,997,402
Deferred inflows of resources	1,253,967	3,273,854
Total Liability and deferred inflows of resources	27,306,475	25,271,256
NET POSITION		
Net investment in capital assets	\$ 27,651,542	\$ 27,651,542
Restricted	6,764,471	4,915,166
Unrestricted	(5,908,182)	(8,400,936)
Total net position	\$ 28,507,831	\$ 24,165,772

See notes to financial statements.

By far the largest portion of the City's net position (97%) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, etc.); 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 net 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.

An additional portion of the City's net position (23.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (-20.7%) is negative. This negative unrestricted net position is the result of the required implementation of GASB Statement No. 68, GASB Statement No. 71, and GASB Statement No. 75 and their resulting restatement of net position. The receipt of funding from the American Rescue Plan Act is primarily responsible for the \$4,342,059 increase from prior year in reported ending net position and is not a current indicator of the strength, viability, and financial health of the City and its current results of operations. While the City's unrestricted net position is negative, the City's unassigned individual governmental funds' fund balances total \$5,281,356, which may be used to meet the City's ongoing obligations to citizens and creditors.

Governmental activities. Governmental activities increased the City's net position by \$4,342,059 in 2022. The following table shows the change in net position for 2022 compared to 2021.

City of Greenwood
Changes in Net Position
December 31, 2021 and 2022

	Governmental Activities	
	2022	2021
REVENUES		
Program revenues:		
Charges for Services	\$ 2,051,693	\$ 2,021,044
Operating Grants and Contributions	4,970,580	3,742,235
Capital Grants and Contributions	871,427	26,278
General revenues:		
Property Taxes	6,251,198	5,761,739
Auto Taxes	703,299	689,216
Accommodations Taxes	440,797	393,183
Hospitality Taxes	2,566,729	2,269,638
Intergovernmental & Other Income	1,723,724	1,461,901
Business Licenses	4,435,542	4,022,049
Total revenues	<u>24,014,989</u>	<u>20,387,283</u>
EXPENSES		
Governmental activities:		
General Government	2,091,364	1,765,046
Economic Development	1,151,958	800,480
Court	300,177	212,770
Police	5,828,326	4,881,709
Fire	3,985,833	3,624,919
Building Inspection	570,664	523,448
Public Works	3,277,415	2,402,400
Sanitation	1,529,552	1,420,393
Non-Departmental	861,213	796,946
Community Development	76,428	18,862
Interest on Long Term Debt	-	13,230
Total expenses	<u>19,672,930</u>	<u>16,460,203</u>
Change in net position before special items and trans	<u>4,342,059</u>	<u>3,927,080</u>
Change in net position	<u>4,342,059</u>	<u>3,927,080</u>
Total net position - beginning	<u>24,165,772</u>	<u>20,238,692</u>
Total net position - ending	<u>\$ 28,507,831</u>	<u>\$ 24,165,772</u>

See notes to financial statements.

- Operating grants and contributions increased by \$1,228,345, due to the receipt of funding from the American Rescue Plan Act.
- General Revenues increased in Business Licenses, Property Taxes, Hospitality and Accommodations Taxes. Most of these were affected by inflation.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. Unassigned *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the City's governmental funds reported combined ending fund balances of \$17,225,059, an increase of \$4,240,879 in comparison with the prior year end balance. Of this total amount, \$5,281,356 is *unassigned fund balance* for the governmental funds.

The General Fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the General Fund was \$5,281,356. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. *Unassigned* fund balance and *total* fund balance represent approximately 29.7% and 58.8% of total General Fund expenditures, respectively.

During the current year, the fund balance of the City's General Fund increased by \$2,391,575. The primary factor is the use of the American Rescue Plan Funds.

General & Hospitality Funds Budgetary Highlights

During the year, there was no change to the hospitality fund budget total revenues but an increase to expenditures. The change (\$31,285) to the hospitality fund budget was to pay for water lines and event support materials. The general fund had no budgeted revenue nor budgeted expenditure changes.

Several significant variances between the final budget and actual results exist within the General Fund. Tax revenue was more than budgeted due to better collection rates. License revenue was more than budgeted due to the collection of a higher than normal delinquency rate from the prior year. Expenditures within the Police, Public Works, and Sanitation Departments were less than expected primarily due to shortages in budgeted positions.

The significant variance between the final budget and actual results within the Hospitality Fund was in tax collections. Hospitality businesses saw an increase in food costs which in turn caused an increase in pricing, resulting in higher than anticipated tax collections.

Capital Assets and Long-Term Obligations

Capital assets. The City's investment in capital assets for its governmental activities as of December 31, 2022, amounts to approximately \$28,104,912 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, sanitation system, machinery and equipment, roads, sidewalks, and storm drainage systems.

Major capital asset events during the current year included the following:

- An addition to infrastructure for roads/right of ways/curb & gutters/storm drains at new subdivisions (Milford Pines III and the Cottages at Emerald Farms).
- An addition to machinery and equipment for 6 new police vehicles and related equipment, crime scene equipment, 18 sets of SCBA's and 2-24yard trailers.

Additional information on the City's capital assets can be found in Note 4 in the Notes to the Financial Statements as listed in the table of contents.

Long-term obligations. At the end of the current year, the City has no lease purchase obligations outstanding or notes payable. Infrastructure reimbursement agreement obligations are \$1,102,702, and a compensated absences obligation of \$940,135.

Additional information on the City's long-term obligations can be found in Note 6 in the Notes to the Financial Statements as listed in the table of contents.

Economic Factors and Next Year's Budgets and Rates

- Several residential developments are planned or continuing, resulting in the possibility of over 2,500 new units over the next 5 years.

- The City received the 2nd of its two tranches of \$11.65 million in funds from the American Rescue Plan Act (ARPA).

During the current year, unassigned fund balance in the General Fund increased by \$1,244,673 to \$5,281,356. The City did not pass a tax millage rate increase but did pass a cost-of-living increase for employees.

Requests for Information

This financial report is designed to provide a general overview of the City of Greenwood's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 520 Monument St, P.O. Box 40, Greenwood, SC 29648.

City of Greenwood
Statement of Net Position
December 31, 2022

	Primary Government	
	Governmental Activities	Totals
ASSETS		
Current assets:		
Cash and Investments	\$ 11,795,166	\$ 11,795,166
Restricted Cash/Investments	6,759,636	6,759,636
Taxes Receivable (Net of Allowance)	2,701,085	2,701,085
Public Works Fee Receivable (Net of Allowance)	135,150	135,150
Accounts Receivable	426,561	426,561
Due from Other Governments	3,583,232	3,583,232
Other Assets	163,531	163,531
Lease Receivable	5,068	5,068
Total current assets	<u>25,569,429</u>	<u>25,569,429</u>
Capital Assets, net of accumulated depreciation		
Land	8,529,433	8,529,433
Intangibles	226,554	226,554
Buildings and Improvements	6,979,438	6,979,438
Infrastructure	5,842,272	5,842,272
Machinery & Equipment	6,315,104	6,315,104
Sanitation System	212,111	212,111
Total capital assets	<u>28,104,912</u>	<u>28,104,912</u>
Other Noncurrent assets:		
Lease Receivable - Non Current	330,292	330,292
Total assets	<u>54,004,633</u>	<u>54,004,633</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Charges	1,550,488	1,550,488
Deferred Outflows Related to OPEB	259,185	259,185
Total deferred outflows of resources	<u>1,809,673</u>	<u>1,809,673</u>
Total assets and deferred outflows of resources	<u>\$ 55,814,306</u>	<u>\$ 55,814,306</u>
LIABILITIES		
Current liabilities:		
Accounts Payable	\$ 838,825	\$ 838,825
Employee Funds Withheld	44,688	44,688
Accrued Expenses	219,361	219,361
Deferred Revenue	6,376,877	6,376,877
Due to Other Governments and Recipients	42,812	42,812
Due Within One Year	523,739	523,739
Total current liabilities	<u>8,046,302</u>	<u>8,046,302</u>
Noncurrent liabilities:		
Due in More Than One Year	1,519,098	1,519,098
Net Pension Liability	15,398,794	15,398,794
Net OPEB Obligation	1,088,314	1,088,314
Total noncurrent liabilities	<u>18,006,206</u>	<u>18,006,206</u>
Total liabilities	<u>26,052,508</u>	<u>26,052,508</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Lease Receivable	335,360	335,360
Deferred Pension Charges	769,311	769,311
Deferred Inflows Related to OPEB	149,296	149,296
Total deferred inflows of resources	<u>1,253,967</u>	<u>1,253,967</u>
Total liabilities and deferred inflows of resources	<u>\$ 27,306,475</u>	<u>\$ 27,306,475</u>
NET POSITION		
Net investment in capital assets	\$ 27,651,542	\$ 27,651,542
Restricted for:		
Community Development	96,783	96,783
Other Purposes	61,879	61,879
Tourism Related Exp	6,605,809	6,605,809
Unrestricted	(5,908,182)	(5,908,182)
Total net position	<u>\$ 28,507,831</u>	<u>\$ 28,507,831</u>

See notes to financial statements.

City of Greenwood
Statement of Activities
December 31, 2022

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Primary Government	
					Governmental Activities	Total
Primary government:						
Governmental activities:						
General Government	2,091,364	79,940	3,472,564	-	1,461,140	1,461,140
Economic Development	1,151,958	27,688	165,708	-	(958,562)	(958,562)
Court	300,177	-	-	-	(300,177)	(300,177)
Police	5,828,326	268,837	56,850	6,356	(5,496,283)	(5,496,283)
Fire	3,985,833	29,800	2,000	-	(3,954,033)	(3,954,033)
Building Inspection	570,664	431,654	-	-	(139,010)	(139,010)
Public Works	3,277,415	496,941	1,198,986	865,071	(716,417)	(716,417)
Sanitation	1,529,552	716,833	-	-	(812,719)	(812,719)
Non-Departmental	861,213	-	-	-	(861,213)	(861,213)
Community Development	76,428	-	74,472	-	(1,956)	(1,956)
Total governmental activities	19,672,930	2,051,693	4,970,580	871,427	(11,779,230)	(11,779,230)
Total primary government	<u>\$ 19,672,930</u>	<u>\$ 2,051,693</u>	<u>\$ 4,970,580</u>	<u>\$ 871,427</u>	<u>\$ (11,779,230)</u>	<u>\$ (11,779,230)</u>
General revenues:						
Property Taxes					6,251,198	6,251,198
Auto Taxes					703,299	703,299
Accommodations Taxes					440,797	440,797
Hospitality Taxes					2,566,729	2,566,729
Business Licenses					4,435,542	4,435,542
Intergovernmental					1,456,427	1,456,427
Unrestricted Investment Earnings					189,249	189,249
Miscellaneous Income					17,956	17,956
Gain on Sale of Capital Assets					60,092	60,092
Total general revenues, special items, and transfers					<u>16,121,289</u>	<u>16,121,289</u>
Change in net position					4,342,059	4,342,059
Net position - beginning					24,165,772	24,165,772
Net position - ending					<u>\$ 28,507,831</u>	<u>\$ 28,507,831</u>

See notes to financial statements.

City of Greenwood
Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	ARPA	Hospitality Tax Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 11,795,166	\$ -	\$ -	\$ -	\$ 11,795,166
Restricted Cash and Investment	448,788	-	5,524,044	786,804	6,759,636
Taxes Receivable (Net)	2,701,085	-	-	-	2,701,085
Public Works Fee Receivable (net)	135,150	-	-	-	135,150
Accounts Receivable	156,746	-	239,181	30,634	426,561
Due From Other Funds	30,434	6,322,170	151,139	43,085	6,546,828
Due From Other Governments	3,538,143	-	19,050	26,040	3,583,233
Other Assets	163,531	-	-	-	163,531
Total assets	<u>\$ 18,969,043</u>	<u>\$ 6,322,170</u>	<u>\$ 5,933,414</u>	<u>\$ 886,563</u>	<u>\$ 32,111,190</u>
LIABILITIES					
Accounts Payable	\$ 838,369	\$ -	\$ -	\$ 456	\$ 838,825
Employee Funds Withheld	44,688	-	-	-	44,688
Accrued Expenses	216,314	812	-	2,235	219,361
Unearned Revenue	37,534	6,321,358	17,986	-	6,376,878
Due to Other Funds	6,516,394	-	-	30,434	6,546,828
Due to Other Governments	-	-	-	4,395	4,395
Due to Designated Recipients	38,417	-	-	-	38,417
Total liabilities	<u>7,691,716</u>	<u>6,322,170</u>	<u>17,986</u>	<u>37,520</u>	<u>14,069,392</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	\$ 816,739	\$ -	\$ -	\$ -	\$ 816,739
Total deferred inflows of resources	<u>816,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>816,739</u>
Total liabilities and deferred inflows of resources	<u>8,508,455</u>	<u>6,322,170</u>	<u>17,986</u>	<u>37,520</u>	<u>14,886,131</u>
FUND BALANCES (DEFICITS)					
Nonspendable	163,531	-	-	-	163,531
Restricted	1,991,434	-	5,915,428	849,043	8,755,905
Assigned	3,024,267	-	-	-	3,024,267
Unassigned	5,281,356	-	-	-	5,281,356
Total fund balances (deficits)	<u>\$ 10,460,588</u>	<u>\$ -</u>	<u>\$ 5,915,428</u>	<u>\$ 849,043</u>	<u>\$ 17,225,059</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 18,969,043</u>	<u>\$ 6,322,170</u>	<u>\$ 5,933,414</u>	<u>\$ 886,563</u>	<u>\$ 32,111,190</u>

See notes to financial statements.

City of Greenwood
Reconciliation of Balance Sheet
To the Statement of Net Position
For the Year Ended December 31, 2022

Fund balances of governmental funds	17,225,059
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	28,104,912
Long-term liabilities, including accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(2,042,837)
Certain assets are unavailable to pay for current-period expenditures and, therefore, are deferred in the funds.	816,739
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.	
OPEB	(1,088,314)
Net Pension Liability	(15,398,794)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows or resources to pensions and OPEB	1,809,673
Deferred inflows or resources to pensions and OPEB	(918,607)
Short-term lease receivable.	5,068
Right to use deferred inflows of resources related to leases.	(335,360)
Non-Current lease receivables are not financial resources and, therefore, are not reported in the funds.	330,292
Net position of governmental activities	<u>28,507,831</u>

See notes to financial statements.

City of Greenwood
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	ARPA	Hospitality Tax Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 6,809,525	\$ -	\$ 2,566,729	\$ 440,797	\$ 9,817,051
Licenses	4,435,542	-	31,200	-	4,466,742
Intergovernmental	2,249,261	3,260,564	-	215,304	5,725,129
Fines and Forfeits	171,402	-	-	60,202	231,604
Contributions and Donations	212,000	-	46,529	4,000	262,529
Charges For Services	1,703,771	-	15,688	12,000	1,731,459
Economic Development	-	-	-	10,091	10,091
Commission of Pub Wks Contrib.	1,200,000	-	-	-	1,200,000
Interest	189,249	-	89,958	2,008	281,215
Total revenues	<u>16,970,750</u>	<u>3,260,564</u>	<u>2,750,104</u>	<u>744,402</u>	<u>23,725,820</u>
EXPENDITURES					
Current:					
General Government	2,078,471	93,870	-	-	2,172,341
Economic Development	153,042	-	543,712	390,249	1,087,003
Court	258,618	50,078	-	-	308,696
Police	5,543,661	100,781	-	74,606	5,719,048
Fire	3,868,789	-	-	-	3,868,789
Building Inspection	575,609	-	-	-	575,609
Public Works	2,916,944	-	-	-	2,916,944
Sanitation	1,310,550	-	-	-	1,310,550
Non-Departmental	842,155	19,058	-	-	861,213
Community Development	-	-	-	76,428	76,428
Debt service:					
Principal retirement	87,444	-	-	-	87,444
Capital outlay:					
General Government	6,308	-	-	-	6,308
Police	35,828	239,768	-	25,945	301,541
Fire	16,260	165,170	-	-	181,430
Sanitation	101,790	-	-	-	101,790
Total expenditures	<u>17,795,469</u>	<u>668,725</u>	<u>543,712</u>	<u>567,228</u>	<u>19,575,134</u>
Excess (deficiency) of revenues over expenditures	<u>(824,719)</u>	<u>2,591,839</u>	<u>2,206,392</u>	<u>177,174</u>	<u>4,150,686</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	3,126,101	-	-	402	3,126,503
Transfers Out	-	(2,591,839)	(534,262)	(402)	(3,126,503)
Sale of Capital Assets	90,193	-	-	-	90,193
Total other financing sources (uses)	<u>3,216,294</u>	<u>(2,591,839)</u>	<u>(534,262)</u>	<u>-</u>	<u>90,193</u>
Net change in fund balances	2,391,575	-	1,672,130	177,174	4,240,879
Fund balances (deficit) - beginning	8,069,013	-	4,243,298	671,869	12,984,180
Fund balances (deficit) - ending	<u>\$ 10,460,588</u>	<u>\$ -</u>	<u>\$ 5,915,428</u>	<u>\$ 849,043</u>	<u>\$ 17,225,059</u>

See notes to financial statements.

City of Greenwood
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities
For the Year Ended December 31, 2022

Net change in fund balances - total government funds	4,240,879
Amounts reported for governmental activities in the statement of activities are different because:	
Some expenses (i.e. compensated absences, accrued interest, etc.) 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.	(100,561)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciations expense exceeded capital asset additions in the current period.	(95,381)
Record infrastructure agreements	(641,395)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	131,020
Repayment of principal and other long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position.	87,444
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	2,099,955
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.	(1,379,902)
Change in net position of governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black;">4,342,059</div>

See notes to financial statements.

City of Greenwood
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2022

	Police Drug Seizure Fund	Uptown Greenwood Local Development Corporation Fund	Fireman's Insurance Fund	Employee's Fund	Total Custodial funds
ASSETS					
Cash - Unrestricted	\$ 401,405	\$ 174,808	\$ 35,368	\$ 12,718	\$ 624,299
Cash - Loan Fund - Restricted	-	154,019	-	-	154,019
Accounts Receivable	-	14	-	-	14
Loans Receivable - Restricted	-	31,837	-	-	31,837
Total Cash	<u>401,405</u>	<u>360,678</u>	<u>35,368</u>	<u>12,718</u>	<u>810,169</u>
Total assets	<u>\$ 401,405</u>	<u>\$ 360,678</u>	<u>\$ 35,368</u>	<u>\$ 12,718</u>	<u>\$ 810,169</u>
LIABILITIES					
Accounts Payable	\$ -	\$ 161,956	\$ 336	\$ -	\$ 162,292
Total liabilities	<u>-</u>	<u>161,956</u>	<u>336</u>	<u>-</u>	<u>162,292</u>
NET POSITION					
Restricted for:					
Development	-	191,161	-	-	191,161
Unrestricted	<u>401,405</u>	<u>7,561</u>	<u>35,032</u>	<u>12,718</u>	<u>456,716</u>
Total net position	<u>\$ 401,405</u>	<u>\$ 198,722</u>	<u>\$ 35,032</u>	<u>\$ 12,718</u>	<u>\$ 647,877</u>

See notes to financial statements.

City of Greenwood
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
December 31, 2022

	Police Drug Seizure Agency Fund	Uptown Greenwood Local Development Corporation Agency Fund	Fireman's Insurance Agency Fund	Employee's Fund	Total Custodial Funds
ADDITIONS					
Contributions:					
Contributions and Donations	\$ 257,484	\$ -	\$ -	\$ -	\$ 257,484
Interest	280	-	-	-	280
Total contributions	257,764	-	-	-	257,764
Revenues					
Unassigned	-	237,116	-	-	237,116
Intergovernmental	-	-	38,491	-	38,491
Contributions and Donations	-	-	-	3,458	3,458
Interest	-	-	49	1	50
Total revenues	-	237,116	38,540	3,459	279,115
Total additions	257,764	237,116	38,540	3,459	536,879
DEDUCTIONS					
Unassigned	-	231,805	-	-	231,805
Public Safety	68,181	-	11,817	-	79,998
Non-Departmental	-	-	-	1,591	1,591
Total deductions	68,181	231,805	11,817	1,591	313,394
Net increase (decrease) in fiduciary net position	189,583	5,311	26,723	1,868	223,485
Net Position -- beginning of the year	211,822	193,411	8,309	10,850	424,392
Net Position -- end of the year	\$ 401,405	\$ 198,722	\$ 35,032	\$ 12,718	\$ 647,877

See notes to financial statements.

CITY OF GREENWOOD
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies

The City of Greenwood ("City") is a municipal corporation, chartered in 1857, governed by a council-manager form of government. The financial statements of the City have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential units. Component units are entities for which the City is considered financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to the primary government. Section 2100 of the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards* provides guidance on combining component unit data with data of the primary government as blended or discrete presentations. Blended component units are legally separate entities albeit, in substance, part of the primary government and, therefore are included with data of the primary government. Discretely presented component units are presented separately to emphasize legal separation from the primary government.

There are no blended or discretely presented component units included in these financial statements. No entities are excluded that would make the financial statements misleading.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

The City did not maintain any proprietary funds (business-type activities) for the year ended December 31, 2022.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the 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. Grant and comparable items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 *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 generally collected within 45 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.

Property taxes, hospitality taxes, state shared revenue, grants, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

Governmental fund types are those through which all government functions of the City are financed. The City's expendable financial resources and related assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any) are accounted for through governmental funds.

The *General Fund, a major 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 (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned 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.

The *Hospitality Tax Fund, a major fund*, is a special revenue fund that accounts for all financial resources generated by a two percent local hospitality tax collected by all businesses that serve prepared meals and/or beverages within the City that is restricted for tourism related expenditures.

The *American Rescue Plan Act Fund, a major fund*, is funds that were granted to local governments to help offset the impact from Covid-19.

Special revenue funds are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City has the following special revenue funds:

The City has the following nonmajor special revenue funds: Community Development Block Grants, Police Forfeiture Fund, Victims Services, Local Accommodations Tax Fund, Parks Maintenance, EPA Brownfields Grant, JAG grants and Equitable Sharing Fund.

Fiduciary funds account for activities of the Uptown Greenwood Local Development Corporation, Police Drug Seizure, Employee's Club and Fireman's Insurance Funds. The Uptown Greenwood Local Development Corporation was established to provide economic stimulus to the uptown area of Greenwood. The corporation receives revenues from a Special Tax District to conduct these activities. The Police Drug Seizure fund is used to hold funds seized from persons charged with drug-related crimes until the cases are adjudicated. The Employee's Club is used to hold funds donated from the employees of the City of Greenwood until used per the restrictions set by the Employee's Club committee. The Fireman's Fund is used to hold funds remitted from insurance companies specifically to be used for firefighters as approved by the South Carolina State Firefighters' Association.

Generally, 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 general fund, special revenue funds, and agency funds. Eliminations 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, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents and Investments

The government's cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City is allowed to invest in (1) obligations of the United States and agencies thereof, the principal and interest of which is fully guaranteed by the United States; (2) obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal

Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations; (3) general obligations of the State of South Carolina or any of its political units; or revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations; (4) savings and loan associations to the extent that the same are secured by an agency of the federal government; (5) 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 market 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; (6) Repurchase agreements when collateralized by securities as set forth in this section; (7) 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 savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer 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), (3), and (6) 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's cash and investment objectives are preservation of capital, liquidity and yield. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted 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.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

- Temporarily restricted cash investments: Valued at cost, which approximates fair value.
- Fixed income securities: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Fair Value Measurements at December 31, 2022

Investment Type	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	\$ 448,788	\$ -	\$ -
LGIP	-	17,081,718	-	-
Repurchase Agreements	-	-	-	-
Total	\$ -	\$ 17,530,506	\$ -	\$ -

The City has the following recurring fair value measurement:

Repurchase agreements of \$0 as of December 31, 2022. In the event the city has any funds in repurchase agreements, they are valued using quoted market prices (Level 1 inputs).

The City currently and in the past year has used the following investments:

- South Carolina Local Government Investment Pool (the “Pool” or “LGIP”) investments are invested with the South Carolina State Treasurer’s Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies more than 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. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission (“SEC”) as an investment company but has a policy that it will operate in a manner consistent with the SEC’s Rule 2a 7 of the Investment Company Act of 1940. The South Carolina State Treasurer oversees the pool. The fair value of the position in the pool is the same as the value of the pool shares. The pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. At December 31, 2022, the underlying security ratings of the City’s investments 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, PO Box 11778, Columbia, SC 29211
- Repurchase agreements are a type of transaction in which a participant acquires immediately available funds by selling securities and simultaneously agreeing to repurchase the same or similar securities after a specified time at a given price, which typically includes interest at an agreed-upon rate. Beginning January 1, 2010, the City began investing a portion of its cash in overnight repurchase agreements with a local bank. Under these agreements, the bank sells United States Treasury and Federal Agency securities to the City each night and repurchases these investments the next business day.
- Certificates of Deposit (“CD”) are bond-type investments issued by a bank when a person or company deposits a certain amount of money for a determined amount of time. The maturity can be up to five years, and interest is paid to the holder of the CD at an agreed upon rate. Money removed before maturity is subject to a penalty.

E. Budgetary Information

The City has elected to present its budgetary comparison information for the General Fund, American Rescue Plan Act Fund and Hospitality Tax Fund as separate schedules and not as financial statements. The General Fund, Hospitality Tax Fund and the American Rescue Plan Act Fund were the only major governmental funds for which the City had a legally adopted budget.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end. The City had \$1,991,434 in outstanding encumbrances as of December 31, 2022.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City currently has two types of deferred outflows of resources: (1) the City reports deferred outflows related to pensions 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 and (2) the City also reports deferred outflows related to OPEB in its statement of net position 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/OPEB liabilities or (b) amortized in a systematic and rational method as expense in future periods in accordance with GAAP.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until

that time. The City currently has three types of deferred inflows of resources: (1) The City reports *unavailable revenues* only in the governmental funds balance sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available. (2) 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 the South Carolina Police Officers Retirement System. (3) The City also reports deferred inflows related to OPEB in its statement of net position 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/OPEB expense in future periods in accordance with GAAP.

H. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and comparable items), are reported in the government-wide statement of net position. Capital assets, with the exception of building and improvements, are defined by the City as assets with an initial, individual cost of more than \$5,000 and estimated useful life more than two years. Building and Improvements having a purchase price of more than \$10,000 are considered capital assets. All capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Building Improvements	5-40
Public Domain Infrastructure	10-50
Vehicles	8-20
Office Equipment	3-10
Computer Equipment	3-10

I. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay and compensatory time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, because of employee resignations and retirements.

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of Net Position. If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Fund Equity

In accordance with GAAP, the City classifies governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the highest level of decision making authority (City Council) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date.

1. **Unassigned** – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The City generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the City generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City Council has formally adopted a fund balance policy. This policy indicates goals for unassigned fund balance and assigned fund balance. Assignments of fund balance represent tentative management plans that are subject to change. The City's fund balance policy requires a minimum of 10% of budgeted expenditures be available for assignments. Unassigned fund balance indicates that portion of fund balance which is available for appropriation in future periods. The City's fund balance policy requires a minimum of 20% of budgeted expenditures be unassigned.

The City has assigned \$2,960,483 for future capital improvements and \$63,784 for employee recognition.

The City has restricted funds for Accommodations Taxes, Community Development, Drug Forfeitures, and Hospitality Taxes. These funds are restricted by law as to their uses and may only be expended for qualifying expenditures.

L. Net Position

Net position represents the difference between assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any). Net Position is classified as net investment in capital assets; restricted; and unrestricted. 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 component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

M. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds." (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes are levied on October 1 and are payable without penalty through January 15. Unpaid taxes attach as an enforceable lien on property as of the following March 17.

Greenwood County bills and collects real and vehicle property taxes for the City. Property taxes receivable represents unpaid real and personal taxes, less an allowance for amounts estimated to be uncollectible. All net property taxes receivable as of year-end, except those collected within 45 days after year end, are recorded as unavailable revenue (deferred inflow of resources) and thus not recognized in the governmental funds until collected. At December 31, 2022, taxes receivable was \$2,701,085, net of an allowance for uncollectible taxes of \$407,982. An allowance for uncollectible trade accounts receivable is based on management's estimate of accounts that are uncollectible.

Greenwood County also bills and collects a \$50 public works fee on each residential parcel for the City. Public works fee receivable represents unpaid public works fee, less an allowance for amounts estimated to be uncollectible. All net public works fee receivable as of year-end, except those collected within 45 days after year end, are recorded as unavailable revenue (deferred inflow of resources) and thus not recognized in the governmental funds until collected. At December 31, 2022, public works fee receivable was \$135,150, net of an allowance for uncollectible taxes of \$400. An allowance for uncollectible trade accounts receivable is based on management's estimate of accounts that are uncollectible.

N. Inventory and Other Assets

Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed. Prepaid items (for example, insurance) are accounted for over the period they are consumed rather than when paid.

O. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those 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. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

NOTE 2 - Cash and Investments

Custodial credit risk – deposits: Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City does not have a deposit policy for custodial credit risk but follows the policy statutes of the State of South Carolina. As of December 31, 2022, \$1,029,518 of the City's bank balances of \$1,711,794, which had a reported value of \$1,802,614, was exposed to custodial credit risk as it was uninsured but collateralized with securities held by the depository financial institution's agent but not in the City's name. The Uptown Greenwood Local Development Corporation deposited cash, as of December 31, 2022, was insured.

Investments

As of December 31, 2022, the City had the following investments and maturities:

Investment Type	Credit Rating ^	Fair Value	Investment Maturities in Years			
			< 1 yr	1-3 yrs	3-5yrs	> 5 yrs
Certificates of Deposit	~	\$ 448,788	\$ 448,788	\$ -	\$ -	\$ -
LGIP	NR	17,081,718	17,081,718	-	-	-
Repurchase Agreements	NR	-	-	-	-	-
Total		<u>\$ 17,530,506</u>	<u>\$ 17,530,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

^ If available, credit ratings are for Standard & Poor's and Moody's Investors Service.

~ Certificates of Deposit are covered by FDIC insurance and thus no credit ratings are required.

NR – Not rated.

Interest Rate Risk - Investments: The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Credit Risk – Investments: Credit risk for investment is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.

Concentration of Credit Risk - Investments: The City places no limit on the amount it may invest in any one issuer. Investments issued or explicitly guaranteed by the U.S government and investments in mutual funds and external investment pools are excluded from this disclosure requirement. The City invests in overnight repurchase agreements with a local bank. None of the City's other investments exceeded 5% of the total amount invested.

Custodial Credit Risk – Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

NOTE 3 - Commissioners of Public Works

The Commissioners of Public Works ("CPW") is an entity that was created by an act of the South Carolina General Assembly and requires the consent of City Council to issue any revenue bond indebtedness. CPW has in the past followed the practice of making an annual cash contribution to the City equal to the amount of the year's charges for service provided to the City. Upon receipt of this contribution, the City has written a check to the CPW for a like amount in payment of such services. This amount was \$746,998 for 2022.

In addition, CPW contributed \$453,002 to the City in 2022 under an agreement reached in 2006. The CPW has agreed to contribute a total of \$1.2 million less the amount of utilities used. The annual receipt of these funds is contingent on CPW having surplus funds. This determination is made annually.

NOTE 4 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 8,435,862	93,571	-	-	\$ 8,529,433
Intangibles	226,554	-	-	-	226,554
Construction in Progress	118,199	-	-	(118,199)	-
Total Capital Assets, Non-Depreciable	<u>8,780,615</u>	<u>93,571</u>	<u>-</u>	<u>(118,199)</u>	<u>8,755,987</u>
Capital Assets, Depreciable:					
Buildings and Improvements	11,705,236	-	-	-	11,705,236
Sanitation System	1,133,577	25,280	597	-	1,158,260
Machinery and Equipment	15,515,881	575,496	502,744	118,199	15,706,832
Infrastructure	13,392,847	712,459	153,963	-	13,951,343
Total Capital Assets, Depreciable	<u>41,747,541</u>	<u>1,313,235</u>	<u>657,304</u>	<u>118,199</u>	<u>42,521,671</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	4,486,046	239,752	-	-	4,725,798
Sanitation System	912,253	33,923	27	-	946,149
Machinery and Equipment	9,047,257	817,684	473,213	-	9,391,728
Infrastructure	7,882,307	380,727	153,963	-	8,109,071
Total Accumulated Depreciation	<u>22,327,863</u>	<u>1,472,086</u>	<u>627,203</u>	<u>-</u>	<u>23,172,746</u>
Total Capital Assets, Depreciable, Net	<u>19,419,678</u>	<u>(158,851)</u>	<u>30,101</u>	<u>118,199</u>	<u>19,348,925</u>
Capital Assets, Net	<u>\$ 28,200,293</u>	<u>(65,280)</u>	<u>30,101</u>	<u>-</u>	<u>\$ 28,104,912</u>

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

Functions/Programs	Depreciation Expense
General Government	\$ 161,090
Police	268,100
Fire	242,287
Building Inspection	16,629
Public Works	474,622
Sanitation	238,923
Economic Development	70,435
Total	<u>\$ 1,472,086</u>

NOTE 5 – Interfund receivables, payables, and transfers

Interfund balances at December 31, 2022, consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
General Fund	\$ 30,434	\$ 6,516,394
Hospitality Tax Fund	151,139	-
American Rescue Plan Act	6,322,170	-
Special Revenue Funds:		
Justice Assistance Grants	-	25,282
Local Accommodations Tax	36,652	-
Equitable Sharing	4,795	-
Police Forfeiture	-	4,650
Parks Maintenance	888	-
Community Development	750	-
EPA Brownfields Grant	-	502
Totals	\$ 6,546,828	\$ 6,546,828

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All of these amounts are expected to be paid within one year.

Transfers between funds for the year ended December 31, 2022, consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 3,126,101	\$ -
Hospitality Tax Fund	-	534,262
American Rescue Plan Act	-	2,591,839
Special Revenue Funds:		
CDBG - 85L02	-	-
CDBG - 3L87005	-	402
CDBG - 4-CE-19-004	402	-
Totals	\$ 3,126,503	\$ 3,126,503

During the course of normal operations the City makes numerous transactions between funds. The transfer of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds.

The transfer to the General Fund from the Hospitality Tax Fund was made to reimburse for tourist event materials and personnel support from the fire, police, and public works departments. The transfer to the General Fund from the State & Local Fiscal Recovery Funds was for use of the standard allowance. The transfer between CDBG funds was to transfer for the local match amount and to close out CDBG-3L87005.

NOTE 6 - Long-Term Obligations

Details on the City's outstanding debt obligations as of December 31, 2022 are as follows:

The City has entered into agreements with several developers to reimburse one hundred percent of the costs related to the construction of streets, storm sewers, and related costs. The development must be constructed in accordance with City standards for utilities. The costs of improvements will be rebated annually not to exceed seventy-five percent of the City tax revenues for any improvements to the property per year and a time frame of ten years for residential property and eleven years for commercial property. The amount to be reimbursed shall not exceed an amount that the City determines and shall continue for ten years for residential property, eleven years for commercial property, or until the reimbursement is complete, whichever occurs first. The total outstanding on these non-interest-bearing agreements was \$1,102,702 at December 31, 2022, of which management estimates \$135,049 will be due for in 2023.

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2022.

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	839,574	492,460	391,899	940,135	388,690
Infrastructure Reimbursement Agreements	548,751	641,395	87,444	1,102,702	135,049
Total	<u>\$ 1,388,325</u>	<u>1,133,855</u>	<u>479,343</u>	<u>2,042,837</u>	<u>\$ 523,739</u>

The General Fund has been used to liquidate long-term obligations in prior years and will be used to liquidate these obligations.

NOTE 7 – Pensions

The City participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"), which was 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.

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 the Retirement Benefits' link on the PEBA's website at 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 comprehensive annual financial report of the state.

A. 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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

B. 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.

- 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 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 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.

C. 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. A brief summary of benefit terms for each 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 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 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.

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.

D. 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. The Retirement Funding and Administration Act of 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 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 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 rate for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

Required employee contribution rates (1) are as follows:

	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates (1) are as follows:

	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>
SCRS		
Employee Class Two	17.41%	16.41%
Employee Class Three	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	19.84%	18.84%
Employee Class Three	19.84%	18.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

(1) Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

E. 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 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.

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

Actuarial Cost Method	SCRS	PORS
	Entry Age	Entry Age
	Entry age normal	Entry age normal
Investment rate of return ¹	7%	7%
Projected Salary Increases	3.0% to 11% (varies by service)	3.5% to 10.5% (varies by service)
Benefit Adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

¹ 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. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the June 30, 2022, valuations for SCRS and PORS 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%	2016 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

F. Net Pension Liability of the Plan

The NPL is calculated separately for each system and represents that particular system's total pension liability (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 as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	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%

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.

G. 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 revised 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 the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total Expected Return	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
			7.04%

H. Discount Rate

The discount rate used to measure the TPL was 7 percent. 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.

I. Sensitivity Analysis

The following table presents the proportionate share of the NPL of the plans calculated using the discount rate of 7 percent, as well as what the City's NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6%)	Current Discount Rate (7%)	1.00% Increase (8%)
SCRS	\$ 13,337,099	\$ 10,402,352	\$ 7,962,491
PORS	6,967,237	4,996,442	3,383,160

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

At December 31, 2022, the City reported a liability of \$15,398,794 for its proportionate share of the NPL. The NPL was measured as of June 30, 2022, and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The City's proportion of the NPL 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 December 31, 2022, the City recognized pension expense of \$348,218 for its participation in the SCRS Plan and pension expense of \$177,461 for its participation in the PORS Plan. The expense amount includes actual employer contributions, changes in deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective NPL, and differences between actual employer contributions and proportionate share of total plan employer contributions as reported by PEBA for the year ended June 30, 2022.

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

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	SCRS	PORS	SCRS	PORS
Differences between expected and actual liability	\$ 90,377	\$ 83,830	\$ 45,333	\$ 98,771
Changes of assumptions:				
Net difference between projected and actual earnings on pension plan investments	16,042	15,088	-	-
Assumption Changes	333,628	208,060	-	-
Changes in proportion and differences between:				
City contributions and proportionate share of contributions	-	-	478,333	146,874
Contributions made after the measurement date	500,123	303,340	-	-
Total	\$ 940,170	\$ 610,318	\$ 523,666	\$ 245,645

\$500,123 and \$303,340 that were reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the SCRS and PORS respectively, will be recognized as a reduction of the net pension liabilities in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Measurement Period Ending June 30,	
2023	\$ 22,384
2024	(11,064)
2025	(499,103)
2026	465,497
2027	-
Thereafter	-
Net Balance of Deferred Outflow(Inflow) of Resources	\$ (22,286)

K. Payable to Plans

The City reported a payable of approximately \$260,343 to the PEBA as of December 31, 2022, representing required employer and employee contributions for the month of December 2022 for the Plans. This amount is included in Accrued Expenses on the financial statements and was paid in January 2023.

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for SCRS and PORS. The ACFR is publicly available through the Retirement Benefits' link on the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

NOTE 8 – Commitments and Contingencies

The City is routinely the subject of litigation by a variety of plaintiffs. Although the outcome of these matters is not presently determinable, the City management and their attorneys believe that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 9 - 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; injuries to employees; 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 common risk management and insurance programs. The City pays a bi-annual premium to SCMIRF for its general insurance. The SCMIRF is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1 million for each insured event.

The City also has 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 worker's compensation. The City pays a quarterly premium to SCMIT. Beginning in 2016, the City entered into an agreement with SCMIT to have a \$2,500 deductible per occurrence in order to reduce insurance costs.

There were no significant reductions in insurance coverage from amounts provided in the prior year. Settlements have not exceeded insurance coverage for each of the past three years.

The City pays monthly premiums to PEBA for its health and dental insurance benefits.

NOTE 10 – Related Party Transactions

The City routinely awards State Accommodations Tax allocations to the Greenwood Community Theater ("Theater") for specific tourist related projects. Council Member Matthew Miller sometimes serves as a musical contractor for performances. During 2022, the City awarded \$14,476 in State Accommodations Tax funds to the Theater. Additionally, the City awarded \$60,000 in Hospitality Tax Funds to the Theater.

The City routinely awards State Accommodations Tax allocations to the Greenwood Arts Council ("GAC") for specific tourist related projects. Council Member Nicoletta Hutto is a part-time employee with the GAC. During 2022, the City awarded \$12,566 in State Accommodations Tax funds to the GAC. Additionally, the City awarded \$63,000 in Hospitality Tax Funds to the GAC.

NOTE 11 – Other Postemployment Benefits (OPEB) Healthcare Plan

Effective January 1, 2018, 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.

A. General Information about the OPEB Plan

Plan description. The City sponsors a single-employer defined benefit postemployment healthcare plan (the "OPEB Plan") that provides medical benefits to eligible retired City employees. These benefits are established by the governing body of the City through an ordinance that may be amended at any time by council. City employees who retired after December 31, 1999 and before December 31, 2008, and who were enrolled in the City's Retiree Health Insurance Program on December 31, 1999, and had worked for the City for a specified number of years, are eligible for these benefits. The City pays up to one hundred percent of the health insurance premiums incurred by pre-Medicare retirees. The percentage of the premium that is paid by the City is based on the number of years of service and is listed below. The City covers 0% of the monthly premium and 100% of the implicit subsidy for spouses of participants.

Benefits provided. For retirees that retired after December 31, 2008 and before January 1, 2012, the OPEB Plan includes medical benefits for retirees and spouses. The City pays the premium for participants based on the schedule below.

- Group I includes retirees with at least 25 years of City service under PORS or 28 years of City service under SCRS. The City pays 100% of the monthly premium not to exceed \$725.00 and implicit subsidy prior to age 65.

For retirees that retired after December 31, 2011 and were hired before January 1, 2015, the OPEB Plan includes medical benefits for retirees and spouses. The City pays the premium for participants based on the schedule below.

- Group I includes retirees with at least 25 years of City service under PORS or 28 years of City service under SCRS. The City pays 100% of the monthly premium not to exceed \$725.00 and implicit subsidy prior to age 65.

No benefits are provided after age 65. Spouses of participants who retire after December 31, 2008 must pay 100% of the premium and implicit subsidy.

The following table summarizes the membership of the Plan as of January 1, 2021, the valuation date.

Inactive Employees or Beneficiaries Currently Receiving Benefits	15
Inactive Members Entitled to But Not Yet Receiving Benefits	0
Active Employees	98
Total Membership	113

The OPEB Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust ("SC ORBET"), an agent multiple-employer investment plan administered by the Municipal Association of South Carolina ("MASC"). SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the OPEB Plan. A copy of the report may be obtained by writing to: Chief Financial Officer for Risk Management Services, Municipal Association of South Carolina, PO Box 12109, Columbia, South Carolina 29211.

Funding Policy

The plan includes medical benefits for retirees and their spouses. The calendar year 2022 premium rate is \$545.42 for retiree coverage and an additional \$607.16 for spouses. The calendar year 2022 premium rate for the Medicare Supplemental option is \$545.42 for retirees and \$607.16 for their spouses. For the Medicare Supplement, retirees and spouses must pay the full premium rate and implicit subsidy rate. Coverage can continue for the life of the retiree and for the life of the surviving spouse after the death of the retiree. Dental coverage is also available. The retiree must pay the full premium for this coverage.

The City plans to contribute the Actuarially Determined Employer Contribution ("ADEC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The ADEC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ADEC rate is based on a level percent of payroll increasing annually at 2.72% and required amounts are contributed periodically throughout the year.

B. Net 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 December 31, 2020, using the following key actuarial assumptions and other inputs:

The following table summarizes the key actuarial assumptions:

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	2.06%
Measurement Date	3.72%
Year Fiduciary Net Position (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 Rate	

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

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the December 31, 2020 valuation were based on the results of an 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 December 31, 2020 valuation were based on a review of recent plan experience done concurrently with the December 31, 2020 valuation.

Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans which are likely to cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

As of the most recent adoption of the current long-term rate of return by the OPEB Plan, the target asset allocation for each major asset class, as provided by the OPEB Plan, are summarized in the following table:

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return
US Government Agency	58.00%	4.00%
US Govt MBS/CMO/CMBS	40.00%	5.60%
Cash and Short Duration (Net)	2.00%	3.90%
Total	100.00%	

Note: In accepting the long-term expected return for the OPEB Plan, the actuary performed a high-level review of the information provided by the OPEB Plan. Our review indicates the long-term expected rate of return assumption of 4.75% is reasonable.

Discount Rate (SEIR). The discount rate used to measure the TOL as of the measurement date was 4.75%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of December 31, 2020. In addition to the actuarial methods and assumptions of the December 31, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually using the payroll growth assumptions.
- Active employees do not explicitly contribute to the OPEB Plan.
- In all future years, the employer continues to contribute at least the average contribution for the last five years through deposit to the Trust and direct payment of benefits to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make contributions to the Trust and benefit payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's FNP was projected to not be depleted.

The FNP projections are based upon the OPEB Plan's financial status on the valuation date, the indicated set of methods and assumptions, and the requirements of GASB 75. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the OPEB Plan, or the OPEB Plan's ability to make benefit payments in future years.

C. Changes in the Net OPEB Liability(NOL)

	Increase (Decrease)		
	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Net OPEB Liability (a)
	(a)	(b)	- (b)
Balance as of December 31, 2021	\$ 1,656,617	\$ 463,932	\$ 1,192,685
Changes for the year:			
Service Cost at the end of the year*	31,461	-	31,461
Interest on TOL and Cash Flows	75,373	-	75,373
Change in benefit terms	-	-	-
Difference between expected and actual experience	13,799	-	13,799
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	305,634	(305,634)
Net investment income	-	(79,380)	79,380
Benefit payments and implicit subsidy credit**	(141,283)	(141,283)	-
Plan administrative expenses***	-	(1,250)	1,250
Net changes	(20,650)	83,721	(104,371)
Balance as of December 31, 2022	\$ 1,635,967	\$ 547,653	\$ 1,088,314

*The service cost includes interest for the year.

**Benefit payments are net of participant contributions and include a payment of \$33,100 for the implicit subsidy. Benefit payments include \$108,183 paid outside the Trust.

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

Sensitivity of the net OPEB liability to changes in the discount rate and health-care cost trend rates. The following presents the NOL of the City, as well as what the City's NOL would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates.

	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 1,086,140	\$ 1,088,314	\$ 1,090,045

The following exhibit presents the NOL of the OPEB Plan, calculated using the discount rate of 4.75%, as well as what the OPEB 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:

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
Net OPEB Liability	\$ 1,225,554	\$ 1,088,314	\$ 963,283

D. 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 life of the active and inactive Plan members at the beginning of the measurement period.

At December 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	\$ 60,621	\$ 148,669
Changes of assumptions or other inputs	91,965	627
Net difference between projected and actual earnings on plan investments	106,599	-
	\$ 259,185	\$ 149,296

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

Year ended December 31:	
2023	\$ 27,274
2024	\$ 27,164
2025	\$ 27,415
2026	\$ 19,818
2027	\$ (855)
Thereafter	\$ 9,073

Note 12 – Subsequent Events

Subsequent events have been evaluated through the date of the independent auditor's report, which is the date the financial statements were available to be issued. In March 2023, City Council authorized the City Manager to sign an intergovernmental agreement with the County of Greenwood related to park maintenance. In May 2023, City Council authorized the City Manager to enter into a three (3) year contract with an investment company for investment services. Also, in May 2023, the City sold land on Kitson Ave for \$339,500.

Note 13 – Tax Abatements

The County of Greenwood provides tax abatements under a Fee-in-Lieu of Tax and Special Source Revenue Credit Program (FILOT + SSRC). Fee-in-Lieu of Tax and Special Source Revenue Credit Program (FILOT + SSRC) offers individual incentive packages by abating property taxes to attract new business to the County and to retain current businesses. The Fee-in-Lieu of Tax and Special Source Revenue Credit Program (FILOT + SSRC) was established by SC Code Title 12, Chapter 44 and Title 4, Chapter 12 as SC Code Sections 4-29-68, 4-1-170, and 12-44-70. Generally, for taxpayers to be approved for this program they must agree to invest the statutory minimum (A higher amount may be negotiated) within the investment period. The investment period begins on the day in which the property described in the agreement is entered into service and ends at an agreed upon point in time. The taxpayer must also agree to incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project, or certain aircraft within the investment period. Once the investment period begins, the taxpayer may receive a reduction of assessed rate, reduction in millage rate and elimination of (or reduction in) the number of times the millage rates change for the property over the length of the agreement. Then the taxpayer will receive a specified percentage refund of their fee-in-lieu of tax payment within 30 days of their FILOT payments. If the taxpayer fails to maintain conditions set forth in the agreement, state law requires that the taxpayer repay all savings in property taxes from fee-in-lieu of tax payments and the taxpayer is also required by state law to pay two additional years of property tax if the SSRC was received on personal property. Other recapture provisions may be negotiated on a case by case basis. The City of Greenwood's property tax revenues were reduced by \$268,335 under agreements entered into by Greenwood County for the fiscal year ended December 31, 2022.

The City provides tax abatements under the Special Source Revenue Credit Program (SSRC) which offers individual incentive packages by abating property taxes to attract new business to the County and to retain current businesses. The SSRC program was established by the SC Code Sections 4-29-68, 4-1-170, and 12-44-70. Generally, for taxpayers to be approved for this program they must agree to incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project, or certain aircraft within the investment period. The investment period begins on the day in which the property described in the agreement is entered into service and ends at an agreed upon point in time. Once the investment period begins, the taxpayer will receive a

specified percentage refund of their property taxes for the property included in the agreement within 30 days of their property tax payment. If the taxpayer fails to maintain conditions set forth in the agreement, state law requires that the taxpayer pay two additional years of property tax if the SSRC was received on personal property. Other recapture provisions may be negotiated on a case by case basis. The City of Greenwood's property tax revenues were reduced by \$12,359 under agreements entered into by the City for the fiscal year ended December 31, 2022. See the chart below for further details:

Tax Abatement Program	Amount of Taxes Abated During the Fiscal Year
Fee-in-Lieu of Taxes Program (FILOT)	\$ 103,640
Special Source Revenue Credit Program (SSRC)	100,770
Fee-in-Lieu of Tax and Special Source Revenue Credit Program (FILOT + SSRC)	76,284

Note 14 – Right of Use Leases

The City of Greenwood did not have leases that extended beyond the 30 day notice period as of the end of 2022.

Note 15 – Lease Receivables

The City of Greenwood leases a portion of its facilities for cellular tower antenna sites. This license is non-cancelable for a period of 10 years, with 8 renewal periods of 5 years each. The City believes the licensee will exercise the renewal option with reasonable certainty. The agreement allows for a 3% annual increase to the license payments. At termination, the lessee must remove all equipment and restore the site to its original state. The City recognized \$5,066 in lease revenue related to this agreement. As of December 31, 2022, the City recorded \$335,360 in lease receivables and deferred inflows of recourses for this arrangement.

City of Greenwood
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 6,471,476	\$ 6,471,476	\$ 6,809,525	\$ 338,049
Licenses	3,865,467	3,865,467	4,435,542	570,075
Intergovernmental	2,039,175	2,039,175	2,249,261	210,086
Fines and Forfeits	126,930	126,930	171,402	44,472
Contributions and Donations	212,000	212,000	212,000	-
Charges For Services	1,644,951	1,644,951	1,703,771	58,820
Commission of Pub Wks Contrib.	1,200,000	1,200,000	1,200,000	-
Interest	7,500	7,500	189,249	181,749
Total revenues	<u>15,567,499</u>	<u>15,567,499</u>	<u>16,970,750</u>	<u>1,403,251</u>
EXPENDITURES				
Current:				
General Government	2,648,562	2,642,252	2,078,471	563,781
Economic Development	275,000	275,000	153,042	121,958
Court	263,242	264,942	258,618	6,324
Police	5,722,290	5,730,290	5,543,661	186,629
Fire	3,872,715	3,874,315	3,868,789	5,526
Building Inspection	621,783	621,783	575,609	46,174
Public Works	2,864,532	2,876,532	2,916,944	(40,412)
Sanitation	1,302,264	1,302,264	1,310,550	(8,286)
Non-Departmental	1,090,756	1,090,756	842,155	248,601
Total current	<u>18,661,144</u>	<u>18,678,134</u>	<u>17,547,839</u>	<u>1,130,295</u>
Debt service:				
Principal retirement	93,072	93,072	87,444	5,628
Total debt service	<u>93,072</u>	<u>93,072</u>	<u>87,444</u>	<u>5,628</u>
Capital outlay:				
General Government	-	6,310	6,308	2
Court	1,700	-	-	-
Police	8,000	-	35,828	(35,828)
Fire	8,452	6,852	16,260	(9,408)
Public Works	12,000	-	-	-
Sanitation	106,000	106,000	101,790	4,210
Total capital outlay	<u>136,152</u>	<u>119,162</u>	<u>160,186</u>	<u>(41,024)</u>
Total expenditures	<u>18,890,368</u>	<u>18,890,368</u>	<u>17,795,469</u>	<u>1,094,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,322,869)</u>	<u>(3,322,869)</u>	<u>(824,719)</u>	<u>2,498,150</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,210,765	3,210,765	3,126,101	(84,664)
Sale of Capital Assets	15,652	15,652	90,193	74,541
Total other financing sources (uses)	<u>3,226,417</u>	<u>3,226,417</u>	<u>3,216,294</u>	<u>(10,123)</u>
Net change in fund balances	(96,452)	(96,452)	2,391,575	2,488,027
Fund balances (deficit) - beginning	8,069,013	8,069,013	8,069,013	-
Fund balances (deficit) - ending	<u>\$ 7,972,561</u>	<u>\$ 7,972,561</u>	<u>\$ 10,460,588</u>	<u>\$ 2,488,027</u>

See notes to financial statements.

City of Greenwood
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
ARPA
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 3,652,197	\$ 3,652,197	\$ 3,260,564	\$ (391,633)
Total revenues	<u>3,652,197</u>	<u>3,652,197</u>	<u>3,260,564</u>	<u>(391,633)</u>
EXPENDITURES				
Current:				
General Government	93,870	93,870	93,870	-
Court	44,606	44,606	50,078	(5,472)
Police	435,287	435,287	100,781	334,506
Non-Departmental	15,000	15,000	19,058	(4,058)
Total current	<u>588,763</u>	<u>588,763</u>	<u>263,787</u>	<u>324,976</u>
Capital outlay:				
Police	360,000	360,000	239,768	120,232
Fire	-	-	165,170	(165,170)
Total capital outlay	<u>360,000</u>	<u>360,000</u>	<u>404,938</u>	<u>(44,938)</u>
Total expenditures	<u>948,763</u>	<u>948,763</u>	<u>668,725</u>	<u>280,038</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,703,434</u>	<u>2,703,434</u>	<u>2,591,839</u>	<u>(111,595)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,703,434)	(2,703,434)	(2,591,839)	111,595
Total other financing sources (uses)	<u>(2,703,434)</u>	<u>(2,703,434)</u>	<u>(2,591,839)</u>	<u>111,595</u>
Net change in fund balances	-	-	-	-
Fund balances (deficit) - beginning	-	-	-	-
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

City of Greenwood
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Hospitality Tax Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,004,000	\$ 2,004,000	\$ 2,566,729	\$ 562,729
Licenses	27,500	27,500	31,200	3,700
Intergovernmental	9,000	9,000	-	(9,000)
Contributions and Donations	56,450	56,450	46,529	(9,921)
Charges For Services	3,600	3,600	15,688	12,088
Interest	3,250	3,250	89,958	86,708
Total revenues	<u>2,103,800</u>	<u>2,103,800</u>	<u>2,750,104</u>	<u>646,304</u>
EXPENDITURES				
Current:				
Economic Development	547,243	578,528	543,712	34,816
Total current	<u>547,243</u>	<u>578,528</u>	<u>543,712</u>	<u>34,816</u>
Total expenditures	<u>547,243</u>	<u>578,528</u>	<u>543,712</u>	<u>34,816</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,556,557</u>	<u>1,525,272</u>	<u>2,206,392</u>	<u>681,120</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(523,426)</u>	<u>(523,426)</u>	<u>(534,262)</u>	<u>(10,836)</u>
Total other financing sources (uses)	<u>(523,426)</u>	<u>(523,426)</u>	<u>(534,262)</u>	<u>(10,836)</u>
Net change in fund balances	1,033,131	1,001,846	1,672,130	670,284
Fund balances (deficit) - beginning	<u>4,243,298</u>	<u>4,243,298</u>	<u>4,243,298</u>	<u>-</u>
Fund balances (deficit) - ending	<u>\$ 5,276,429</u>	<u>\$ 5,245,144</u>	<u>\$ 5,915,428</u>	<u>\$ 670,284</u>

See notes to financial statements.

City of Greenwood, South Carolina
Required Supplementary Information
Other Postemployment Benefits Healthcare Plan
Schedule of Changes in the Total Liability and Related Ratios
For the Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Services cost at end of year	\$ 31,461	\$ 40,672	\$ 39,407	\$ 52,186	\$ 50,551	\$ 48,966
Interest on the Total OPEB Liability	75,373	73,147	72,985	82,747	82,366	81,435
Changes of benefit terms	-	-	-	(188,349)	-	-
Differences between expected and actual experience	13,799	63,250	(1,769)	(215,318)	(37,553)	(19,604)
Changes of assumptions or other inputs	-	(819)	-	153,689	-	-
Benefit payments and implicit subsidy credit*	(141,283)	(117,782)	(96,872)	(84,237)	(90,376)	(93,051)
Net change in total OPEB liability	<u>(20,650)</u>	<u>58,468</u>	<u>13,751</u>	<u>(199,282)</u>	<u>4,988</u>	<u>17,746</u>
Total OPEB liability - beginning	<u>1,656,617</u>	<u>1,598,149</u>	<u>1,584,398</u>	<u>1,783,680</u>	<u>1,778,692</u>	<u>1,760,946</u>
Total OPEB liability - ending (a)	<u><u>\$ 1,635,967</u></u>	<u><u>\$ 1,656,617</u></u>	<u><u>\$ 1,598,149</u></u>	<u><u>\$ 1,584,398</u></u>	<u><u>\$ 1,783,680</u></u>	<u><u>\$ 1,778,692</u></u>
Plan fiduciary net position						
Contributions - employer**	\$ 305,634	\$ 117,782	\$ 159,532	\$ 150,130	\$ 139,854	\$ 142,914
Net investment income	(79,380)	(15,107)	21,741	16,263	5,077	7,049
Benefit payments	(141,283)	(117,782)	(96,872)	(84,237)	(90,376)	(93,051)
Administrative expense	(1,250)	(5,343)	(1,000)	(4,313)	-	(10,245)
Net change in plan fiduciary net position	<u>83,721</u>	<u>(20,450)</u>	<u>83,401</u>	<u>77,843</u>	<u>54,555</u>	<u>46,667</u>
Plan fiduciary net position-beginning	<u>463,932</u>	<u>484,382</u>	<u>400,981</u>	<u>323,138</u>	<u>268,583</u>	<u>221,916</u>
Plan fiduciary net position-ending (b)	<u><u>\$ 547,653</u></u>	<u><u>\$ 463,932</u></u>	<u><u>\$ 484,382</u></u>	<u><u>\$ 400,981</u></u>	<u><u>\$ 323,138</u></u>	<u><u>\$ 268,583</u></u>
Net OPEB liability-ending (a) - (b)	<u><u>\$ 1,088,314</u></u>	<u><u>\$ 1,192,685</u></u>	<u><u>\$ 1,113,767</u></u>	<u><u>\$ 1,183,417</u></u>	<u><u>\$ 1,460,542</u></u>	<u><u>\$ 1,510,109</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	33.48%	28.00%	30.31%	25.31%	18.12%	15.10%
Covered payroll***	\$ 4,472,815	\$ 4,472,815	\$ 5,517,075	\$ 5,517,075	\$ 6,079,564	\$ 6,079,564
City's net OPEB liability as a percentage of covered-employee payroll	24.33%	26.67%	20.19%	21.45%	24.02%	24.84%

Notes to Schedule

* The benefit payments shown above are net of participant contributions, include an amount for the implicit subsidy, and includes amounts paid outside the Trust.

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

*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

This schedule is 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 Greenwood, South Carolina
Required Supplementary Information
Other Postemployment Benefits Healthcare Plan
Schedule of City Contributions
For the Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 112,355	\$ 280,958	\$ 282,051	\$ 145,933	\$ 139,854	\$ 142,914	\$ 126,436
Contributions in relation to the actuarially determined contribution	305,634	117,782	159,532	150,130	139,854	142,914	126,436
Contribution deficiency (excess)	<u>\$ (193,279)</u>	<u>\$ 163,176</u>	<u>\$ 122,519</u>	<u>\$ (4,197)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll*	\$ 4,472,815	\$ 4,472,815	\$ 5,517,075	\$ 5,517,075	\$ 6,079,564	\$ 6,079,564	\$ 6,079,564
Contributions as a percentage of covered payroll	6.83%	2.63%	2.89%	2.72%	2.30%	2.35%	2.08%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level dollar, closed
Remaining Amortization Period:	30 Years
Asset Valuation Method:	5-Year Smoothed Market Value, 80% to 120% Corridor
Actuarial Assumptions:	
Investment Rate of Return:	4.75% annual return net of both administrative and investment related expenses
Health Cost Trend:	7.5% to 4.50%
Ultimate Trend Rate:	4.50%
Year of Ultimate Trend Rate	2031
Payroll Growth:	3.0% per year
Coverage Elections:	90% of eligible retirees will elect coverage
Active Participant Marriage Assumption	Not applicable, as spouses of participants who retire after 12/31/08 must pay 100% of the cost, including the implicit subsidy
Mortality Table:	PUB-2010
Implicit Subsidy:	Total cost of coverage for pre-65 retirees is 35% higher than the average premium rate to account for implicitly subsidized costs

*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

This schedule is 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 Greenwood, South Carolina

**Required Supplementary Information
South Carolina Retirement and Police Officer Systems
Schedules of Employer Contributions**

<u>SCRS</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 798,185	\$ 725,783	\$ 752,736	\$ 759,602	\$ 681,488	\$ 569,821	\$ 520,057	\$ 499,921
Contributions in relation to the contractually required contribution	798,185	725,783	752,736	759,602	681,488	569,821	520,057	499,921
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>\$ 5,240,621</u>	<u>\$ 4,987,771</u>	<u>\$ 5,292,445</u>	<u>\$ 5,041,540</u>	<u>\$ 4,964,277</u>	<u>\$ 5,023,605</u>	<u>\$ 4,811,525</u>	<u>\$ 4,631,130</u>
Contributions as a percentage of covered payroll	15.23%	14.55%	14.22%	15.07%	13.73%	11.34%	10.81%	10.79%
 <u>PORS</u>	 <u>2022</u>	 <u>2021</u>	 <u>2020</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>
Contractually required contribution	\$ 481,870	\$ 443,029	\$ 447,265	\$ 453,833	\$ 419,022	\$ 357,405	\$ 339,812	\$ 317,035
Contributions in relation to the contractually required contribution	481,870	443,029	447,265	453,833	419,022	357,405	339,812	317,035
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>\$ 2,709,966</u>	<u>\$ 2,623,982</u>	<u>\$ 2,676,746</u>	<u>\$ 2,558,037</u>	<u>\$ 2,551,838</u>	<u>\$ 2,570,826</u>	<u>\$ 2,498,840</u>	<u>\$ 2,428,092</u>
Contributions as a percentage of covered payroll	17.78%	16.88%	16.71%	17.74%	16.42%	13.90%	13.60%	13.06%

The schedule is 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

City of Greenwood, South Carolina

**Required Supplementary Information
South Carolina Retirement and Police Officer Systems
Schedules of the City's Proportionate Share of the Net Pension Liability**

<u>SCRS</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of the net pension liability	0.042910%	0.043990%	0.046125%	0.046963%	0.048498%	0.048554%	0.048557%	0.048900%
City's proportionate share of the net pension liability	\$ 10,402,352	\$ 9,520,003	\$ 11,785,782	\$ 10,723,516	\$ 10,866,816	\$ 10,997,821	\$ 10,371,704	\$ 9,277,155
City's covered payroll	\$ 5,240,621	\$ 4,987,771	\$ 5,292,445	\$ 5,041,540	\$ 4,964,277	\$ 5,023,605	\$ 4,811,525	\$ 4,631,130
City's proportionate share of the net pension liability as a percentage of its covered payroll	198.49%	190.87%	222.69%	212.70%	218.90%	218.92%	215.56%	200.32%
Plan's fiduciary net positions	\$ 32,212,626,932	\$ 33,490,305,970	\$ 26,292,418,682	\$ 22,834,144,118	\$ 22,406,813,697	\$ 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%	53.3%	53.3%	52.9%	57.0%
 <u>PORS</u>	 <u>2022</u>	 <u>2021</u>	 <u>2020</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>
City's Proportion of the net pension liability	0.16660%	0.17080%	0.17155%	0.17568%	0.18641%	0.18638%	0.19399%	0.19080%
City's proportionate share of the net pension liability	\$ 4,996,442	\$ 4,394,518	\$ 5,688,955	\$ 5,034,889	\$ 5,281,981	\$ 5,105,856	\$ 4,920,583	\$ 4,159,220
City's covered payroll	\$ 2,709,966	\$ 2,623,982	\$ 2,676,746	\$ 2,558,037	\$ 2,551,838	\$ 2,570,826	\$ 2,498,840	\$ 2,428,092
City's proportionate share of the net pension liability as a percentage of its covered payroll	184.37%	167.48%	212.53%	196.83%	206.99%	198.61%	196.91%	171.30%
Plan's fiduciary net positions	\$ 5,938,707,767	\$ 6,111,672,064	\$ 4,730,174,642	\$ 2,865,941,214	\$ 2,833,542,426	\$ 2,739,560,823	\$ 3,873,035,732	\$ 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%	60.9%	60.9%	60.4%	64.6%

The schedule is 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 Greenwood
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

	Equitable Sharing Fund	Police Forfeiture Fund	Local Accommodations Tax Fund	Community Development Block Grant - 85L02
ASSETS				
Restricted Cash and Investment	\$ -	\$ 62,190	\$ 660,177	\$ 64,018
Accounts Receivable	-	-	182	30,452
Due From Other Funds	4,795	-	36,652	750
Due From Other Governments	-	-	-	-
Total assets	<u>\$ 4,795</u>	<u>\$ 62,190</u>	<u>\$ 697,011</u>	<u>\$ 95,220</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 456	\$ -	\$ -
Accrued Expenses	-	-	2,235	-
Due to Other Funds	-	4,650	-	-
Due to Other Governments	-	-	4,395	-
Total liabilities	<u>-</u>	<u>5,106</u>	<u>6,630</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	<u>4,795</u>	<u>57,084</u>	<u>690,381</u>	<u>95,220</u>
Total fund balances (deficits)	<u>4,795</u>	<u>57,084</u>	<u>690,381</u>	<u>95,220</u>
Total liabilities and fund balances (deficits)	<u>\$ 4,795</u>	<u>\$ 62,190</u>	<u>\$ 697,011</u>	<u>\$ 95,220</u>

See notes to financial statements.

City of Greenwood
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

	Parks Maintenance	JAG Grants	4-CE-19-004 Westside Demo	EPA Brownfields Grant	Total Nonmajor Special Revenue Funds
ASSETS					
Restricted Cash and Investment	\$ -	\$ 17	\$ 402	\$ -	\$ 786,804
Accounts Receivable	-	-	-	-	30,634
Due From Other Funds	888	-	-	-	43,085
Due From Other Governments	-	25,265	-	775	26,040
Total assets	<u>\$ 888</u>	<u>\$ 25,282</u>	<u>\$ 402</u>	<u>\$ 775</u>	<u>\$ 886,563</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 456
Accrued Expenses	-	-	-	-	2,235
Due to Other Funds	-	25,282	-	502	30,434
Due to Other Governments	-	-	-	-	4,395
Total liabilities	<u>-</u>	<u>25,282</u>	<u>-</u>	<u>502</u>	<u>37,520</u>
FUND BALANCES (DEFICITS)					
Restricted	888	-	402	273	849,043
Total fund balances (deficits)	<u>888</u>	<u>-</u>	<u>402</u>	<u>273</u>	<u>849,043</u>
Total liabilities and fund balances (deficits)	<u>\$ 888</u>	<u>\$ 25,282</u>	<u>\$ 402</u>	<u>\$ 775</u>	<u>\$ 886,563</u>

See notes to financial statements.

City of Greenwood
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022

	Equitable Sharing Fund	Police Forfeiture Fund	Victims Services	Local Accommodations Tax Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 440,797
Intergovernmental	-	-	-	104,611
Fines and Forfeits	-	27,987	32,215	-
Contributions and Donations	-	-	-	4,000
Charges For Services	-	-	-	12,000
Economic Development	-	-	-	10,091
Interest	-	98	-	130
Total revenues	-	28,085	32,215	571,629
EXPENDITURES				
Current:				
Economic Development	-	-	-	390,249
Police	-	30,919	32,215	-
Community Development	-	-	-	-
Capital outlay:				
Police	-	3,835	-	-
Total expenditures	-	34,754	32,215	390,249
Excess (deficiency) of revenues over (under) expenditures	-	(6,669)	-	181,380
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(6,669)	-	181,380
Fund balances (deficit) - beginning	4,795	63,753	-	509,001
Fund balances (deficit) - ending	\$ 4,795	\$ 57,084	\$ -	\$ 690,381

See notes to financial statements.

City of Greenwood
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022

	Community Development Block Grant - 85L02	Parks Maintenance	JAG Grants	JAG Covid Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	25,265	8,737
Fines and Forfeits	-	-	-	-
Contributions and Donations	-	-	-	-
Charges For Services	-	-	-	-
Economic Development	-	-	-	-
Interest	1,780	-	-	-
Total revenues	1,780	-	25,265	8,737
EXPENDITURES				
Current:				
Economic Development	-	-	-	-
Police	-	-	2,735	8,737
Community Development	10	-	-	-
Capital outlay:				
Police	-	-	22,110	-
Total expenditures	10	-	24,845	8,737
Excess (deficiency) of revenues over (under) expenditures	1,770	-	420	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	1,770	-	420	-
Fund balances (deficit) - beginning	93,450	888	(420)	-
Fund balances (deficit) - ending	\$ 95,220	\$ 888	\$ -	\$ -

See notes to financial statements.

City of Greenwood
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022

	Community Development Block Grant - 4W12-005	4-CE-19-004 Westside Demo	EPA Brownfields Grant	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 440,797
Intergovernmental	-	74,200	2,491	215,304
Fines and Forfeits	-	-	-	60,202
Contributions and Donations	-	-	-	4,000
Charges For Services	-	-	-	12,000
Economic Development	-	-	-	10,091
Interest	-	-	-	2,008
Total revenues	-	74,200	2,491	744,402
EXPENDITURES				
Current:				
Economic Development	-	-	-	390,249
Police	-	-	-	74,606
Community Development	-	74,200	2,218	76,428
Capital outlay:				
Police	-	-	-	25,945
Total expenditures	-	74,200	2,218	567,228
Excess (deficiency) of revenues over (under) expenditures	-	-	273	177,174
OTHER FINANCING SOURCES (USES)				
Transfers In	-	402	-	402
Transfers Out	(402)	-	-	(402)
Total other financing sources (uses)	(402)	402	-	-
Net change in fund balances	(402)	402	273	177,174
Fund balances (deficit) - beginning	402	-	-	671,869
Fund balances (deficit) - ending	\$ -	\$ 402	\$ 273	\$ 849,043

See notes to financial statements.

City of Greenwood, South Carolina
Schedule of Fines, Assessments and Surcharges
For the year ended December 31, 2022

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	\$ -	\$ -	\$ 466,241	\$466,241
Court fines and assessments remitted to State Treasurer	-	-	(264,178)	(264,178)
Total Court Fines and Assessments retained	-	-	202,062	202,062
Surcharges and Assessments retained for victim services:				
Surcharges retained	-	-	10,232	10,232
Assessments retained	-	-	21,983	21,983
Total Surcharges and Assessments retained for victim services	\$ -	\$ -	\$ 32,215	\$ 32,215

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	\$ -	\$ -	\$ -
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	21,983	-	21,983
Victim Service Surcharges Retained by City/County Treasurer	10,232	-	10,232
General Funds Transferred to Victim Service Fund	-	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	32,215	-	32,215
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	-	-	-
Operating Expenditures	-	-	-
Victim Service Contract(s):	-	-	-
(1) Greenwood County Sheriff's Department	32,215	-	32,215
(2) Entity's Name	-	-	-
Transferred to General Fund	-	-	-
Total Expenditures from Victim Service Fund/Program (B)	32,215	-	32,215
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	-	-
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds – End of Year	\$ -	\$ -	\$ -