

City of Dillon, South Carolina

**BASIC FINANCIAL  
STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

June 30, 2021

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## CITY OF DILLON

### City Officials

#### TITLE

#### NAME

Mayor  
Mayor Pro-Tem  
Council Member  
Council Member  
Council Member  
Council Member  
Council Member

Honorable J. Corey Jackson  
Phil Wallace, M.D.  
Douglas Jackson  
Johnny Eller  
James Washington  
Jay David  
Tim Cousar

City Manager  
City Attorney  
Finance Director  
Clerk of Council  
Chief of Police  
Sanitation/Street Supervisor  
Wastewater Supervisor  
Code Enforcement Director  
Fire Chief

Glen Wagner  
Janet Paschal  
Janet Bethea  
Tina Scott  
David Lane  
Burt Rogers  
Hardy Jackson  
Benny Genwright  
Keith Bailey

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of City Council  
City of Dillon, South Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the City of Dillon, South Carolina as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the City of Dillon as of June 30, 2021, 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.

## **Other Matters**

### **Required Supplementary Information**

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

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dillon's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule of Court Fines, Assessments, and Surcharges, listed in the table of contents under Supplementary Information, is presented for purposes of additional analysis as required by the State of South Carolina and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and the Uniform Schedule of Court Fines, Assessments, and Surcharges, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 combining and individual nonmajor fund financial statements, and the Uniform Schedule of Court Fines, Assessments, and Surcharges are 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 May 16, 2022 on our consideration of the City of Dillon'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 the 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 City of Dillon's internal control over financial reporting and compliance.

*Kenneth Cobb & Company P.C.*

Kenneth Cobb & Company, P.C.  
Mullins, South Carolina  
May 16, 2022

## **City of Dillon, South Carolina Management's Discussion and Analysis**

Management of the City of Dillon provides this Management's Discussion and Analysis for readers of the City's financial statements. This narrative overview and analysis of the financial activities of the City of Dillon is for the fiscal year ended June 30, 2021. We encourage readers to consider this information in conjunction with the additional information that is furnished with the City's financial statements which follow.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at fiscal year ending June 30, 2021 by \$ 31.5 million (net position). Of this amount, \$ 3.5 million was restricted and the City's unrestricted net position (the amount that may be used to meet the City's ongoing obligations to citizens and creditors) was a \$ 2.0 million deficit for governmental activities and \$ 316,396 excess for business-type activities. The remaining \$ 29.6 million of net position is for the City's net investment in capital assets.
- The City's total net position increased by \$1,076,529.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5.0 million, an increase of \$ 887,810 in comparison with the prior year. Approximately 70 percent of this total or \$3.5 million is unassigned fund balance.
- The City's total capital assets decreased by approximately \$161,000 during the current fiscal year due to capital asset additions of approximately \$1.66 million offset by depreciation expense of approximately \$ 1.82 million.
- The City's total debt decreased by \$274,606 during the current fiscal year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to City of Dillon's basic financial statements. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) and other supplementary information (combining and individual fund financial statements) in addition to the basic financial statements themselves. These components are described below.

#### **Government-Wide Financial Statements**

The government-wide financial statements provide a broad view of the City's operations in a manner similar to a private-sector business.

The statement of net position presents all of the government's assets and liabilities, with differences between the two reported as "net position." Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.



## **City of Dillon, South Carolina Management's Discussion and Analysis**

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported 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 not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the City.

Both of the 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 significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, sanitation, and parks and recreation. The business-type activities of the City include water and sewer operations.

The government-wide financial statements can be found immediately following this discussion and analysis.

### **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 local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

### **Governmental Funds**

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

Because the focus of governmental funds is more narrow 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 the governmental activities. These reconciliations are presented on the pages immediately following each governmental fund financial statement.

The City has one major governmental fund for presentation purposes: the general fund. The City's other nonmajor governmental fund details are shown in the supplemental section of the financial statements.

## **City of Dillon, South Carolina Management's Discussion and Analysis**

The City adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

The basic governmental funds financial statements can be found immediately following the government-wide statements.

### **Proprietary funds**

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations.

The basic proprietary fund financial statements can be found immediately following the governmental fund financial statements.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found immediately following the proprietary fund financial statements.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information which includes a budgetary comparison schedule for the General Fund and a schedule of the City's proportionate share of the net pension liability as well as a schedule of the City's pension contributions.

### **Other Supplementary Information**

#### **Combining and Individual Fund Financial Statement and Schedules**

The combining and individual fund financial statements are presented following the required supplementary information.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position totaled \$31.5 million at the close of the most recent fiscal year.

The largest portion of the City's net position \$29.6 million reflects its investment in fixed assets such as land, buildings, equipment, and infrastructure (road, bridges, and other immovable assets), less any related debt used to acquire those assets that is still outstanding. The City uses these fixed assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the City's investment in its fixed 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 fixed assets themselves cannot be used to liquidate these liabilities.

**City of Dillon, South Carolina**  
**Management's Discussion and Analysis**

City of Dillon's Net Position  
(amounts in thousands of dollars)  
June 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current Assets	\$5,291	\$4,426	\$4,661	\$4,602	\$9,952	\$9,028
Capital Assets (net)	7,105	6,948	24,441	24,759	31,546	31,707
Other Assets	262	83	0	7	262	90
Total Assets	<u>12,658</u>	<u>11,457</u>	<u>29,102</u>	<u>29,368</u>	<u>41,760</u>	<u>40,825</u>
Deferred Outflow of Resources						
Deferred Pension Charges	<u>1,038</u>	<u>705</u>	<u>357</u>	<u>241</u>	<u>1,395</u>	<u>946</u>
<b>Liabilities</b>						
Long Term Liabilities	7,496	7,521	2,793	2,749	10,289	10,270
Other Liabilities	<u>553</u>	<u>401</u>	<u>59</u>	<u>205</u>	<u>612</u>	<u>606</u>
Total Liabilities	<u>8,049</u>	<u>7,922</u>	<u>2,852</u>	<u>2,954</u>	<u>10,901</u>	<u>10,876</u>
Deferred Inflow of Resources						
Deferred Lease Receivable	0	0	199	203	199	203
Deferred Pension Credits	<u>445</u>	<u>232</u>	<u>147</u>	<u>73</u>	<u>592</u>	<u>305</u>
	445	232	346	276	791	508
<b>Net Position</b>						
Net Investment in Capital	5,711	5,336	23,916	24,179	29,627	29,515
Assets						
Restricted	1,452	1,531	2,029	1,854	3,481	3,385
Unrestricted(deficit)	<u>(1,961)</u>	<u>(2,859)</u>	<u>316</u>	<u>346</u>	<u>(1,645)</u>	<u>(2,513)</u>
Total Net Position	<u>\$5,202</u>	<u>\$4,008</u>	<u>\$26,261</u>	<u>\$26,379</u>	<u>\$31,463</u>	<u>\$30,387</u>

A portion of the City's net position (11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net position.

At the end of the current fiscal year, the City's is able to report positive balances in total net position for the government as a whole, as well as for its separate governmental and business-type activities.

**Changes in Net Position**

The City's net position increased by \$ 1.1 million. Approximately 16 percent of the City's total revenue came from property taxes, while 15 percent resulted from grants and contributions (including state and federal aid). Charges for various goods and services provided 63 percent of the total revenues. The City's expenses cover a range of services. The largest expenses were for public safety and water and sewer.

**City of Dillon, South Carolina**  
**Management's Discussion and Analysis**

City of Dillon's Changes in Net Position  
(amounts in thousands of dollars)  
June 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$3,954	\$3,561	\$4,077	\$3,959	\$8,031	\$7,520
Grants & Contributions						
Operating	1,514	961	0	0	1,514	961
Capital	213	0	196	943	409	943
General Revenues:						
Taxes	2,006	1,830	0	0	2,006	1,830
Investment Earnings	1	10	22	38	23	48
Hospitality Tax	664	587	0	0	664	587
Other	104	130	78	78	182	208
Gain/(loss) on Sale/Disposal	5	3	4	0	9	3
Total Revenues	<u>8,461</u>	<u>7,082</u>	<u>4,377</u>	<u>5,018</u>	<u>12,838</u>	<u>12,100</u>
<b>Expenses</b>						
General Government	1,925	1,917	0	0	1,925	1,917
Public Safety	2,473	2,603	0	0	2,473	2,603
Highways & Streets	861	805	0	0	861	805
Sanitation	690	656	0	0	690	656
Accommodation Tax	115	102	0	0	115	102
Parks & Recreation	715	769	0	0	715	769
Golf Course	450	406	0	0	450	406
Interest & Other Charges	38	44	0	0	38	44
Water & Sewer	0	0	4,495	4,597	4,495	4,597
Total Expenses	<u>7,267</u>	<u>7,302</u>	<u>4,495</u>	<u>4,597</u>	<u>11,762</u>	<u>11,899</u>
Change in Net Position	1,194	(220)	(118)	421	1,076	201
Net Position, Beginning of Year	<u>4,008</u>	<u>4,228</u>	<u>26,379</u>	<u>25,958</u>	<u>30,387</u>	<u>30,186</u>
Net Position, End of Year	<u>\$5,202</u>	<u>\$4,008</u>	<u>\$26,261</u>	<u>\$26,379</u>	<u>\$31,463</u>	<u>\$30,387</u>

## **City of Dillon, South Carolina Management's Discussion and Analysis**

### **Governmental activities**

Total revenues increased \$1.4 million compared to the prior year. This was caused by increases to all areas of revenues. Total expenses decreased \$34,326 compared to the prior year. The City showed an increase in net position of approximately \$1.2 million.

### **Business-type activities**

Total revenues decreased \$640,836 compared to the prior year. This decrease was due in part to less capital grants received during this fiscal year. Total expenses decreased \$102,111. This decrease occurred mostly in the wastewater treatment department. The City had a decrease in net position of approximately \$118,000.

## **FINANCIAL ANALYSIS OF THE CITY'S INDIVIDUAL 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. In particular, an unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported total fund balances of \$5.0 million. As a measure of liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. An unassigned fund balance of \$ 3.5 million represents 47 percent of total governmental fund expenditures.

The fund balance of the City's general fund increased by approximately \$967,000 during the current fiscal year.

### **Proprietary funds**

The City's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail. See comments above in the business-type activities section.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The original approved budget was not amended for the fiscal year ended June 30, 2021.

The City's actual results for the General Fund were different than budgeted amounts due to the following:

- Actual revenues of approximately \$ 6,824,000 exceeded budget by \$ 995,000 . Property taxes were \$ 210,000 and licenses and permits were \$246,000 over budget and grant revenues of \$433,000 were not budgeted.

**City of Dillon, South Carolina  
Management's Discussion and Analysis**

- Actual expenditures of approximately \$6,228,000 exceeded budget by \$17,000. The following departments were each over budget: downtown coordinator \$348,000(unbudgeted grant related activity was charged to this department) and capital outlay \$117,000(debt proceeds offset all of this).

**FIXED ASSET AND DEBT ADMINISTRATION**

**Fixed Assets**

The City's investment in fixed assets for its governmental and business-type activities as of June 30, 2021, amounts to \$ 69.6 million, less accumulated depreciation of \$ 38.0 million, leaving a net book value of \$ 31.6 million. This investment in fixed assets includes land, buildings, improvements, equipment, and infrastructure. Infrastructure assets are items that are normally immovable and of value only to the City, such as roads, bridges, drainage systems and similar items.

The decrease in the City's investment in fixed assets for the current fiscal year was approximately \$161,000. Actual expenditures to purchase or construct capital assets was \$1.7 million for the year. The City's total depreciation expense of \$1.8 million was netted with the following assets that were added to the depreciation schedule: council - dispenser island; police - vehicles, drones, and laptops; fire - vehicle; street - mower, rotary cutter, and bush hog; wellness center - heat pump and outdoor gym equipment; golf course - rehab pump and well; water and sewer - many improvements to the water, sewer, and wastewater treatment plant systems. The City also received two parcels of real estate during this fiscal year that totaled \$213,000 in value.

Additional information on the City's capital assets can be found in Note 2C of the notes to the financial statements of this report.

**Debt Activity**

The City of Dillon's total debt decreased by \$274,606 during the current year. Debt was added in the governmental activities for the purchase of various equipment. Additional information on the City's long-term debt obligations can be found in Note 2E of the notes to the financial statements of this report.

**NEXT YEAR'S BUDGET AND RATES**

The City has approved a balanced budget for the fiscal year ended June 30, 2022. The following are some of the factors considered in preparing this budget:

- Increased property taxes by 2 mills.
- Increased sanitation and water and sewer rates by 3%.
- The increases to the above revenues were to help offset the increases to health insurance and retirement expenditures/expenses.

**City of Dillon, South Carolina  
Management's Discussion and Analysis**

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of City of Dillon's finances for all of City of Dillon's citizens, taxpayers, customers and investors and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional information should be addressed to: City of Dillon, P.O. Box 431, Dillon, S.C. 29536.

City of Dillon, South Carolina  
STATEMENT OF NET POSITION  
June 30, 2021

ASSETS	Governmental Activities	Business-type Activities	Total
Cash	\$3,630,528.76	\$1,877,114.58	\$5,507,643.34
Cash - restricted	1,364,179.47	2,028,565.51	3,392,744.98
Receivables			
Taxes (net of allowance)	13,682.52	0.00	13,682.52
Due from county government	19,725.19	0.00	19,725.19
Due from state government	107,198.37	0.00	107,198.37
Due from federal government	111,048.03	0.00	111,048.03
Accounts (net of allowance)	0.00	499,351.02	499,351.02
Other	262,344.95	0.00	262,344.95
Long term lease receivables			
Due within one year	0.00	18,194.71	18,194.71
Due in more than one year	0.00	117,069.90	117,069.90
Inventory	42,229.82	120,902.11	163,131.93
Prepaid expenses	2,607.20	0.00	2,607.20
Land	923,378.10	2,016,032.27	2,939,410.37
Construction in progress	0.00	231,221.15	231,221.15
Depreciable fixed assets (net)	6,181,288.38	22,193,605.19	28,374,893.57
<b>TOTAL ASSETS</b>	<b>12,658,210.79</b>	<b>29,102,056.44</b>	<b>41,760,267.23</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension charges	1,038,150.00	357,365.00	1,395,515.00
<b>LIABILITIES</b>			
Accounts payable	99,958.65	49,912.60	149,871.25
Accrued salary and fringe	23,466.55	7,900.47	31,367.02
Court bonds outstanding	4,306.26	0.00	4,306.26
Forfeited funds held pending court	40,327.10	0.00	40,327.10
Security deposit-Wellness Center	2,750.00	0.00	2,750.00
Revenue received in advance	365,096.75	0.00	365,096.75
Interest payable	17,545.91	961.20	18,507.11
Long term liabilities			
Due within one year	382,802.78	57,007.01	439,809.79
Due in more than one year	1,010,639.10	467,381.66	1,478,020.76
Compensated absences	269,019.44	100,186.71	369,206.15
Net pension liability	5,833,466.00	1,954,383.00	7,787,849.00
Customer deposits	0.00	214,238.58	214,238.58
<b>TOTAL LIABILITIES</b>	<b>8,049,378.54</b>	<b>2,851,971.23</b>	<b>10,901,349.77</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred lease receivable	0.00	198,908.19	198,908.19
Deferred pension credits	444,834.00	147,111.00	591,945.00
	444,834.00	346,019.19	790,853.19
<b>NET POSITION</b>			
Net investment in capital assets	5,711,224.60	23,916,469.94	29,627,694.54
Restricted for:			
Special Revenue	1,451,589.40	0.00	1,451,589.40
Debt Service	0.00	88,582.35	88,582.35
Capital Replacement	0.00	1,939,983.16	1,939,983.16
Unrestricted(Deficit)	(1,960,665.75)	316,395.57	(1,644,270.18)
<b>TOTAL NET POSITION</b>	<b>\$5,202,148.25</b>	<b>\$26,261,431.02</b>	<b>\$31,463,579.27</b>

The Accompanying Auditor's Report And Notes Are An Integral Part Of This Statement.



City of Dillon, South Carolina  
STATEMENT OF ACTIVITIES  
For Fiscal Year Ended June 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
General government	\$1,925,115.74	\$1,832,803.80	\$87,000.00	\$1,289,567.10		\$1,289,567.10
Public safety	2,473,184.12	87,190.32	0.00	(2,385,993.80)		(2,385,993.80)
Highways and streets	861,119.49	141,790.00	0.00	(719,329.49)		(719,329.49)
Sanitation	689,702.82	1,447,022.96	0.00	757,320.14		757,320.14
Accommodations tax	114,770.57	0.00	0.00	54,827.13		54,827.13
Parks and recreation	715,202.21	179,477.75	0.00	(469,724.46)		(469,724.46)
Golf course	450,646.53	265,307.89	60,000.00	(75,338.64)		(75,338.64)
Interest on long term debt	37,706.06	0.00	0.00	(37,706.06)		(37,706.06)
Total governmental activities	7,267,447.54	3,953,592.72	213,000.00	(1,586,378.08)		(1,586,378.08)
Business-type activities:						
Water and Sewer	4,494,779.83	4,077,333.06	0.00		(\$221,422.04)	(221,422.04)
Total primary government	\$11,762,227.37	\$8,030,925.78	\$409,024.73	(1,586,378.08)	(221,422.04)	(1,807,800.12)
General revenues:						
Property taxes				2,006,159.32	0.00	2,006,159.32
Hospitality tax				664,401.01	0.00	664,401.01
Unrestricted investment earnings				771.61	21,642.42	22,414.03
Miscellaneous				104,434.43	17,900.38	122,334.81
Gain (Loss) on sale or disposal of fixed assets				4,755.00	3,629.00	8,384.00
Depreciation account funding				0.00	60,636.00	60,636.00
Total general revenues and transfers				2,780,521.37	103,807.80	2,884,329.17
Change in net position				1,194,143.29	(117,614.24)	1,076,529.05
Net position, beginning of year				4,008,004.96	26,379,045.26	30,387,050.22
Net position, end of year				\$5,202,148.25	\$26,261,431.02	\$31,463,579.27

The Accompanying Auditor's Report And Notes Are An Integral Part Of This Statement.

City of Dillon, South Carolina  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2021

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash	\$3,630,528.76	\$0.00	\$3,630,528.76
Cash - restricted	0.00	1,364,179.47	1,364,179.47
Receivables			
Taxes - net of allowance	13,682.52	0.00	13,682.52
Due from federal government	0.00	111,048.03	111,048.03
Due from state government	67,319.03	39,879.34	107,198.37
Due from county government	19,725.19	0.00	19,725.19
Due from other funds	0.00	1,118.11	1,118.11
Due from others	262,344.95	0.00	262,344.95
Prepaid expenditures		2,607.20	2,607.20
Inventory	40,226.94	2,002.88	42,229.82
TOTAL ASSETS	<u>\$4,033,827.39</u>	<u>\$1,520,835.03</u>	<u>\$5,554,662.42</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$73,069.48	\$26,889.17	\$99,958.65
Accrued salary and fringe	21,437.19	2,029.36	23,466.55
Due to other funds	1,118.11	0.00	1,118.11
Forfeited funds held pending court	0.00	40,327.10	40,327.10
Court bonds outstanding	4,306.26	0.00	4,306.26
Security deposits-wellness center	2,750.00	0.00	2,750.00
Revenue received in advance - victim's advocate	16,649.16	0.00	16,649.16
Revenue received in advance - L.O.S.T.	348,447.59	0.00	348,447.59
TOTAL LIABILITIES	<u>467,777.79</u>	<u>69,245.63</u>	<u>537,023.42</u>
FUND BALANCES			
Nonspendable			
Inventory	40,226.94	2,002.88	42,229.82
Restricted for:			
A-Tax expenditures	0.00	71,849.23	71,849.23
Police equipment	0.00	91,997.95	91,997.95
Committed to:			
Beautification	0.00	202,750.30	202,750.30
Golf course	0.00	16,345.27	16,345.27
Storm water	0.00	130,077.52	130,077.52
Assigned to:			
Debt service	0.00	904,882.69	904,882.69
Police department	0.00	31,683.56	31,683.56
Unassigned	3,525,822.66	0.00	3,525,822.66
TOTAL FUND BALANCES	<u>3,566,049.60</u>	<u>1,451,589.40</u>	<u>5,017,639.00</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$4,033,827.39</u>	<u>\$1,520,835.03</u>	<u>\$5,554,662.42</u>

The Accompanying Auditor's Report And Notes Are An Integral Part Of This Statement.

City of Dillon, South Carolina  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
For Fiscal Year Ended June 30, 2021

Fund Balances - total governmental funds	\$5,017,639.00
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	
Add - fixed assets	13,673,762.00
Deduct - accumulated depreciation	(6,569,095.52)
Interest on long term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
Deduct - accrued interest expense	(17,545.91)
Long-term liabilities, such as bonds and leases payables, are not due and payable in the current period and therefore are not reported in the governmental funds.	
Deduct - bonds payable	(1,393,441.88)
Deduct - compensated absences	(269,019.44)
Deduct - net pension liability and net deferred inflow/outflow	(5,240,150.00)
Net position of governmental activities	<u>\$5,202,148.25</u>

The Accompanying Auditor's Report And Notes Are An Integral Part Of This Statement.

City of Dillon, South Carolina  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 GOVERNMENTAL FUNDS  
 For Fiscal Year Ended June 30, 2021

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$2,006,159.32	\$0.00	\$2,006,159.32
Licenses and permits	1,813,830.70	0.00	1,813,830.70
State aid	751,078.01	0.00	751,078.01
Charges for services	1,483,007.06	0.00	1,483,007.06
Fines and forfeits	87,190.32	0.00	87,190.32
Wellness Center	162,466.75	0.00	162,466.75
Interest	408.76	362.85	771.61
Other revenues	86,954.35	17,480.08	104,434.43
Grants	432,753.00	111,048.03	543,801.03
Storm water	0.00	141,790.00	141,790.00
Accommodations tax	0.00	169,597.70	169,597.70
Golf course	0.00	265,307.89	265,307.89
Hospitality tax	0.00	664,401.01	664,401.01
TOTAL REVENUES	<u>6,823,848.27</u>	<u>1,369,987.56</u>	<u>8,193,835.83</u>
EXPENDITURES			
DEPARTMENT			
Council	556,261.85	0.00	556,261.85
Finance	205,795.34	0.00	205,795.34
Municipal court	114,791.66	0.00	114,791.66
Downtown coordinator	371,521.49	0.00	371,521.49
City attorney	16,259.23	0.00	16,259.23
Code enforcement	236,190.91	0.00	236,190.91
Police	1,659,134.61	0.00	1,659,134.61
Fire	417,674.66	0.00	417,674.66
Street	329,133.97	0.00	329,133.97
Refuse Collection	260,514.89	0.00	260,514.89
Sanitation	647,678.02	0.00	647,678.02
Garage	135,628.97	0.00	135,628.97
Public works	130,310.11	0.00	130,310.11
Parks and recreation	273,654.17	0.00	273,654.17
Recreation programs	10,055.68	0.00	10,055.68
Wellness Center	297,868.23	0.00	297,868.23
Beautification	213,502.48	0.00	213,502.48
Local Hospitality Tax	0.00	376.24	376.24
Storm water	0.00	199,443.24	199,443.24
Accommodations tax	0.00	114,770.57	114,770.57
Drug funds	0.00	33,597.97	33,597.97
Golf course	0.00	442,805.53	442,805.53

The Accompanying Auditor's Report And Notes Are An Integral Part Of This Statement.

City of Dillon, South Carolina  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS  
For Fiscal Year Ended June 30, 2021

	General Fund	Other Governmental Funds	Total Governmental Funds
Capital Outlay	\$264,325.35	\$170,091.69	\$434,417.04
DEBT SERVICE			
Principal retirement	74,963.75	274,004.65	348,968.40
Interest	13,071.29	27,912.65	40,983.94
TOTAL EXPENDITURES	<u>6,228,336.66</u>	<u>1,263,002.54</u>	<u>7,491,339.20</u>
Excess (deficiency) of revenues over expenditures	595,511.61	106,985.02	702,496.63
OTHER FINANCING SOURCES (USES)			
Transfer from (to) other governmental entity	0.00	50,000.00	50,000.00
Debt proceeds	130,558.00	0.00	130,558.00
Gain on sale of fixed assets	500.00	4,255.00	4,755.00
Transfers from other funds	240,332.83	0.00	240,332.83
Transfers to other funds	0.00	(240,332.83)	(240,332.83)
TOTAL OTHER FINANCING SOURCES (USES)	<u>371,390.83</u>	<u>(186,077.83)</u>	<u>185,313.00</u>
Excess (deficiency) of revenues over expenditures and other financing sources	966,902.44	(79,092.81)	887,809.63
FUND BALANCE - beginning of year	<u>2,599,147.16</u>	<u>1,530,682.21</u>	<u>4,129,829.37</u>
FUND BALANCE - end of year	<u>\$3,566,049.60</u>	<u>\$1,451,589.40</u>	<u>\$5,017,639.00</u>

The Accompanying Auditor's Report And Notes Are An Integral Part Of This Statement.

City of Dillon, South Carolina  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
 For Fiscal Year Ended June 30, 2021

Total net change in fund balance-governmental funds	\$887,809.63
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of the assets that qualify is allocated over their estimated useful lives as depreciation expense.	
Add - capital outlay additions to depreciation schedule	434,417.04
Deduct - depreciation expense	(490,574.45)
Capital assets acquired thru contributions are not reported on the fund financial statements, they are however reported on the statement of activities.	
Add - fair market value of assets contributed	213,000.00
Debt proceeds provide current financial resources to governmental funds, but debt also increases long term liabilities in the Statement of Net Position.	
Deduct - debt proceeds	(130,558.00)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and therefore, is not reflected in the statement of activities.	
Add - principal payments on long-term liabilities	348,968.40
Interest on long term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
Add - decrease in accrued interest payable	3,277.88
The increase in the liability for compensated absences does not require the use of current financial resources and therefore, is not reported as an expenditure in the governmental funds.	
Deduct - increase in the accrual for compensated absences	(12,008.21)
Changes in the City's share of the net pension liability and deferred inflows/outflows for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	
Deduct - change in net pension liability and deferred inflows/outflows	(60,189.00)
Change in net position of governmental activities	\$1,194,143.29

The Accompanying Auditor's Report And Notes Are An Integral Part Of This Statement.

City of Dillon, South Carolina  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2021

	Business-Type Activities - Enterprise Fund Water and Sewer
ASSETS	
Cash	\$1,877,114.58
Cash - restricted	2,028,565.51
Accounts receivable (net of allowance)	499,351.02
Lease receivable-due within one year	18,194.71
Lease receivable-due in more than one year	117,069.90
Inventory	120,902.11
Land	2,016,032.27
Construction in progress	231,221.15
Property, plant, and equipment (net)	<u>22,193,605.19</u>
 TOTAL ASSETS	 <u>29,102,056.44</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension charges	<u>357,365.00</u>
 LIABILITIES	
Accounts payable	49,912.60
Accrued salary and fringe	7,900.47
Compensated absences payable	100,186.71
Interest payable	961.20
Bonds payable-due within one year	57,007.01
Bonds payable-due in more than one year	467,381.66
Net pension liability	1,954,383.00
Customer deposits	<u>214,238.58</u>
 TOTAL LIABILITIES	 <u>2,851,971.23</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred lease receivable	198,908.19
Deferred pension credits	<u>147,111.00</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>346,019.19</u>
 NET POSITION	
Net investment in capital assets	23,916,469.94
Restricted for debt service	88,582.35
Restricted for capital replacement	1,939,983.16
Unrestricted	<u>316,395.57</u>
 TOTAL NET POSITION	 <u><u>\$26,261,431.02</u></u>

The Accompanying Auditor's Report And Notes Are An Integral Part Of This Statement.

City of Dillon, South Carolina  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For Fiscal Year Ended June 30, 2021

	Business-Type Activities - Enterprise Fund Water and Sewer
OPERATING REVENUES	
Back flow fees	\$4,680.00
Lab fees	9,450.00
Set up fees	11,550.00
Tap fees	28,075.00
Land and water tower rental	17,994.72
Water and sewer sales	4,005,383.26
Bad debt recovery	200.08
Miscellaneous	17,900.38
TOTAL OPERATING REVENUES	<u>4,095,233.44</u>
OPERATING EXPENSES	
DEPARTMENT	
Administration	284,399.00
Wastewater treatment	1,774,926.71
Water treatment	287,786.80
City manager	300,982.88
Water and sewer billing	249,281.70
Insurance	74,927.00
Sludge hauling	156,203.92
Depreciation	1,331,259.41
Bad debts	27,394.46
TOTAL OPERATING EXPENSES	<u>4,487,161.88</u>
NET INCOME (LOSS) FROM OPERATIONS	<u>(391,928.44)</u>
NON-OPERATING REVENUES (EXPENSES)	
Grant contributions	196,024.73
Interest earned	21,642.42
Interest expense	(7,617.95)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>210,049.20</u>
OTHER FINANCING SOURCES (USES)	
Gain on sale of assets	3,629.00
Depreciation account funding	60,636.00
TOTAL OTHER FINANCING SOURCES (USES)	<u>64,265.00</u>
CHANGE IN NET POSITION	(117,614.24)
NET POSITION, beginning of year	<u>26,379,045.26</u>
NET POSITION, end of year	<u><u>\$26,261,431.02</u></u>

The Accompanying Auditor's Report And Notes Are An Integral Part Of This Statement.



City of Dillon, South Carolina  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For Fiscal Year Ended June 30, 2021

Business-Type  
Activities - Enterprise Fund  
Water and Sewer

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$4,079,083.55
Cash payments to employees	(966,019.07)
Cash payments to suppliers for goods and services	<u>(2,295,266.15)</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>817,798.33</u>
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CASH FLOWS FROM (TO) NONCAPITAL FINANCING ACTIVITIES

Depreciation account funding (Perdue)	<u>60,636.00</u>
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NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>60,636.00</u>
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CASH FLOWS OF CAPITAL AND RELATED FINANCING ACTIVITIES

Grant contributions	334,908.23
Purchase of capital assets	(1,013,006.44)
Proceeds from sale of assets	3,629.00
Deferred lease payments received	13,583.23
Principal payments on bonds payable	(56,195.14)
Interest payments on bonds	<u>(7,704.42)</u>

NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(724,785.54)</u>
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CASH FLOWS OF INVESTING ACTIVITIES

Interest earned	<u>21,642.42</u>
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	175,291.21
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CASH AND CASH EQUIVALENTS - beginning of year	<u>3,730,388.88</u>
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CASH AND CASH EQUIVALENTS - end of year	<u><u>\$3,905,680.09</u></u>
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The Accompanying Auditor's Report And Notes Are An Integral Part Of This Statement.

City of Dillon, South Carolina  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For Fiscal Year Ended June 30, 2021

Business-Type  
Activities - Enterprise Fund  
Water and Sewer

RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES

Net Operating Income (Loss)	(\$391,928.44)
Adjustments to reconcile net operating income to net cash and cash equivalents provided by operating activities:	
Depreciation	1,331,259.41
Change in assets and liabilities:	
(Increase) decrease in accounts receivable (net)	(38,247.93)
(Increase) decrease in inventories	(1,947.57)
(Increase) decrease in due from others	6,688.04
Increase (decrease) in accounts payable	(135,295.93)
Increase (decrease) in accrued salaries and fringe	(10,510.68)
Increase (decrease) in customer deposits	15,410.00
Increase (decrease) in compensated absences payable	21,396.43
Increase (decrease) in net pension liability and deferred outflows/inflows	<u>20,975.00</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

\$817,798.33

The Accompanying Auditor's Report And Notes Are An Integral Part Of This Statement.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A - REPORTING ENTITY**

The City was incorporated December 22, 1888 by an Act of Legislature of South Carolina. On April 4, 1901, a charter was issued to the City by the Secretary of State. Section 47-26 of the 1962 Code of Laws, as amended (Home Rule Act), required that municipalities adopt a specific form of government, and on January 30, 1976, a charter was issued for the City adopting the council-manager form of government.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Codification Section 2100 have been considered, and there are no agencies or entities which should be presented with the City.

**B - BASIS OF PRESENTATION AND ACCOUNTING**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific City functions or activities. The operations of each fund are accounted for with a separate set of self balancing accounts.

The City's funds are grouped into two broad categories for financial statement presentation purposes. Governmental funds include the general and special revenue funds. Proprietary funds include the enterprise (water and sewer) fund.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payable and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between governmental activities and the business-type activities which are presented as internal balances and eliminated in the total column.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B - BASIS OF PRESENTATION AND ACCOUNTING (continued)**

**Government-wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the City as a whole. The effects of interfund activity have been eliminated from these statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationships between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program of the governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes and revenues not classified as program revenues are presented as general revenues.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B - BASIS OF PRESENTATION AND ACCOUNTING (continued)**

**Fund Financial Statements**

Fund financial statements report detailed information about the City. The focus of governmental fund financial statements are on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all non-major funds are aggregated into one column.

The major funds of the financial reporting entity are described below:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund.

Non-major funds are all Special Revenue Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Enterprise Funds - To account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Governmental Funds**

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition. Gross receipts are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made. Property tax revenues are recognized in the year in which they are due and receivable, and collected, or expected to be collected within 60 days after year end. Penalties, franchise taxes, accommodations tax, fines and forfeitures, miscellaneous revenues, and interest earned are recorded when received in cash because they are generally not measurable until actually received.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B - BASIS OF PRESENTATION AND ACCOUNTING (continued)**

**Expenditure Recognition.** The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt which has not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**Proprietary Funds**

The proprietary funds are accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred. This fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses are generated from the sales of water and sewer services. The principal operating revenues of the water and sewer fund are charges to customers for sales of water and sewer services. The City also recognizes as operating revenues, lab fees, tap fees, set up fees, rental fees, and other miscellaneous operating items. Operating expenses of the water and sewer fund include the cost of providing water and sewer services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Revenues - Non-exchange Transactions**

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Taxes receivable are reported net of the reserve for uncollectible. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, investment earnings, and grants.

**C - DEPOSITS AND INVESTMENTS**

The City's cash and cash equivalents are considered to be demand deposit accounts and short-term securities purchased with a maturity of three months or less from the date of acquisition.

The City is authorized by state statute to invest in the following:

1. Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C - DEPOSITS AND INVESTMENTS (continued)**

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 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. (i) General obligations of the State of South Carolina or any of its political units; or (ii) 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 insured by an agency of the federal government.
5. Certificates of deposits where the certificates are collaterally secured by securities of the type described in 1 & 2 above held by a third party 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, and
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) limited to obligations described in items (1), (2), (3) and (6) 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.

**D - INVENTORIES**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure/expense at the time inventory items are consumed rather than when purchased.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E - COMPENSATED ABSENCES**

The City allows an employee to accumulate up to 30 vacation days and 60 sick leave days. These vacation and sick leave days are earned, as employed, on a daily basis. The vacation days are payable upon an employee leaving the City's employment. There would be no restitution, upon leaving, for any unused sick leave days.

**F - RESTRICTED ASSETS**

Some funds within the General Fund are restricted for future local option sales tax rollback and victim's advocate expenditures. Certain funds in the Enterprise Fund are set aside for repayment of revenue bonds, as required by the bond covenants. Also, certain resources have been set aside to fund capital asset replacements.

**G - FIXED ASSETS**

Fixed assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Fixed assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at estimated fair value at the date of donation. The City has adopted a prospective approach to reporting infrastructure assets effective July 1, 2003.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Enterprise Fund interest cost are capitalized for all assets that require an acquisition period to get them ready for their intended use. No such interest expense was incurred during the current fiscal year.

Fixed assets of the city are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Useful Life</u>
Vehicles	6-12 years
Equipment	6-12 years
Infrastructure	50 years
Building and Improvements	50 years



City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H - USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

**I - LONG-TERM OBLIGATIONS**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premium or discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

To date all governmental activity debt has been funded using General Fund monies, except the Community Center debt which has been funded using Hospitality Tax monies.

**J - PROPERTY TAX CALENDER**

Penalties and cost of collections are assessed on property taxes as shown in the following table. On April 1, a lien is placed against the property for unpaid taxes and the property is seized on August 1.

<u>Date</u>	<u>Penalty &amp; Cost of Collection</u>
January 16	3%
February 2	10%
March 17	15%
May 1	15% + \$7.00
August 1	15% + additional \$13.00

Automobile Property Taxes attach a lien and are levied throughout the year depending on when the vehicle's license tag expires. Automobile and real property taxes are assessed and collected by Dillon County under a joint billing and collection agreement.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K - BUDGETS AND BUDGETARY ACCOUNTING**

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

Prior to June 30th, the City Manager submits a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and means of financing them. Public hearings are conducted at City Hall after which the budget is legally enacted through passage of an ordinance. The City Manager is authorized to administer the budget and with Council's approval may authorize the transfer of appropriate funds within and between departments and funds as necessary to achieve the goals of the budget. Appropriations lapse at the end of each fiscal year. The City Council may authorize supplemental appropriations during the year. There were no budget amendments during the fiscal year. The City's annual general fund budget is adopted on a basis consistent with generally accepted accounting principles and the water and sewer fund budget is adopted on a cash basis of accounting.

**L - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the Statement of Net 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 (expenses/expenditures) until then. The City currently has one type of deferred outflows of resources: The City reports deferred pension charges in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers' Retirement System. These deferred pension charges are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net 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 two types of deferred inflows of resources: (1) The City reports deferred pension credits 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. These deferred pension credits are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP. (2) The City also reports a deferred lease receivable in its Statement of Net Position in connection with its leasing of the rights to use its water tower for cell phone antennas. These deferred lease receivable are amortized in a systematic and rational method and recognized as lease revenues in future periods in accordance with GAAP.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M - NET POSITION/FUND BALANCES**

The government-wide financial statements utilize a net position presentation. Net position represents the difference between assets and deferred outflows (if any) and liabilities and deferred inflows (if any) in the Statement of Net Position. Net position is classified in one of the following three components:

**Net Investment in Capital Assets** - This category groups all fixed assets, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

**Restricted Net Position** - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** - This category represents net position of the City, not restricted for any project or purpose.

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**Non-spendable** - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - Amounts that can be spent only for specific purposes because of City policy, state or federal laws, or externally imposed conditions by grantors or creditors.

**Committed** - Amounts that can be used only for specific purposes determined by a formal action by the Mayor and City Council, the City's highest level of decision making authority. Commitments may be modified or rescinded only through policies approved by the Mayor and Council.

**Assigned** - Amounts that are designated by the Mayor and City Council for a specific purpose but are not spendable until a formal policy is passed by the Mayor and City Council.

**Unassigned** - All amounts not included in the above classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council or the finance committee has provided otherwise in its commitment or assignment actions.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**N - PENSIONS**

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the City's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

**O - OTHER POST EMPLOYMENT BENEFITS**

Effective March 9, 2009, Mayor and City Council adopted Resolution 01-09. This resolution states that the City will no longer offer retirees any health insurance coverage.

**NOTE 2 - DETAILED NOTES ON ALL FUNDS**

**A - DEPOSITS AND INVESTMENTS**

Deposits

At year end, the carrying amount of deposits for the City was \$8,900,388. The combined bank balance was \$9,129,273. The difference between bank and book balances is due to outstanding deposits and checks. Of the bank balance, \$1,345,674 was covered by Federal Depository Insurance Corporation. The \$7,783,599 remaining balance is collateralized with pledged securities except for \$696,964 which was uncollateralized. These pledged securities are held by the custodial bank's trust department but not in the City's name. All deposits are made and held by the City's local banks. Cash is stated at cost (which approximates market).

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be recovered. The City does not have a policy regarding custodial credit risk for deposits. As of June 30, 2021, \$7,783,599 of the City's bank balances of \$9,129,273 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution or its agent, but not in the City's name.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**A - DEPOSITS AND INVESTMENTS (continued)**

Interest rate risk - As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City limits its investments to maturities of 3 months or less.

For an investment, custodial credit risk is the risk that in the event of a failure of a counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City does not have a policy regarding custodial credit risk for investments.

Due to the limited types of investments the City holds, the City currently has no exposure to credit risk, concentration of credit risk, or foreign currency risk. The City does not have a policy on any of these risks.

**B - RECEIVABLES**

The net balances shown in the Enterprise Fund for Accounts Receivable and the net balance shown in the General Fund for Delinquent Taxes Receivable are as follows:

<u>Enterprise Fund</u>		<u>General Fund</u>	
Accounts Receivable	\$ 842,527	Delinquent Taxes	\$ 53,990
Less Allowance for Doubtful		Penalties Receivable	8,099
Accounts	<u>(343,176)</u>	Less Reserve for Uncollectible	<u>(48,406)</u>
Accounts Receivable (net)	<u>\$ 499,351</u>	Delinquent Taxes Receivable (Net)	<u>\$13,683</u>

The City signed a purchase agreement with IWG-TLA Telecom 2, LLC (Telecom) in April 2018. This agreement grants access rights to the Jackson Street water tower. The purchase price of this transaction was \$212,736. Terms are as follows: \$25,000 down payment, ten annual installment payments of \$20,900 each, and interest was imputed at a rate of 2%. The lease agreement is scheduled to continue for 50 years ending on April 2, 2068. Below is an amortization schedule of principal and interest payments due from Telecom from June 30, 2021 forward:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2022	\$18,194.71	\$2,705.29	\$20,900.00
2023	18,558.60	2,341.40	20,900.00
2024	18,929.77	1,970.23	20,900.00
2025	19,308.37	1,591.63	20,900.00
2026	19,694.54	1,205.46	20,900.00
2027-2028	40,578.62	1,221.38	41,800.00
	<u>\$135,264.61</u>	<u>\$11,035.39</u>	<u>\$146,300.00</u>

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**C - FIXED ASSETS**

Fixed asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities</b>					
Fixed assets-non depreciable:					
Land	\$737,378	\$186,000	\$0	\$0	\$923,378
Construction in progress	0	0	0	0	0
Total fixed assets-non depreciable	<u>737,378</u>	<u>186,000</u>	<u>0</u>	<u>0</u>	<u>923,378</u>
Fixed assets depreciable:					
Buildings & Improvements	6,164,459	98,302	0	0	6,262,761
Equipment & Vehicles	6,246,339	363,115	(121,831)	0	6,487,623
Total fixed assets-depreciable	<u>12,410,798</u>	<u>461,417</u>	<u>(121,831)</u>	<u>0</u>	<u>12,750,384</u>
Less accumulated depreciation for:					
Buildings & Improvements	(2,091,006)	(132,844)	0	0	(2,223,850)
Equipment & Vehicles	(4,109,346)	(357,731)	121,831	0	(4,345,246)
Total accumulated depreciation	<u>(6,200,352)</u>	<u>(490,575)</u>	<u>121,831</u>	<u>0</u>	<u>(6,569,096)</u>
Total fixed assets depreciable, net	<u>\$6,210,446</u>	<u>(\$29,158)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,181,288</u>
<b>Business-type activities</b>					
Fixed assets-non depreciable:					
Land	\$2,016,032	\$0	\$0	\$0	\$2,016,032
Construction in progress	270,634	502,417	0	(541,830)	231,221
Total fixed assets-non depreciable	<u>2,286,666</u>	<u>502,417</u>	<u>0</u>	<u>(541,830)</u>	<u>2,247,253</u>
Fixed assets depreciable:					
Buildings & Systems	48,922,405	352,784	0	541,830	49,817,019
Equipment & Vehicles	3,766,968	157,805	0	(111,541)	3,813,232
Total fixed assets-depreciable	<u>52,689,373</u>	<u>510,589</u>	<u>0</u>	<u>430,289</u>	<u>53,630,251</u>
Less accumulated depreciation for:					
Buildings & Improvements	(26,582,163)	(1,286,349)	0	0	(27,868,512)
Equipment & Vehicles	(3,634,764)	(44,911)	0	111,541	(3,568,134)
Total accumulated depreciation	<u>(30,216,927)</u>	<u>(1,331,260)</u>	<u>0</u>	<u>111,541</u>	<u>(31,436,646)</u>
Total fixed assets depreciable, net	<u>\$22,472,446</u>	<u>(\$820,671)</u>	<u>\$0</u>	<u>\$541,830</u>	<u>\$22,193,605</u>

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**C - FIXED ASSETS (continued)**

Governmental Activities - depreciation expense was charged to the activities as follows:

General Government	\$ 30,822
Public Safety	204,039
Highways and Streets	65,874
Sanitation	54,441
Parks and Recreation	131,523
Golf Course	<u>3,876</u>

Total depreciation expense - governmental activities    \$ 490,575

Total depreciation expense - business-type activities: \$ 1,331,260

**D - INTERFUND ACTIVITY**

Inter-fund balances as of June 30, 2021 all of which are a result of normal operating practices), consisted of the following:

Due from	Due to	Amount
General Fund	Golf Course	<u>\$1,118.11</u>
		<u><u>\$1,118.11</u></u>

Inter-fund transfers as of June 30, 2021(all of which are for normal operating subsidies) consisted of the following:

Transfer from	Transfer to	Amount
State Accommodations Tax	General Fund	\$27,458.83
Hospitality Tax Fund	General Fund	212,874.00
Hospitality Tax Fund	Golf Course	<u>131,616.13</u>
		<u><u>\$371,948.96</u></u>

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**E - LONG TERM DEBT**

The schedule of changes in principal balances for long-term debt is as follows:

	<u>Maturity Date</u>	<u>Payment Amount</u>	<u>Outstanding July 1, 2020</u>	<u>Current Yr Additions</u>	<u>Retired Current Yr</u>	<u>Outstanding June 30, 2021</u>
<b>Governmental activities</b>						
Bonds payable:						
BB&T Community Ctr	2/1/25	\$239,474/year	\$ 1,121,580	\$ 0	\$ 214,575	\$907,005
Interest rate 2.22%						
Notes payable:						
First Bank						
Vactor Truck	10/20/21	\$62,443/year	120,329	0	59,429	60,900
Interest rate 2.45%						
Police Vehicles	5/8/24	\$31,966/year	117,858	0	28,045	89,813
Interest rate 3.29%						
Sanitation Truck	8/14/24	\$56,070/year	252,085	0	46,919	205,166
Interest rate 3.6%						
Various Equipment	4/7/26	\$28,130/year	0	130,558	0	130,558
Interest rate 2.5%						
Compensated Absences			<u>257,011</u>	<u>12,008</u>	<u>0</u>	<u>269,019</u>
Total governmental activities			<u>\$ 1,868,863</u>	<u>\$ 142,566</u>	<u>\$ 348,968</u>	<u>\$ 1,662,461</u>

Resources from the Local Hospitality Tax Fund are being used to liquidate the Community Center debt and from the Stormwater Fund are being used to liquidate the Vactor Truck debt and the General Fund are being used to liquidate the Police Vehicle, Sanitation Truck, and Various Equipment debts.

**Business-type activities**

Notes payable:

RIA SRF

Hwy 301 Bridge	3/1/26	\$10,428/qtr	\$229,371	\$ 0	\$ 38,486	\$190,885
Interest rate 1.50%						

Water Tank	2/1/38	\$5,547/qtr	351,213	0	17,710	333,503
Interest rate 1.30%						

Compensated Absences			<u>78,790</u>	<u>21,397</u>	<u>0</u>	<u>100,187</u>
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Total Business-type activities			<u>\$ 659,374</u>	<u>\$ 21,397</u>	<u>\$ 56,196</u>	<u>\$ 624,575</u>
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City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**E - LONG TERM DEBT (continued)**

Annual debt service requirements to maturity for governmental activities are as follows:

Year Ending June 30,	Principal	Interest	Total Payments
2022	\$382,802.78	\$35,279.86	\$418,082.64
2023	330,101.49	25,537.98	355,639.47
2024	338,399.78	17,121.66	355,521.44
2025	314,837.74	8,486.39	323,324.13
2026	27,300.09	830.21	28,130.30
	<u>\$1,393,441.88</u>	<u>\$87,256.10</u>	<u>\$1,480,697.98</u>

Annual debt service requirements to maturity for business-type revenue bonds are as follows:

2022	\$57,007.01	\$6,892.55	\$63,899.56
2023	57,830.69	6,068.87	63,899.56
2024	58,666.32	5,233.24	63,899.56
2025	59,514.06	4,385.50	63,899.56
2026	49,946.36	3,525.47	53,471.83
2027-2031	98,252.72	12,693.48	110,946.20
2032-2036	104,840.23	6,105.97	110,946.20
2037-2038	38,331.28	499.92	38,831.20
	<u>\$524,388.67</u>	<u>\$45,405.00</u>	<u>\$569,793.67</u>

**F - RESTRICTED CASH**

The balances of the restricted cash accounts are as follows:

	Governmental Activities	Business-Type Activities
Local hospitality tax	\$904,883	\$0
Accommodations tax(state & local)	235,170	0
Drug funds(federal & state)	148,761	0
Golf Course	19,448	0
Storm Water	55,917	0
Bond Reserve	0	88,582
Capital Replacement	0	1,939,983
Total Restricted Assets	<u>\$1,364,179</u>	<u>\$2,028,565</u>

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**G - RETIREMENT**

*State Retirement Plans* 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 on July 1, 2012 and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as 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 ("Board") decisions regarding the actuary of the Systems.

PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

**Plan Description**

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective 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 employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges, and magistrates.

**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.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**G - RETIREMENT (continued)**

- 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 a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

**Benefits**

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of 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 creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**G - RETIREMENT (continued)**

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

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

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

**Contributions**

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, 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. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**G - RETIREMENT (continued)**

ratio) that is equal to or greater than 85 percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contributions are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

The City's contributions are actuarially determined, but are communicated to and paid by the City as a percentage of the employees' annual eligible compensation as follows for the past three years:

	Total Covered Payroll	Employee Rate	Employee Contributions	Employer Rate*	Employer Contributions
<b>SCRS</b>					
2021	\$2,546,506	9.00%	\$229,186	15.56%	\$396,236
2020	2,428,725	9.00%	218,585	15.56%	377,910
2019	2,497,860	9.00%	224,808	14.56%	363,689
<b>PORS</b>					
2021	\$1,022,528	9.75%	\$99,696	18.24%	\$186,509
2020	1,013,681	9.75%	98,834	18.24%	184,895
2019	1,063,819	9.75%	103,722	17.24%	183,402

\* includes death benefit %

The City contributed 100% of the required employer contributions for the past three years.

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the SCRS and PORS contributions increases for the year ended June 30, 2019. The State's budget appropriated these funds to the PEBA for the SCRS and PORS Trust Funds. The amount of funds appropriated by the State for the year ended June 30, 2020 (measurement date) to the City were approximately \$26,000 and \$10,000 for the SCRS and PORS, respectively. These contributions by the State are recognized as miscellaneous revenues and pension expenditures in the City's financial statements.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**G - RETIREMENT (continued)**

**Actuarial Assumptions and Methods**

Actuarial valuations of the 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 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 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2019, total pension liability(TPL), net pension liability(NPL), and sensitivity information shown in this report were determined by PEBA's consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return *	7.25%	7.25%
Projected salary increases *	3.50% to 12.5% (varies by service)	3.50% to 9.50% (varies by service)
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

\* 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 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2020, TPL are as follows:

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**G - RETIREMENT (continued)**

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

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2020, for SCRS and PORS are presented below:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$11,286,449	\$5,723,860	\$5,562,589	50.7%
PORS	5,399,302	3,174,042	2,225,260	58.8%

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.

At June 30, 2021, the City reported liabilities of approximately \$5,600,000 and \$2,200,000 for its proportionate share of the NPL for the SCRS and PORS ("Plans"), respectively. The NPL were measured as of June 30, 2020, and the total pension liabilities for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report as of July 1, 2019 that was projected forward to the measurement date. The City's proportion of the NPL were based on a projection of the City's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2020 and 2019 measurement dates, the City's SCRS proportion was .0218 percent and .0236 percent respectively. At the June 30, 2020 and 2019 measurement dates, the City's PORS proportion was .0671 percent and .0750 percent respectively.

For the year ended June 30, 2020, the City recognized pension expense of \$405,242 and \$258,665 for the SCRS and PORS, respectively. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**G - RETIREMENT (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences between expected and actual experience	\$64,185	\$21,035
Assumption changes	6,815	0
Net difference between projected and actual earnings on pension plan investments	409,175	0
Changes in proportion and differences between the City's contributions and proportionate share of contributions	24,430	381,976
City's contributions subsequent to the measurement date	<u>370,519</u>	<u>0</u>
Total SCRS	<u>875,124</u>	<u>403,011</u>
<b>PORS</b>		
Differences between expected and actual experience	\$47,291	\$9,795
Assumption changes	27,155	0
Net difference between projected and actual earnings on plan investments	227,862	0
Changes in proportion and differences between the City's contributions and proportionate share of contributions	41,542	179,139
City's contributions subsequent to the measurement date	<u>176,541</u>	<u>0</u>
Total PORS	<u>520,391</u>	<u>188,934</u>
Total SCRS and PORS	<u><u>\$1,395,515</u></u>	<u><u>\$591,945</u></u>

Approximately \$371,000 and \$177,000 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 liability in the year ended June 30, 2021. The following schedule reflects the amortization of collective deferred outflows(inflows) of resources except for the City's contributions subsequent to the measurement date and will be recognized in pension expense as follows:



City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**G - RETIREMENT (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)**

<u>Year Ended June 30,</u>	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
2021	(\$76,496)	\$39,874	(\$36,622)
2022	32,818	39,168	71,986
2023	40,859	25,994	66,853
2024	<u>104,413</u>	<u>49,880</u>	<u>154,293</u>
Total	<u><u>\$101,594</u></u>	<u><u>\$154,916</u></u>	<u><u>\$256,510</u></u>

**Discount Rate**

The discount rate used to measure the TPL was 7.25 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, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

**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 rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 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 by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return is used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**G - RETIREMENT (continued)**

**Long-term Expected Rate of Return(continued)**

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
<b>Global Equity</b>	<b>51%</b>		
Global Public Equity	35%	7.81%	2.73%
Private Equity	9%	8.91%	0.80%
Equity Options Strategies	7%	5.09%	0.36%
<b>Real Assets</b>	<b>12%</b>		
Real Estate (Private)	8%	5.55%	0.44%
Real Estate (REITs)	1%	7.78%	0.08%
Infrastructure (Private)	2%	4.88%	0.10%
Infrastructure (Public)	1%	7.05%	0.07%
<b>Opportunistic</b>	<b>8%</b>		
Global Tactical Asset Allocation	7%	3.56%	0.25%
Other Opportunistic Strategies	1%	4.41%	0.04%
<b>Credit</b>	<b>15%</b>		
High Yield Bonds/Bank Loans	4%	4.21%	0.17%
Emerging Markets Debt	4%	3.44%	0.14%
Private Debt	7%	5.79%	0.40%
<b>Rate Sensitive</b>	<b>14%</b>		
Core Fixed Income	13%	1.60%	0.21%
Cash and Short Duration (Net)	1%	0.56%	0.01%
Total Expected Real Return	<u>100%</u>		<u>5.80%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>8.05%</u>

**Sensitivity Analysis**

The following table presents the City's proportionate share of the NPL calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is 1% percent lower (6.25 percent) or 1% percent higher (8.25 percent) than the current rate:

System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's proportionate share of the net pension liability of the SCRS	\$6,894,186	\$5,562,589	\$4,450,747
City's proportionate share of the net pension liability of the PORs	\$2,945,761	\$2,225,260	\$1,646,596

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**G - RETIREMENT (continued)**

**Plans Fiduciary Net Position**

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for the SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

**H - CONTINGENT LIABILITIES AND COMMITMENTS**

**Grants**

The City participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. If grant revenues received for expenditures are subsequently disallowed, the City may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from possible disallowed expenditures will not be material to the general purpose financial statements at June 30, 2021.

**Litigation**

According to the City's attorney, there are no actions currently in progress against the City.

**I - RELATED PARTIES**

During the year, the City paid Dillon Internal Medicine, with whom Councilman Phil Wallace is affiliated, \$3,040 in medical fees.

**J - MAJOR CUSTOMER**

Approximately 43% of the Water & Sewer Enterprise Fund's sales revenue is generated by sewer sales to Perdue Farms, Incorporated.

**K - LEGAL DEBT MARGIN**

State statutes limit the amount of general obligation debt a City may issue without a referendum, to 8 percent of its total assessed valuation. As of June 30, 2021 the City's total assessed value was \$14,813,000. The 8% debt limit is \$1,185,000. The amount of the City's debt applicable to their debt limit is \$486,437. This applicable amount does not include the Community Center debt which was approved by referendum when these funds were borrowed. Therefore the City's legal available debt margin as of June 30, 2021 was \$698,563.

City of Dillon, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the fiscal year ended June 30, 2021

**NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)**

**L - RISK MANAGEMENT**

**Participation in Public Entity Risk Pools for Property and Casualty Insurance**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The City has joined together with other municipalities in the state to form the South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF) and the South Carolina Municipal Insurance Trust (SCMIT), which are public entity risk pools currently operating as a common risk management and insurance program for general risk insurance and workers compensation, respectively.

The City pays premiums to both SCMIRF and SCMIT. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years, regarding SCMIRF or SCMIT.

**Health Insurance**

The City has a fully insured health insurance program for the City's employees in which the City pays a monthly premium for this coverage and has no additional liability related to health insurance. The City has not reduced insurance coverages from the previous year; and settled claims in excess of insurance coverage in the past fiscal year and there were no settlements in excess of insurance coverage for the last three years were immaterial.

**M - SUBSEQUENT EVENTS**

In April 2021, the City entered into a construction contract to repair and paint the Hudson Street elevated water tank in the amount of \$513,240. The City has secured CDBG grant funding of \$471,000 to be used towards this project and the City has committed to providing an additional \$92,740 to complete this project.

In September 2021, the City received \$1,570,947 in federal grant monies, as part of the American Rescue Plan. This represents one-half of the Cities portion of these grant monies. There are many requirements that the City must follow and they are currently planning how to best spend this money.

Subsequent events have been evaluated through the date in which the financial statements were available to be issued which was May 16, 2022.

City of Dillon, South Carolina  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (GAAP Basis) AND ACTUAL - GENERAL FUND  
For Fiscal Year Ended June 30, 2021

	Budgeted Amounts			Variance to
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$1,796,777.00	\$1,796,777.00	\$2,006,159.32	\$209,382.32
Licenses and permits	1,568,100.00	1,568,100.00	1,813,830.70	245,730.70
State aid	631,677.00	631,677.00	751,078.01	119,401.01
Charges for services	1,473,388.00	1,473,388.00	1,483,007.06	9,619.06
Fines and forfeits	110,390.00	110,390.00	87,190.32	(23,199.68)
Wellness Center	179,150.00	179,150.00	162,466.75	(16,683.25)
Other	65,000.00	65,000.00	86,954.35	21,954.35
Grant revenues	0.00	0.00	432,753.00	432,753.00
Interest	4,150.00	4,150.00	408.76	(3,741.24)
TOTAL REVENUES	5,828,632.00	5,828,632.00	6,823,848.27	995,216.27
EXPENDITURES				
DEPARTMENT				
Council	579,095.00	579,095.00	556,261.85	22,833.15
Finance	206,356.00	206,356.00	205,795.34	560.66
Municipal court	130,971.00	130,971.00	114,791.66	16,179.34
Downtown coordinator	24,000.00	24,000.00	371,521.49	(347,521.49)
City Attorney	13,499.00	13,499.00	16,259.23	(2,760.23)
Code Enforcement	263,930.00	263,930.00	236,190.91	27,739.09
Police	1,835,423.00	1,835,423.00	1,659,134.61	176,288.39
Fire	458,120.00	458,120.00	417,674.66	40,445.34
Street	357,700.00	357,700.00	329,133.97	28,566.03
Refuse Collection	257,579.00	257,579.00	260,514.89	(2,935.89)
Sanitation	632,026.00	632,026.00	647,678.02	(15,652.02)
Garage	126,316.00	126,316.00	135,628.97	(9,312.97)
Public works	161,320.00	161,320.00	130,310.11	31,009.89
Parks and recreation	301,338.00	301,338.00	273,654.17	27,683.83
Recreation programs	32,500.00	32,500.00	10,055.68	22,444.32
Wellness Center	381,604.00	381,604.00	297,868.23	83,735.77
Beautification	214,475.00	214,475.00	213,502.48	972.52
Debt Service				
Principal retirement	87,838.00	87,838.00	74,963.75	12,874.25
Interest	0.00	0.00	13,071.29	(13,071.29)
Capital Outlay	147,000.00	147,000.00	264,325.35	(117,325.35)
TOTAL EXPENDITURES	6,211,090.00	6,211,090.00	6,228,336.66	(17,246.66)
Excess (deficiency) of revenues over expenditures	(382,458.00)	(382,458.00)	595,511.61	977,969.61
OTHER FINANCING SOURCES (USES)				
Gain on sale of fixed assets	0.00	0.00	500.00	500.00
Debt proceeds	147,000.00	147,000.00	130,558.00	(16,442.00)
Transfers from other funds	235,458.00	235,458.00	240,332.83	4,874.83
TOTAL OTHER FINANCING SOURCES (USES)	382,458.00	382,458.00	371,390.83	(11,067.17)

City of Dillon, South Carolina  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (GAAP Basis) AND ACTUAL - GENERAL FUND  
For Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance to Final Budget
	Original	Final		
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$0.00	\$0.00	\$966,902.44	\$966,902.44
FUND BALANCE - beginning of year	<u>2,599,147.16</u>	<u>2,599,147.16</u>	<u>2,599,147.16</u>	<u>0.00</u>
FUND BALANCE - end of year	<u><u>\$2,599,147.16</u></u>	<u><u>\$2,599,147.16</u></u>	<u><u>\$3,566,049.60</u></u>	<u><u>\$966,902.44</u></u>

Note 1: The basis of accounting is modified accrual.

City of Dillon, South Carolina  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
Year ended June 30, 2021

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>South Carolina Retirement System</b>								
City's percentage of the net pension liability	0.021770%	0.023617%	0.023387%	0.024646%	0.026036%	0.025317%	0.025490%	0.025490%
City's proportionate share of the net pension liability	\$5,562,589	\$5,392,721	\$5,240,240	\$5,548,211	\$5,561,251	\$4,801,491	\$4,388,533	\$4,571,997
City's covered employee payroll	\$2,428,726	\$2,497,860	\$2,431,516	\$2,486,730	\$2,521,231	\$2,373,736	\$2,314,186	\$2,166,991
City's proportionate share of the net pension liability as a percentage of its covered payroll	229.03%	215.89%	215.51%	223.11%	220.58%	202.28%	189.64%	210.98%
Plan's fiduciary net position as a percentage of the total pension liability	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%	56.39%
<b>Police Officers Retirement System</b>								
City's percentage of the net pension liability	0.067100%	0.075050%	0.072270%	0.071570%	0.077980%	0.077970%	0.077290%	0.077290%
City's proportionate share of the net pension liability	\$2,225,260	\$2,150,893	\$2,047,926	\$1,960,731	\$1,977,842	\$1,699,266	\$1,479,584	\$1,602,118
City's covered employee payroll	\$1,013,681	\$1,063,819	\$979,585	\$942,541	\$967,874	\$942,657	\$929,559	\$880,993
City's proportionate share of the net pension liability as a percentage of its covered payroll	219.52%	202.19%	209.06%	208.03%	204.35%	180.26%	159.17%	181.85%
Plan's fiduciary net position as a percentage of the total pension liability	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%	62.98%

**Notes to schedule:**

The City implemented GASB 68 during fiscal year 2015, as such only the last eight years of data are available.

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

City of Dillon, South Carolina  
SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS  
Year ended June 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>South Carolina Retirement System</b>								
Contractually required contribution	\$396,236	\$377,910	\$363,689	\$329,714	\$287,466	\$278,848	\$258,737	\$245,304
Contributions made to the plan	396,236	377,910	363,689	329,714	287,466	278,848	258,737	245,304
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City's covered payroll during the measurement period	\$2,546,506	\$2,428,725	\$2,497,860	\$2,431,516	\$2,486,730	\$2,521,231	\$2,373,736	\$2,314,186
Contributions as a percentage of covered employee payroll	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%	10.60%
<b>Police Officers Retirement System</b>								
Contractually required contribution	\$186,509	\$184,895	\$183,402	\$159,085	\$134,218	\$132,986	\$126,410	\$119,355
Contributions made to the plan	186,509	184,895	183,402	159,085	134,218	132,986	126,410	119,355
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City's covered payroll during the measurement period	\$1,022,528	\$1,013,681	\$1,063,819	\$979,585	\$942,541	\$967,874	\$942,657	\$929,559
Contributions as a percentage of covered employee payroll	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%	12.84%

**Notes to schedule:**

The City implemented GASB 68 during fiscal year 2015, as such only the last eight years of data are available.



City of Dillon, South Carolina  
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)  
Year ended June 30, 2021

**FOR THE STATE TREASURER'S OFFICE:**

<b>COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT</b>	<b>General Sessions</b>	<b>Magistrate Court</b>	<b>Municipal Court</b>	<b>Total</b>
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected			\$152,474	\$152,474
Court fines and assessments remitted to State Treasurer			(86,851)	(86,851)
<b>Total Court Fines and Assessments retained</b>			<b>65,623</b>	<b>65,623</b>
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained			2,025	2,025
Assessments retained			8,296	8,296
<b>Total Surcharges and Assessments retained for victim services</b>			<b>10,321</b>	<b>10,321</b>

**FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)**

<b>VICTIM SERVICE FUNDS COLLECTED</b>	<b>Municipal</b>	<b>County</b>	<b>Total</b>
<b>Carryforward from Previous Year – Beginning Balance</b>	<b>27,540</b>		<b>27,540</b>
<b>Victim Service Revenue:</b>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	8,296		8,296
Victim Service Surcharges Retained by City/County Treasurer	2,025		2,025
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
<b>Contribution Received from Victim Service Contracts:</b>			
(1) Town of			
(2) Town of			
(3) City of			
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	<b>37,861</b>		<b>37,861</b>

City of Dillon, South Carolina  
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)  
Year ended June 30, 2021

<b>Expenditures for Victim Service Program:</b>	<b><u>Municipal</u></b>	<b><u>County</u></b>	<b><u>Total</u></b>
Salaries and Benefits	\$21,212		\$21,212
Operating Expenditures	0		0
<b>Victim Service Contract(s):</b>			
(1) Entity's Name	0		0
(2) Entity's Name			
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter:	0		0
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	<b>21,212</b>		<b>21,212</b>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	16,649		16,649
Less: Prior Year Fund Deficit Repayment			
<b>Carryforward Funds – End of Year</b>	<b>16,649</b>		<b>16,649</b>

City of Dillon, South Carolina  
General Fund  
BALANCE SHEET  
June 30, 2021

ASSETS

Cash	\$3,630,528.76
Property taxes receivable - net of allowance	13,682.52
Due from state government	67,319.03
Due from county government	19,725.19
Due from others	194,237.35
Demolition receivable	68,107.60
Inventory	<u>40,226.94</u>
 TOTAL ASSETS	 <u><u>\$4,033,827.39</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES	
Accounts payable	\$73,069.48
Accrued salary and fringe	21,437.19
Due to other funds	1,118.11
Court bonds outstanding	4,306.26
Security deposits-wellness center	2,750.00
Revenue received in advance - victim's advocate	16,649.16
Revenue received in advance - L.O.S.T	<u>348,447.59</u>

TOTAL LIABILITIES	<u>467,777.79</u>
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FUND BALANCES

Nonspendable:	
Inventory	40,226.94
Unassigned	<u>3,525,822.66</u>

TOTAL FUND BALANCES	<u>3,566,049.60</u>
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TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$4,033,827.39</u></u>
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City of Dillon, South Carolina  
General Fund  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
REVENUES			
Property tax	\$850,000.00	\$950,470.43	\$100,470.43
Local option sales tax	709,000.00	755,649.69	46,649.69
Delinquent tax	70,000.00	108,717.88	38,717.88
Vehicle tax	121,874.00	136,447.25	14,573.25
Delinquent tax penalties	10,903.00	13,328.38	2,425.38
Motor carrier vehicle tax	35,000.00	41,545.69	6,545.69
Business license	322,000.00	399,029.44	77,029.44
MASC - business license	600,000.00	777,473.26	177,473.26
Construction permits	35,000.00	70,320.79	35,320.79
Code enforcement	100.00	125.00	25.00
Franchise fees	611,000.00	566,882.21	(44,117.79)
Garbage fees	1,429,888.00	1,447,022.96	17,134.96
Lot mowing and demolition	16,000.00	18,973.10	2,973.10
Court fines	90,000.00	65,978.73	(24,021.27)
Victim's assistance	20,390.00	21,211.59	821.59
Interest	4,150.00	408.76	(3,741.24)
State aid	206,677.00	201,547.32	(5,129.68)
State aid/Revenue lost	425,000.00	549,530.69	124,530.69
Miscellaneous	65,000.00	86,954.35	21,954.35
CDBG grant revenue	0.00	344,027.00	344,027.00
JAG grant revenue	0.00	33,726.00	33,726.00
Other grant revenue	0.00	55,000.00	55,000.00
Wellness Center	179,150.00	162,466.75	(16,683.25)
Recreation programs	27,500.00	17,011.00	(10,489.00)
TOTAL REVENUES	5,828,632.00	6,823,848.27	995,216.27
EXPENDITURES			
COUNCIL			
PERSONAL SERVICES			
Salaries and wages	27,000.00	18,126.68	8,873.32
Pensions and retirement	3,250.00	2,233.27	1,016.73
Health insurance	41,402.00	48,822.84	(7,420.84)
Workers compensation	600.00	207.24	392.76
Unemployment compensation	100.00	0.00	100.00
FICA	2,066.00	1,164.91	901.09
COMMODITIES			
Office supplies	600.00	750.28	(150.28)
Books and periodicals	150.00	0.00	150.00
Food	200.00	2,635.52	(2,435.52)
Gas - COA	3,500.00	1,527.42	1,972.58
Janitorial Supplies	2,000.00	2,161.72	(161.72)
CONTRACTUAL			
Telephones and pagers	1,196.00	841.87	354.13
General/tort liability insurance	200,917.00	186,611.00	14,306.00
Travel	2,500.00	2,277.78	222.22
Publications - legal ads	12,000.00	14,916.61	(2,916.61)
Complex and street lighting	230,214.00	231,545.22	(1,331.22)
Dues and subscriptions	3,600.00	3,475.16	124.84
Contractual	21,000.00	17,760.07	3,239.93
Miscellaneous	11,000.00	9,398.49	1,601.51
Election expenses	3,500.00	3,714.75	(214.75)
Training	300.00	0.00	300.00
City-County complex	12,000.00	8,091.02	3,908.98
CAPITAL OUTLAY	0.00	7,250.50	(7,250.50)
TOTAL COUNCIL	579,095.00	563,512.35	15,582.65

City of Dillon, South Carolina  
General Fund  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
FINANCE DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	\$119,397.00	\$121,431.08	(\$2,034.08)
Pensions and retirement	19,758.00	18,765.75	992.25
Health Insurance	10,712.00	11,617.83	(905.83)
Workers compensation	1,286.00	451.00	835.00
FICA	9,211.00	9,013.43	197.57
Overtime	1,000.00	56.10	943.90
COMMODITIES			
Office supplies	4,000.00	4,236.12	(236.12)
Books and periodicals	750.00	1,019.42	(269.42)
Food	100.00	39.67	60.33
CONTRACTUAL			
Telephones and pagers	4,000.00	4,804.51	(804.51)
Freight and express	200.00	35.81	164.19
Printing	7,200.00	7,900.37	(700.37)
Dues and subscriptions	1,000.00	264.00	736.00
Computer software maintenance	7,746.00	7,517.85	228.15
Postage	2,000.00	2,015.00	(15.00)
Contractual services	4,000.00	4,203.08	(203.08)
Computer maintenance	4,246.00	2,886.50	1,359.50
Miscellaneous	500.00	277.42	222.58
Audit	9,000.00	9,000.00	0.00
MAINTENANCE			
Machinery, tools, and equipment	250.00	260.40	(10.40)
TOTAL FINANCE DEPARTMENT	206,356.00	205,795.34	560.66
MUNICIPAL COURT			
PERSONAL SERVICES			
Salaries and wages-full time	39,577.00	40,389.95	(812.95)
Salaries and wages-part time	7,540.00	2,084.00	5,456.00
Pensions and retirement	6,659.00	6,202.21	456.79
Health insurance	10,614.00	7,855.09	2,758.91
Workers compensation	50.00	36.10	13.90
FICA	3,681.00	3,096.22	584.78
Overtime	1,000.00	331.22	668.78
COMMODITIES			
Office supplies	1,500.00	1,451.53	48.47
Food	100.00	0.00	100.00
Janitorial supplies	100.00	16.20	83.80
Nuts, bolts, hand tools, etc.	0.00	2,976.48	(2,976.48)
CONTRACTUAL			
Telephones and pagers	3,000.00	3,175.26	(175.26)
Car allowance/mileage	100.00	0.00	100.00
Printing	100.00	0.00	100.00
Dues and subscriptions	500.00	0.00	500.00
Computer software maintenance	3,500.00	3,500.00	0.00
Postage	1,100.00	1,000.00	100.00
Contractual services	47,000.00	42,677.40	4,322.60
Public defender	1,000.00	0.00	1,000.00
Miscellaneous	500.00	0.00	500.00
In service training/schools	1,250.00	0.00	1,250.00
Juror pay	2,000.00	0.00	2,000.00
MAINTENANCE			
Machinery, tools and equipment	100.00	0.00	100.00
TOTAL MUNICIPAL COURT	130,971.00	114,791.66	16,179.34

City of Dillon, South Carolina  
General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
DOWNTOWN COORDINATOR			
PERSONAL SERVICES			
Salaries and wages-full time	\$0.00	\$1,937.14	(\$1,937.14)
Pensions and retirement	0.00	298.51	(298.51)
Health insurance	0.00	15.31	(15.31)
Workers compensation	0.00	112.50	(112.50)
Unemployment compensation	0.00	3,749.00	(3,749.00)
FICA	0.00	148.19	(148.19)
CONTRACTUAL			
Engineering - CDBG	0.00	2,469.03	(2,469.03)
Administration - CDBG	0.00	24,000.00	(24,000.00)
Contractor - CDBG	0.00	320,026.50	(320,026.50)
Contractual services	0.00	63.41	(63.41)
Facade grants	24,000.00	4,394.90	19,605.10
Consulting service - downtown master plan	0.00	14,307.00	(14,307.00)
<b>TOTAL DOWNTOWN COORDINATOR</b>	<b>24,000.00</b>	<b>371,521.49</b>	<b>(347,521.49)</b>
CITY ATTORNEY			
PERSONAL SERVICES			
Salaries and wages	10,831.00	13,230.84	(2,399.84)
Pensions and retirement	1,778.00	2,038.87	(260.87)
Health insurance	61.00	(6.18)	67.18
FICA	829.00	995.70	(166.70)
<b>TOTAL CITY ATTORNEY</b>	<b>13,499.00</b>	<b>16,259.23</b>	<b>(2,760.23)</b>
CODE ENFORCEMENT DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages-full time	144,642.00	138,994.82	5,647.18
Pensions and retirement	23,933.00	21,252.40	2,680.60
Health insurance	10,993.00	5,784.15	5,208.85
Workers compensation	2,455.00	1,697.01	757.99
Unemployment compensation	0.00	1,071.75	(1,071.75)
FICA	11,157.00	10,496.25	660.75
Overtime	1,100.00	361.05	738.95
Holiday Pay	100.00	0.00	100.00
COMMODITIES			
Office supplies	2,000.00	1,973.89	26.11
Books and periodicals	900.00	972.69	(72.69)
Food	1,000.00	305.52	694.48
Uniform purchase	400.00	0.00	400.00
Gas, oil, diesel	4,000.00	3,485.52	514.48
Nuts, bolts, hand tools, etc.	2,000.00	308.72	1,691.28
Safety equipment	50.00	0.00	50.00
CONTRACTUAL			
Telephones and pagers	6,000.00	5,933.57	66.43
Court costs	150.00	130.00	20.00
Travel	1,500.00	1,040.08	459.92
Publications - legal ads	7,500.00	12,181.42	(4,681.42)
Freight and express	100.00	0.00	100.00
Dues and subscriptions	1,000.00	420.00	580.00
Computer software maintenance	4,000.00	1,651.46	2,348.54
Postage	3,200.00	3,030.00	170.00
Contractual services	19,600.00	4,812.82	14,787.18
Computer maintenance	4,000.00	1,567.50	2,432.50
Miscellaneous	2,800.00	614.17	2,185.83
Demolition	5,000.00	14,767.16	(9,767.16)
Boards and commissions	1,000.00	130.00	870.00
In service training/schools	1,000.00	1,980.00	(980.00)

City of Dillon, South Carolina  
General Fund  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
CODE ENFORCEMENT DEPARTMENT(CONTINUED)			
MAINTENANCE			
Machinery, tool, and equipment	\$150.00	\$0.00	\$150.00
Radio parts and repairs	200.00	0.00	200.00
Motor vehicles	2,000.00	1,228.96	771.04
TOTAL CODE ENFORCEMENT DEPARTMENT	263,930.00	236,190.91	27,739.09
POLICE DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	1,064,246.00	911,213.33	153,032.67
Medical exam	350.00	673.00	(323.00)
Pensions and retirement	215,367.00	181,707.42	33,659.58
Health insurance	174,063.00	148,927.23	25,135.77
Workers compensation	39,000.00	44,685.03	(5,685.03)
Unemployment compensation	5,000.00	0.00	5,000.00
FICA	87,755.00	76,058.04	11,696.96
Overtime	41,866.00	68,227.48	(26,361.48)
Holiday pay	41,000.00	55,681.12	(14,681.12)
COMMODITIES			
Office supplies	2,500.00	1,960.47	539.53
Books and periodicals	100.00	0.00	100.00
Food	2,000.00	716.67	1,283.33
Uniform purchase	12,000.00	15,583.08	(3,583.08)
Gas, oil, diesel	58,500.00	54,433.57	4,066.43
Lab and shop supplies	1,500.00	1,831.28	(331.28)
Janitorial supplies	250.00	95.74	154.26
Nuts, bolts, hand tools, etc.	5,000.00	6,945.13	(1,945.13)
Safety equipment	500.00	0.00	500.00
CONTRACTUAL			
Telephones and pagers	20,000.00	13,184.98	6,815.02
Travel	1,500.00	381.08	1,118.92
Victim's assistance	1,000.00	343.73	656.27
Publications - legal ads	300.00	915.47	(615.47)
Utilities	6,700.00	6,317.73	382.27
Freight and express	150.00	0.00	150.00
Printing	300.00	527.94	(227.94)
Dues and subscriptions	3,000.00	760.00	2,240.00
Computer software maintenance	3,000.00	3,435.00	(435.00)
Contractual services	7,676.00	6,511.19	1,164.81
Miscellaneous	3,500.00	801.86	2,698.14
Prisoner housing	5,000.00	13,300.00	(8,300.00)
In service training/schools	1,500.00	2,125.00	(625.00)
MAINTENANCE			
Police lab building	1,000.00	765.00	235.00
Machinery, tools, and equipment	1,800.00	428.95	1,371.05
Radio parts and repairs	3,000.00	929.49	2,070.51
Motor vehicles	25,000.00	39,668.60	(14,668.60)
DEBT SERVICE			
Principal	31,966.00	28,044.90	3,921.10
Interest	0.00	3,920.61	(3,920.61)
CAPITAL OUTLAY	85,000.00	125,706.21	(40,706.21)
TOTAL POLICE DEPARTMENT	1,952,389.00	1,816,806.33	135,582.67

City of Dillon, South Carolina  
General Fund  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
<b>FIRE DEPARTMENT</b>			
<b>PERSONAL SERVICES</b>			
Salaries and wages	\$181,543.00	\$176,360.08	\$5,182.92
Medical exam	350.00	0.00	350.00
Pensions and retirement	33,730.00	30,587.45	3,142.55
Health insurance	23,706.00	25,366.76	(1,660.76)
Workers compensation	6,600.00	7,259.78	(659.78)
FICA	15,724.00	14,825.15	898.85
Overtime	15,000.00	14,160.96	839.04
Holiday pay	9,000.00	9,885.70	(885.70)
<b>COMMODITIES</b>			
Office supplies	200.00	752.12	(552.12)
Books and periodicals	2,500.00	2,712.00	(212.00)
Food	150.00	0.00	150.00
Uniform purchase	14,000.00	4,204.15	9,795.85
Gas	2,500.00	2,199.06	300.94
Diesel	4,500.00	4,811.45	(311.45)
Janitorial supplies	550.00	775.61	(225.61)
Chemical & first aid	1,600.00	972.00	628.00
Nuts, bolts, hand tools, etc.	4,500.00	4,403.32	96.68
Safety equipment	1,000.00	0.00	1,000.00
<b>CONTRACTUAL</b>			
Telephones and pagers	3,000.00	2,859.87	140.13
Publications - legal ads	100.00	0.00	100.00
Utilities	19,293.00	16,728.61	2,564.39
Dues and subscriptions	1,000.00	0.00	1,000.00
Medical	6,000.00	2,610.00	3,390.00
Contractual services	85,324.00	81,514.00	3,810.00
Miscellaneous	3,000.00	0.00	3,000.00
<b>MAINTENANCE</b>			
Building and grounds	5,000.00	4,723.95	276.05
Machinery, tools, and equipment	2,500.00	7,610.55	(5,110.55)
Radio parts and repairs	500.00	480.15	19.85
Motor vehicles	15,000.00	1,871.94	13,128.06
Smoke detectors	250.00	0.00	250.00
<b>CAPITAL OUTLAY</b>	<b>36,000.00</b>	<b>40,779.78</b>	<b>(4,779.78)</b>
<b>TOTAL FIRE DEPARTMENT</b>	<b>494,120.00</b>	<b>458,454.44</b>	<b>35,665.56</b>
<b>STREET DEPARTMENT</b>			
<b>PERSONAL SERVICES</b>			
Salaries and wages	169,659.00	174,572.62	(4,913.62)
Medical exam	350.00	200.00	150.00
Pensions and retirement	29,630.00	27,917.79	1,712.21
Health insurance	26,598.00	26,759.59	(161.59)
Workers compensation	8,000.00	8,011.24	(11.24)
Unemployment Compensation	1,000.00	0.00	1,000.00
FICA	13,813.00	13,526.00	287.00
Overtime	10,000.00	6,226.71	3,773.29
Holiday pay	900.00	2,799.65	(1,899.65)
<b>COMMODITIES</b>			
Gas	5,500.00	7,175.59	(1,675.59)
Diesel	12,000.00	8,695.71	3,304.29
Chemical and first aid	12,000.00	4,224.39	7,775.61
Nuts, bolts, hand tools, etc.	5,000.00	2,169.44	2,830.56
Safety equipment	500.00	1,999.99	(1,499.99)
<b>CONTRACTUAL</b>			
Dues and subscriptions	100.00	0.00	100.00
Uniform rental	2,500.00	1,989.76	510.24
Miscellaneous	5,000.00	2,242.86	2,757.14



City of Dillon, South Carolina  
General Fund  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
<b>STREET DEPARTMENT(CONTINUED)</b>			
<b>MAINTENANCE</b>			
Machinery, tools, and equipment	\$30,000.00	\$21,444.92	\$8,555.08
Radio parts and repairs	150.00	0.00	150.00
Motor vehicles	15,000.00	9,262.05	5,737.95
Street signs 911	5,000.00	730.54	4,269.46
Street sweeper	5,000.00	9,185.12	(4,185.12)
<b>CAPITAL OUTLAY</b>	26,000.00	27,506.52	(1,506.52)
<b>TOTAL STREET DEPARTMENT</b>	383,700.00	356,640.49	27,059.51
<b>REFUSE COLLECTION</b>			
<b>PERSONAL SERVICES</b>			
Salaries and wages	90,596.00	94,943.43	(4,347.43)
Medical exam	200.00	0.00	200.00
Pensions and retirement	15,852.00	14,745.27	1,106.73
Health insurance	15,941.00	21,132.15	(5,191.15)
Workers compensation	3,900.00	3,758.50	141.50
FICA	7,390.00	6,992.81	397.19
Overtime	4,000.00	942.70	3,057.30
Holiday pay	2,000.00	1,254.30	745.70
<b>COMMODITIES</b>			
Gas	500.00	1,237.74	(737.74)
Diesel	14,000.00	15,380.63	(1,380.63)
Nuts, bolts, hand tools, etc.	500.00	181.51	318.49
<b>CONTRACTUAL</b>			
Uniform rental	1,500.00	1,329.24	170.76
Limbs and leaves	80,000.00	85,004.72	(5,004.72)
Miscellaneous	500.00	120.00	380.00
<b>MAINTENANCE</b>			
Machinery, tools, and equipment	500.00	364.78	135.22
Radio parts and repairs	200.00	0.00	200.00
Motor vehicles	20,000.00	13,127.11	6,872.89
<b>TOTAL REFUSE COLLECTION</b>	257,579.00	260,514.89	(2,935.89)
<b>SANITATION DEPARTMENT</b>			
<b>PERSONAL SERVICES</b>			
Salaries and wages	140,837.00	118,290.25	22,546.75
Medical exam	250.00	305.00	(55.00)
Pensions and retirement	24,884.00	19,835.37	5,048.63
Health insurance	31,404.00	26,466.28	4,937.72
Workers compensation	7,500.00	9,339.60	(1,839.60)
Unemployment compensation	1,000.00	0.00	1,000.00
FICA	11,601.00	9,682.17	1,918.83
Overtime	500.00	1,256.64	(756.64)
Holiday pay	10,300.00	11,505.30	(1,205.30)
<b>COMMODITIES</b>			
Gas	2,000.00	5,354.71	(3,354.71)
Diesel	18,000.00	14,329.86	3,670.14
Nuts, bolts, hand tools, etc.	1,000.00	2,260.31	(1,260.31)
<b>CONTRACTUAL</b>			
Telephones & pagers	700.00	602.29	97.71
Publications - legal ads	300.00	161.53	138.47
Uniform rental	2,500.00	2,593.86	(93.86)
Sanitation truck rental	0.00	14,548.16	(14,548.16)
Miscellaneous	4,000.00	3,008.59	991.41
Dumpsters, roll carts, recycle bins	0.00	24,892.75	(24,892.75)
City sanitation fees	350,000.00	317,137.15	32,862.85
<b>MAINTENANCE</b>			
Machinery, tools, and equipment	5,000.00	12,251.30	(7,251.30)
Radio parts and repairs	250.00	0.00	250.00
Motor vehicles	20,000.00	53,856.90	(33,856.90)

City of Dillon, South Carolina  
General Fund  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
SANITATION DEPARTMENT(CONTINUED)			
DEBT SERVICE			
Principal	\$55,872.00	\$46,918.85	\$8,953.15
Interest	0.00	9,150.68	(9,150.68)
TOTAL SANITATION DEPARTMENT	687,898.00	703,747.55	(15,849.55)
GARAGE			
PERSONAL SERVICES			
Salaries and wages	71,520.00	73,277.27	(1,757.27)
Pensions and retirement	11,786.00	11,505.05	280.95
Health insurance	10,315.00	9,313.99	1,001.01
Workers compensation	2,000.00	1,446.50	553.50
FICA	5,495.00	5,593.93	(98.93)
Overtime	300.00	2,347.88	(2,047.88)
COMMODITIES			
Books and periodicals	100.00	0.00	100.00
Gas	2,000.00	1,117.65	882.35
Diesel	200.00	167.45	32.55
Lab and shop supplies	500.00	1,897.95	(1,397.95)
Janitorial supplies	2,000.00	3,928.03	(1,928.03)
Welding supplies	1,000.00	1,780.64	(780.64)
Nuts, bolts, hand tools, etc.	4,000.00	2,886.05	1,113.95
Safety equipment	50.00	0.00	50.00
CONTRACTUAL			
Utilities	10,000.00	9,549.59	450.41
Uniform rental	1,500.00	1,180.19	319.81
Miscellaneous	500.00	129.29	370.71
MAINTENANCE			
Building and grounds	2,000.00	2,196.64	(196.64)
Machinery, tools, & equipment	300.00	7,217.65	(6,917.65)
Motor vehicles	750.00	93.22	656.78
TOTAL GARAGE	126,316.00	135,628.97	(9,312.97)
PUBLIC WORKS ADMINISTRATION			
PERSONAL SERVICES			
Salaries and wages	106,080.00	89,652.01	16,427.99
Pensions and retirement	17,408.00	13,746.67	3,661.33
Health insurance	10,690.00	7,124.41	3,565.59
Workers compensation	2,000.00	1,598.46	401.54
FICA	8,116.00	6,751.42	1,364.58
COMMODITIES			
Office supplies	1,000.00	852.12	147.88
Food	100.00	245.47	(145.47)
Uniform purchase	400.00	269.52	130.48
Gas	2,500.00	1,709.19	790.81
Diesel	100.00	6.32	93.68
Janitorial supplies	1,000.00	2,038.94	(1,038.94)
CONTRACTUAL			
Telephones and pagers	5,000.00	3,974.52	1,025.48
Publications - legal ads	0.00	171.60	(171.60)
Freight and express	50.00	16.21	33.79
Dues & Subscriptions	1,000.00	539.05	460.95
Contractual	3,176.00	937.08	2,238.92
Computer maintenance	1,000.00	0.00	1,000.00
Miscellaneous	500.00	59.40	440.60
MAINTENANCE			
Machinery, tools, & equipment	100.00	0.00	100.00
Radio parts and repair	100.00	0.00	100.00
Motor vehicles	1,000.00	617.72	382.28
TOTAL PUBLIC WORKS DEPARTMENT	161,320.00	130,310.11	31,009.89

City of Dillon, South Carolina  
General Fund  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
RECREATION ADMINISTRATION DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages-full time	\$135,648.00	\$138,447.07	(\$2,799.07)
Salaries and wages-part time	12,000.00	0.00	12,000.00
Pre-employment physical	250.00	100.00	150.00
Pensions and retirement	22,260.00	21,621.93	638.07
Insurance	28,758.00	34,209.79	(5,451.79)
Workers compensation	2,500.00	2,390.10	109.90
Unemployment compensation	1,000.00	0.00	1,000.00
FICA	11,296.00	10,342.27	953.73
Overtime	0.00	7,769.89	(7,769.89)
COMMODITIES			
Office supplies	700.00	1,034.58	(334.58)
Food	250.00	238.15	11.85
Uniforms	350.00	84.41	265.59
Gas	2,000.00	472.28	1,527.72
Diesel	1,500.00	557.03	942.97
Janitorial supplies	1,000.00	465.98	534.02
Chemicals	22,000.00	10,646.32	11,353.68
Nuts, bolts, hand tools, ammo	3,000.00	3,965.70	(965.70)
CONTRACTUAL			
Telephones and pagers	2,100.00	884.77	1,215.23
Travel-expenses	1,500.00	0.00	1,500.00
Publications	350.00	0.00	350.00
Utilities	30,000.00	31,289.49	(1,289.49)
Printing	100.00	0.00	100.00
Dues and subscriptions	800.00	915.00	(115.00)
Postage	700.00	0.00	700.00
Program supplement	10,676.00	1,648.12	9,027.88
Miscellaneous	1,400.00	215.95	1,184.05
In-serv Training/Schools	200.00	30.00	170.00
MAINTENANCE			
Buildings and grounds	3,000.00	2,159.46	840.54
Machinery and equipment repairs	4,000.00	1,538.86	2,461.14
Motor vehicle repairs	2,000.00	2,627.02	(627.02)
<b>TOTAL RECREATION ADMINISTRATION DEPARTMENT</b>	<b>301,338.00</b>	<b>273,654.17</b>	<b>27,683.83</b>
RECREATION PROGRAMS			
Softball	5,700.00	4,837.26	862.74
Basketball	6,500.00	0.00	6,500.00
Soccer	4,000.00	1,815.77	2,184.23
Volleyball	1,000.00	457.65	542.35
Senior	2,500.00	0.00	2,500.00
Special events	1,650.00	0.00	1,650.00
Donations	1,650.00	600.00	1,050.00
Polar Express trip	5,500.00	0.00	5,500.00
Holiday Goodness Event	3,500.00	1,710.00	1,790.00
Indoor yard sale	500.00	635.00	(135.00)
<b>TOTAL RECREATION PROGRAMS</b>	<b>32,500.00</b>	<b>10,055.68</b>	<b>22,444.32</b>

City of Dillon, South Carolina  
General Fund  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
WELLNESS CENTER			
PERSONAL SERVICES			
Salaries and wages-full time	\$70,440.00	\$28,397.64	\$42,042.36
Salaries and wages-part time	75,000.00	68,155.21	6,844.79
Pensions and retirement	20,250.00	9,915.29	10,334.71
Insurance	11,642.00	9,959.18	1,682.82
Workers compensation	6,500.00	6,204.78	295.22
Unemployment compensation	1,500.00	1,568.50	(68.50)
FICA	11,127.00	7,285.25	3,841.75
Overtime	0.00	19.69	(19.69)
COMMODITIES			
Office supplies	1,500.00	685.65	814.35
Food	200.00	69.22	130.78
Gas, oil, and diesel	1,500.00	86.05	1,413.95
Janitorial supplies	20,000.00	21,767.90	(1,767.90)
Chemical and first aid	1,000.00	106.91	893.09
Nuts, bolts, hand tools, ammo	5,000.00	3,585.70	1,414.30
CONTRACTUAL			
Telephones and pagers	10,000.00	28,565.24	(18,565.24)
Publications	7,000.00	2,640.62	4,359.38
Utilities	80,000.00	61,573.63	18,426.37
Printing	200.00	0.00	200.00
Dues and subscriptions	600.00	0.00	600.00
Computer software maintenance	2,365.00	0.00	2,365.00
Postage	100.00	0.00	100.00
Uniform allowance	580.00	0.00	580.00
Contractual services	13,176.00	5,862.48	7,313.52
Computer maintenance	4,924.00	4,881.15	42.85
Miscellaneous	17,000.00	6,049.09	10,950.91
MAINTENANCE			
Buildings and grounds	15,000.00	22,679.85	(7,679.85)
Machinery and equipment repairs	4,000.00	7,809.20	(3,809.20)
Motor vehicles	1,000.00	0.00	1,000.00
CAPITAL OUTLAY	0.00	63,082.34	(63,082.34)
TOTAL WELLNESS CENTER	381,604.00	360,950.57	20,653.43
BEAUTIFICATION DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	129,112.00	132,491.80	(3,379.80)
Pre-employment physical	350.00	0.00	350.00
Pensions and retirement	21,352.00	20,149.23	1,202.77
Insurance	21,257.00	23,121.28	(1,864.28)
Workers compensation	3,000.00	2,786.50	213.50
FICA	9,954.00	9,734.46	219.54
Overtime	1,000.00	311.74	688.26
COMMODITIES			
Office supplies	2,000.00	0.00	2,000.00
Food	500.00	0.00	500.00
Gas	5,700.00	4,895.37	804.63
Diesel	1,600.00	706.43	893.57
Chemical and first aid	1,000.00	1,218.15	(218.15)
Nuts, bolts, hand tools, ammo	4,000.00	3,789.79	210.21
Safety equipment	200.00	1,999.99	(1,799.99)
CONTRACTUAL			
Uniform allowance	1,800.00	1,772.36	27.64
Miscellaneous	5,000.00	422.00	4,578.00
MAINTENANCE			
Machinery, tools, and equipment	5,000.00	3,656.01	1,343.99
Motor vehicles	1,650.00	6,447.37	(4,797.37)
TOTAL BEAUTIFICATION DEPARTMENT	214,475.00	213,502.48	972.52

City of Dillon, South Carolina  
General Fund  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
TOTAL EXPENDITURES ALL DEPARTMENTS	\$6,211,090.00	\$6,228,336.66	(\$17,246.66)
Excess (deficiency) of revenues over expenditures	(382,458.00)	595,511.61	977,969.61
OTHER FINANCING SOURCES (USES)			
Gain on sale of fixed assets	0.00	500.00	500.00
Debt proceeds	147,000.00	130,558.00	(16,442.00)
Transfers from hospitality tax	207,458.00	212,874.00	5,416.00
Transfers from state accommodations tax	28,000.00	27,458.83	(541.17)
TOTAL OTHER FINANCING SOURCES (USES)	382,458.00	371,390.83	(11,067.17)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	0.00	966,902.44	966,902.44
FUND BALANCE - beginning of year	2,599,147.16	2,599,147.16	0.00
FUND BALANCE - end of year	\$2,599,147.16	\$3,566,049.60	\$966,902.44

City of Dillon, South Carolina  
All Special Revenue Funds  
COMBINING BALANCE SHEET  
June 30, 2021

	Golf Course	Local Hospitality Tax	State A-Tax	Local A-Tax	State Drug Fund	Federal Drug Fund-DEA	Storm Water	Total Special Revenue Funds
<b>ASSETS</b>								
Cash - restricted	\$19,448.18	\$904,882.69	\$31,969.89	\$203,200.30	\$48,362.91	\$100,397.95	\$55,917.55	\$1,364,179.47
Due from state government	0.00	0.00	39,879.34	0.00	0.00	0.00	0.00	39,879.34
Due from federal government	0.00	0.00	0.00	0.00	23,877.74	0.00	87,170.29	111,048.03
Due from other funds	1,118.11	0.00	0.00	0.00	0.00	0.00	0.00	1,118.11
Prepaid expenditures	2,607.20	0.00	0.00	0.00	0.00	0.00	0.00	2,607.20
Inventory	2,002.88	0.00	0.00	0.00	0.00	0.00	0.00	2,002.88
<b>TOTAL ASSETS</b>	<b>\$25,176.37</b>	<b>\$904,882.69</b>	<b>\$71,849.23</b>	<b>\$203,200.30</b>	<b>\$72,240.65</b>	<b>\$100,397.95</b>	<b>\$143,087.84</b>	<b>\$1,520,835.03</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts payable	\$5,348.70	\$0.00	\$0.00	\$450.00	\$229.99	\$8,400.00	\$12,460.48	\$26,889.17
Accrued salary & fringe	1,479.52	0.00	0.00	0.00	0.00	0.00	549.84	2,029.36
Forfeited funds held pending court	0.00	0.00	0.00	0.00	40,327.10	0.00	0.00	40,327.10
<b>TOTAL LIABILITIES</b>	<b>6,828.22</b>	<b>0.00</b>	<b>0.00</b>	<b>450.00</b>	<b>40,557.09</b>	<b>8,400.00</b>	<b>13,010.32</b>	<b>69,245.63</b>
<b>FUND BALANCES</b>								
Nonspendable								
Inventory	2,002.88	0.00	0.00	0.00	0.00	0.00	0.00	2,002.88
Restricted for:								
A-Tax expenditures	0.00	0.00	71,849.23	0.00	0.00	0.00	0.00	71,849.23
Police equipment	0.00	0.00	0.00	0.00	0.00	91,997.95	0.00	91,997.95
Committed to:								
Beautification	0.00	0.00	0.00	202,750.30	0.00	0.00	0.00	202,750.30
Golf course	16,345.27	0.00	0.00	0.00	0.00	0.00	0.00	16,345.27
Storm water	0.00	0.00	0.00	0.00	0.00	0.00	130,077.52	130,077.52
Assigned to:								
Debt service	0.00	904,882.69	0.00	0.00	0.00	0.00	0.00	904,882.69
Police department	0.00	0.00	0.00	0.00	31,683.56	0.00	0.00	31,683.56
<b>TOTAL FUND BALANCES</b>	<b>18,348.15</b>	<b>904,882.69</b>	<b>71,849.23</b>	<b>202,750.30</b>	<b>31,683.56</b>	<b>91,997.95</b>	<b>130,077.52</b>	<b>1,451,589.40</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$25,176.37</b>	<b>\$904,882.69</b>	<b>\$71,849.23</b>	<b>\$203,200.30</b>	<b>\$72,240.65</b>	<b>\$100,397.95</b>	<b>\$143,087.84</b>	<b>\$1,520,835.03</b>

City of Dillon, South Carolina  
All Special Revenue Funds  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
For Fiscal Year Ended June 30, 2021

	Golf Course	Local Hospitality Tax	State A-Tax	Local A-Tax
REVENUES				
FEDERAL				
FEMA Grant	\$0.00	\$0.00	\$0.00	\$0.00
USDA & JAG Grants	0.00	0.00	0.00	0.00
STATE				
Accommodations tax	0.00	0.00	81,132.59	0.00
LOCAL				
Accommodations tax	0.00	0.00	0.00	88,465.11
Hospitality tax	0.00	664,401.01	0.00	0.00
Golf course	265,307.89	0.00	0.00	0.00
Storm water	0.00	0.00	0.00	0.00
Interest	2.81	295.06	5.18	18.76
Miscellaneous	1,165.22	0.00	0.00	8,000.00
TOTAL REVENUES	266,475.92	664,696.07	81,137.77	96,483.87
EXPENDITURES				
Local Hospitality Tax	0.00	376.24	0.00	0.00
State Accommodations Tax	0.00	0.00	56,418.90	0.00
Local Accommodations Tax	0.00	0.00	0.00	58,351.67
Golf Course	442,805.53	0.00	0.00	0.00
State drug fund	0.00	0.00	0.00	0.00
Federal drug fund-DEA	0.00	0.00	0.00	0.00
Storm water	0.00	0.00	0.00	0.00
Debt Service				
Principal retirement	0.00	214,575.05	0.00	0.00
Interest	0.00	24,899.08	0.00	0.00
CAPITAL OUTLAY	27,558.25	55,000.00	0.00	0.00
TOTAL EXPENDITURES	470,363.78	294,850.37	56,418.90	58,351.67
Excess (deficiency) of revenues over over expenditures	(203,887.86)	369,845.70	24,718.87	38,132.20
OTHER FINANCING SOURCES (USES)				
Transfer from (to) other governmental entity	50,000.00	0.00	0.00	0.00
Gain on sale of equipment	0.00	0.00	0.00	0.00
Transfer from (to) general fund	0.00	(212,874.00)	(27,458.83)	0.00
Transfer from (to) special revenue fund	131,616.13	(131,616.13)	0.00	0.00
TOTAL OTHER FINANCING SOURCES (USES)	181,616.13	(344,490.13)	(27,458.83)	0.00
Excess(deficiency) of revenues over expenditures and other financing sources (uses)	(22,271.73)	25,355.57	(2,739.96)	38,132.20
FUND BALANCE (deficit) - beginning of year	40,619.88	879,527.12	74,589.19	164,618.10
FUND BALANCE (deficit) - end of year	\$18,348.15	\$904,882.69	\$71,849.23	\$202,750.30

City of Dillon, South Carolina  
All Special Revenue Funds  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
For Fiscal Year Ended June 30, 2021

	State Drug Fund	Federal Drug Fund DEA	Storm Water	Total Special Revenue Funds
REVENUES				
FEDERAL				
FEMA Grant	\$0.00	\$0.00	\$87,170.29	\$87,170.29
USDA & JAG Grants	23,877.74	0.00	0.00	23,877.74
STATE				
Accommodations tax	0.00	0.00	0.00	81,132.59
LOCAL				
Accommodations tax	0.00	0.00	0.00	88,465.11
Hospitality tax	0.00	0.00	0.00	664,401.01
Golf course	0.00	0.00	0.00	265,307.89
Storm water	0.00	0.00	141,790.00	141,790.00
Interest	9.91	21.74	9.39	362.85
Miscellaneous	5,682.24	0.00	2,632.62	17,480.08
TOTAL REVENUES	29,569.89	21.74	231,602.30	1,369,987.56
EXPENDITURES				
Local Hospitality Tax	0.00	0.00	0.00	376.24
State Accommodations Tax	0.00	0.00	0.00	56,418.90
Local Accommodations Tax	0.00	0.00	0.00	58,351.67
Golf Course	0.00	0.00	0.00	442,805.53
State drug fund	17,636.60	0.00	0.00	17,636.60
Federal drug fund-DEA	0.00	15,961.37	0.00	15,961.37
Storm water	0.00	0.00	199,443.24	199,443.24
Debt Service				
Principal retirement	0.00	0.00	59,429.60	274,004.65
Interest	0.00	0.00	3,013.57	27,912.65
CAPITAL OUTLAY	37,042.58	50,490.86	0.00	170,091.69
TOTAL EXPENDITURES	54,679.18	66,452.23	261,886.41	1,263,002.54
Excess (deficiency) of revenues over over expenditures	(25,109.29)	(66,430.49)	(30,284.11)	106,985.02
OTHER FINANCING SOURCES (USES)				
Transfer from (to) other governmental entity	0.00	0.00	0.00	50,000.00
Gain on sale of equipment	4,255.00	0.00	0.00	4,255.00
Transfer from (to) general fund	0.00	0.00	0.00	(240,332.83)
Transfer from (to) special revenue fund	0.00	0.00	0.00	0.00
TOTAL OTHER FINANCING SOURCES (USES)	4,255.00	0.00	0.00	(186,077.83)
Excess(deficiency) of revenues over expenditures and other financing sources (uses)	(20,854.29)	(66,430.49)	(30,284.11)	(79,092.81)
FUND BALANCE (deficit) - beginning of year	52,537.85	158,428.44	160,361.63	1,530,682.21
FUND BALANCE (deficit) - end of year	\$31,683.56	\$91,997.95	\$130,077.52	\$1,451,589.40



City of Dillon, South Carolina

Golf Course

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
REVENUES			
LOCAL			
Memberships	\$25,000.00	\$25,386.92	\$386.92
Cart fees	108,000.00	165,768.00	57,768.00
Green fees	14,000.00	24,335.00	10,335.00
Range balls	1,500.00	2,335.00	835.00
Tournament fees	20,000.00	20,215.00	215.00
Tournament sponsorships	5,000.00	0.00	(5,000.00)
Locker fees	285.00	1,000.00	715.00
Fishing fees	100.00	1,920.00	1,820.00
Merchandise - sales	24,700.00	24,347.97	(352.03)
Miscellaneous	0.00	1,165.22	1,165.22
Interest	0.00	2.81	2.81
TOTAL REVENUES	198,585.00	266,475.92	67,890.92
EXPENDITURES			
PERSONAL SERVICES			
Salaries - full time	80,000.00	109,495.55	(29,495.55)
Salaries - part time	40,000.00	48,854.13	(8,854.13)
Pensions and retirement	13,621.00	17,031.78	(3,410.78)
Health insurance	15,921.00	15,120.72	800.28
Workers compensation	1,430.00	1,022.32	407.68
FICA	9,410.00	11,795.98	(2,385.98)
Overtime	0.00	535.50	(535.50)
COMMODITIES			
Office supplies	1,000.00	349.10	650.90
Gas	7,500.00	9,873.42	(2,373.42)
Diesel	3,000.00	1,926.86	1,073.14
Janitorial supplies	1,000.00	609.34	390.66
Chemicals	46,492.00	45,944.49	547.51
Nuts, bolts, handtools, etc.	4,000.00	5,684.73	(1,684.73)
CONTRACTUAL			
Telephones & pagers	5,000.00	6,344.50	(1,344.50)
General/tort liability insurance	3,000.00	2,346.00	654.00
Travel	500.00	0.00	500.00
Publications - legal ads	1,000.00	408.70	591.30
Utilities	25,000.00	23,024.44	1,975.56
Dues and subscriptions	500.00	150.00	350.00
Computer software maintenance	4,000.00	0.00	4,000.00
Postage	100.00	0.00	100.00
Uniform allowance	3,500.00	2,591.88	908.12
Contractual services	62,000.00	65,457.37	(3,457.37)
Computer maintenance	3,700.00	3,825.30	(125.30)
Miscellaneous	1,000.00	1,651.93	(651.93)
Sales & admissions tax	15,000.00	17,885.06	(2,885.06)
Cost of merchandise sold	9,300.00	15,754.81	(6,454.81)

City of Dillon, South Carolina  
Golf Course  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
MAINTENANCE			
Buildings & grounds	\$6,000.00	\$3,222.34	\$2,777.66
Equipment	20,000.00	31,899.28	(11,899.28)
CAPITAL OUTLAY	0.00	27,558.25	(27,558.25)
 TOTAL EXPENDITURES	 382,974.00	 470,363.78	 (87,389.78)
 Excess (deficiency) of revenues over expenditures	 (184,389.00)	 (203,887.86)	 (19,498.86)
 OTHER FINANCING SOURCES (USES)			
Transfer from other governmental entity	50,000.00	50,000.00	0.00
Transfer from hospitality tax fund	180,000.00	131,616.13	(48,383.87)
 TOTAL OTHER FINANCING SOURCES (USES)	 230,000.00	 181,616.13	 (48,383.87)
 Excess (deficiency) of revenues over expenditures and other financing sources (uses)	 45,611.00	 (22,271.73)	 (67,882.73)
 FUND BALANCE (deficit) - beginning of year	 40,619.88	 40,619.88	 0.00
 FUND BALANCE (deficit) - end of year	 \$86,230.88	 \$18,348.15	 (\$67,882.73)

City of Dillon, South Carolina  
Local Hospitality Tax  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
REVENUES			
LOCAL			
Hospitality tax	\$591,475.00	\$664,401.01	\$72,926.01
Interest	1,000.00	295.06	(704.94)
	<u>592,475.00</u>	<u>664,696.07</u>	<u>72,221.07</u>
TOTAL REVENUES			
EXPENDITURES			
CONTRACTUAL			
Miscellaneous	0.00	376.24	(376.24)
DEBT SERVICE			
Principal payment	209,915.00	214,575.05	(4,660.05)
Interest payment	29,560.00	24,899.08	4,660.92
CAPITAL OUTLAY	0.00	55,000.00	(55,000.00)
	<u>239,475.00</u>	<u>294,850.37</u>	<u>(55,375.37)</u>
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	<u>353,000.00</u>	<u>369,845.70</u>	<u>16,845.70</u>
OTHER FINANCING SOURCES (USES)			
Transfer (to) General Fund	(210,000.00)	(212,874.00)	(2,874.00)
Transfer (to) Golf Course	(180,000.00)	(131,616.13)	48,383.87
	<u>(390,000.00)</u>	<u>(344,490.13)</u>	<u>45,509.87</u>
TOTAL OTHER FINANCING SOURCES (USES)			
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(37,000.00)	25,355.57	62,355.57
FUND BALANCE - beginning of year	<u>879,527.12</u>	<u>879,527.12</u>	<u>0.00</u>
FUND BALANCE - end of year	<u><u>\$842,527.12</u></u>	<u><u>\$904,882.69</u></u>	<u><u>\$62,355.57</u></u>

City of Dillon, South Carolina  
State Accommodations Tax  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
REVENUES			
STATE			
Accommodations tax	\$85,000.00	\$81,132.59	(\$3,867.41)
LOCAL			
Interest	<u>3.00</u>	<u>5.18</u>	<u>2.18</u>
TOTAL REVENUES	<u>85,003.00</u>	<u>81,137.77</u>	<u>(3,865.23)</u>
EXPENDITURES			
Committee Disbursements	39,000.00	41,666.00	(2,666.00)
Chamber General Advertising	<u>18,000.00</u>	<u>14,752.90</u>	<u>3,247.10</u>
TOTAL EXPENDITURES	<u>57,000.00</u>	<u>56,418.90</u>	<u>581.10</u>
Excess (deficiency) of revenues over expenditures	<u>28,003.00</u>	<u>24,718.87</u>	<u>(3,284.13)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (to) general fund	<u>(28,000.00)</u>	<u>(27,458.83)</u>	<u>541.17</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(28,000.00)</u>	<u>(27,458.83)</u>	<u>541.17</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	3.00	(2,739.96)	(2,742.96)
FUND BALANCE - beginning of year	<u>74,589.19</u>	<u>74,589.19</u>	<u>0.00</u>
FUND BALANCE - end of year	<u><u>\$74,592.19</u></u>	<u><u>\$71,849.23</u></u>	<u><u>(\$2,742.96)</u></u>

City of Dillon, South Carolina  
Local Accommodations Tax  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Budget (GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
REVENUES			
LOCAL			
Accommodations tax	\$85,000.00	\$88,465.11	\$3,465.11
Interest	16.00	18.76	2.76
Miscellaneous	0.00	8,000.00	8,000.00
TOTAL REVENUES	<u>85,016.00</u>	<u>96,483.87</u>	<u>11,467.87</u>
EXPENDITURES			
Beautification	40,116.00	21,451.90	18,664.10
Miscellaneous advertising	5,000.00	2,035.80	2,964.20
Utilities	12,900.00	9,103.61	3,796.39
Parks, recreation, and tourism	27,000.00	25,760.36	1,239.64
TOTAL EXPENDITURES	<u>85,016.00</u>	<u>58,351.67</u>	<u>26,664.33</u>
Excess (deficiency) of revenues over expenditures	<u>0.00</u>	<u>38,132.20</u>	<u>38,132.20</u>
FUND BALANCE - beginning of year	<u>164,618.10</u>	<u>164,618.10</u>	<u>0.00</u>
FUND BALANCE - end of year	<u><u>\$164,618.10</u></u>	<u><u>\$202,750.30</u></u>	<u><u>\$38,132.20</u></u>

City of Dillon, South Carolina  
Storm Water  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
REVENUES			
FEDERAL			
FEMA Grant	\$0.00	\$87,170.29	\$87,170.29
LOCAL			
Storm water fees	138,250.00	141,790.00	3,540.00
Miscellaneous	0.00	2,632.62	2,632.62
Interest	50.00	9.39	(40.61)
TOTAL REVENUES	<u>138,300.00</u>	<u>231,602.30</u>	<u>93,302.30</u>
EXPENDITURES			
PERSONAL SERVICES			
Salaries - full time	57,080.00	57,124.13	(44.13)
Pensions and retirement	9,367.00	8,792.57	574.43
Health insurance	86.00	86.33	(0.33)
Workers compensation	1,500.00	963.18	536.82
FICA	4,367.00	4,439.09	(72.09)
Overtime	0.00	903.01	(903.01)
COMMODITIES			
Diesel	3,500.00	1,566.92	1,933.08
Nuts, bolts, handtools, etc.	3,500.00	34.00	3,466.00
CONTRACTUAL			
General/tort liability insurance	1,000.00	414.00	586.00
Uniform allowance	700.00	885.90	(185.90)
Professional fees	3,000.00	3,301.30	(301.30)
FEMA Hazard Mitigation	0.00	116,227.05	(116,227.05)
Miscellaneous	100.00	8.01	91.99
MAINTENANCE			
Machinery, tools, & equipment	1,000.00	0.00	1,000.00
Equipment rental	6,000.00	3,419.70	2,580.30
Vehicle repairs	1,000.00	1,278.05	(278.05)
DEBT SERVICE			
Principal retirement	62,444.00	59,429.60	3,014.40
Interest	0.00	3,013.57	(3,013.57)
TOTAL EXPENDITURES	<u>154,644.00</u>	<u>261,886.41</u>	<u>(107,242.41)</u>
Excess (deficiency) of revenues over expenditures	<u>(16,344.00)</u>	<u>(30,284.11)</u>	<u>(13,940.11)</u>
FUND BALANCE (deficit) - beginning of year	<u>160,361.63</u>	<u>160,361.63</u>	<u>0.00</u>
FUND BALANCE (deficit) - end of year	<u><u>\$144,017.63</u></u>	<u><u>\$130,077.52</u></u>	<u><u>(\$13,940.11)</u></u>

City of Dillon, South Carolina  
State Drug Fund  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
For Fiscal Year Ended June 30, 2021

REVENUES	
FEDERAL	
USDA Grant	\$14,867.00
JAG Grant	9,010.74
LOCAL	
Miscellaneous	5,682.24
Interest	9.91
	<hr/>
TOTAL REVENUES	29,569.89
	<hr/>
EXPENDITURES	
Miscellaneous	17,636.60
CAPITAL OUTLAY	37,042.58
	<hr/>
TOTAL EXPENDITURES	54,679.18
	<hr/>
Excess (deficiency) of revenues over expenditures	(25,109.29)
	<hr/>
OTHER FINANCING SOURCES (USES)	
Gain on sale of equipment	4,255.00
	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	4,255.00
	<hr/>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(20,854.29)
	<hr/>
FUND BALANCE - beginning of year	52,537.85
	<hr/>
FUND BALANCE - end of year	\$31,683.56
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City of Dillon, South Carolina  
Federal Drug Fund-DEA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
For Fiscal Year Ended June 30, 2021

REVENUES	
LOCAL	
Interest	<u>\$21.74</u>
TOTAL REVENUES	<u>21.74</u>
EXPENDITURES	
Miscellaneous	7,561.37
Rent	8,400.00
CAPITAL OUTLAY	<u>50,490.86</u>
TOTAL EXPENDITURES	<u>66,452.23</u>
Excess (deficiency) of revenues over expenditures	<u>(66,430.49)</u>
FUND BALANCE - beginning of year	<u>158,428.44</u>
FUND BALANCE - end of year	<u><u>\$91,997.95</u></u>



City of Dillon, South Carolina  
Water & Sewer Fund  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
Budget (Non - GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
OPERATING REVENUES			
Back flow fees	\$7,000.00	\$4,680.00	(\$2,320.00)
Lab fees	9,000.00	9,450.00	450.00
Setup fees	12,000.00	11,550.00	(450.00)
Tap fees	5,000.00	28,075.00	23,075.00
Land and water tower rental	14,000.00	17,994.72	3,994.72
Water and sewer sales	3,557,369.00	4,005,383.26	448,014.26
Bad debt recovery	1,200.00	200.08	(999.92)
Miscellaneous	12,000.00	17,900.38	5,900.38
TOTAL OPERATING REVENUES	3,617,569.00	4,095,233.44	477,664.44
OPERATING EXPENSES			
ADMINISTRATION DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	158,646.00	165,188.08	(6,542.08)
Pensions and retirement	26,000.00	29,231.35	(3,231.35)
Health insurance	13,413.00	13,590.10	(177.10)
Workers compensation	3,500.00	3,019.50	480.50
FICA	12,137.00	12,334.16	(197.16)
COMMODITIES			
Office supplies	1,850.00	895.00	955.00
Books and periodicals	350.00	0.00	350.00
Food	325.00	66.44	258.56
Uniform purchase	400.00	450.47	(50.47)
Gas	3,000.00	3,790.15	(790.15)
Diesel	200.00	941.64	(741.64)
Lab and shop supplies	25,000.00	26,108.15	(1,108.15)
Janitorial supplies	1,500.00	1,826.76	(326.76)
Nuts, bolts, handtools, etc.	1,500.00	2,452.35	(952.35)
Safety equipment	1,000.00	7,367.76	(6,367.76)
CONTRACTUAL			
Telephone and pagers	6,000.00	5,800.29	199.71
Travel	200.00	0.00	200.00
Publications-legal ads	100.00	894.60	(794.60)
Freight and express	300.00	80.34	219.66
Printing	500.00	0.00	500.00
Dues and subscriptions	560.00	900.00	(340.00)
Postage	2,000.00	0.00	2,000.00
Computer maintenance	1,300.00	5,024.71	(3,724.71)
Miscellaneous	500.00	37.00	463.00
In service training/schools	1,000.00	2,293.00	(1,293.00)
MAINTENANCE			
Building and grounds	2,000.00	1,613.32	386.68
Machinery, tools and equipment	1,500.00	157.50	1,342.50
Motor vehicles	3,000.00	336.33	2,663.67
CAPITAL OUTLAY	46,000.00	0.00	46,000.00
TOTAL ADMINISTRATION DEPARTMENT	313,781.00	284,399.00	29,382.00

The budget column is presented using the cash basis of accounting.

City of Dillon, South Carolina  
Water & Sewer Fund  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
Budget (Non - GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
<b>WASTEWATER TREATMENT DEPARTMENT</b>			
<b>PERSONAL SERVICES</b>			
Salaries and wages	\$482,879.00	\$427,052.07	\$55,826.93
Medical examinations	300.00	525.00	(225.00)
Pensions and retirement	79,241.00	79,216.93	24.07
Health insurance	68,992.00	76,917.01	(7,925.01)
Workers compensation	10,000.00	7,779.50	2,220.50
Unemployment	2,000.00	0.00	2,000.00
FICA	39,313.00	34,211.60	5,101.40
Overtime	20,000.00	30,569.21	(10,569.21)
Holiday pay	9,000.00	9,265.76	(265.76)
<b>COMMODITIES</b>			
Uniform purchase	200.00	200.04	(0.04)
Gas	18,000.00	18,102.70	(102.70)
Diesel	15,000.00	3,207.78	11,792.22
Chemical and first aid	175,000.00	229,925.12	(54,925.12)
Nuts, bolts, handtools, etc.	15,000.00	12,565.63	2,434.37
<b>CONTRACTUAL</b>			
Telephones and pagers	3,000.00	5,203.63	(2,203.63)
Publications & Ads	200.00	49.70	150.30
Utilities	500,000.00	518,344.09	(18,344.09)
Dues and subscriptions	4,000.00	6,525.00	(2,525.00)
Uniform rental	7,800.00	4,827.59	2,972.41
Contractual services	45,000.00	44,144.62	855.38
Engineering services	50,000.00	32,970.00	17,030.00
Miscellaneous	4,000.00	1,388.19	2,611.81
Contingency	83,623.00	0.00	83,623.00
<b>MAINTENANCE</b>			
Building and grounds	3,000.00	6,894.89	(3,894.89)
Inflow & infiltration	75,000.00	0.00	75,000.00
Sewer line	15,000.00	5,978.64	9,021.36
Sewer line extensions	5,000.00	0.00	5,000.00
Machinery, tools, and equipment	200,000.00	154,808.86	45,191.14
Pump & equipment rental	75,000.00	35,600.91	39,399.09
Motor vehicles	15,200.00	28,652.24	(13,452.24)
Depreciation city/perdue	60,636.00	0.00	60,636.00
<b>CAPITAL OUTLAY</b>	121,500.00	0.00	121,500.00
<b>TOTAL WASTEWATER TREATMENT DEPT.</b>	2,202,884.00	1,774,926.71	427,957.29
<b>WATER TREATMENT DEPARTMENT</b>			
<b>COMMODITIES</b>			
Chemical and first aid	44,100.00	38,556.83	5,543.17
Nuts, bolts, handtools, etc.	4,000.00	8,889.14	(4,889.14)
<b>CONTRACTUAL</b>			
Telephones and pagers	1,500.00	0.00	1,500.00
Publications/Ads	1,200.00	0.00	1,200.00
Utilities	68,000.00	71,434.59	(3,434.59)
Dues and subscriptions	21,000.00	18,051.00	2,949.00
Professional fees	5,000.00	4,655.25	344.75
Engineering services	15,000.00	23,725.00	(8,725.00)

The budget column is presented using the cash basis of accounting.

City of Dillon, South Carolina  
Water & Sewer Fund  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
Budget (Non - GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
WATER TREATMENT DEPARTMENT (CONTINUED)			
Water meters	\$46,000.00	\$76,699.40	(\$30,699.40)
Miscellaneous	600.00	1,785.25	(1,185.25)
MAINTENANCE			
Building and grounds	8,500.00	1,655.27	6,844.73
Water line	20,000.00	21,377.93	(1,377.93)
Water line extensions	5,000.00	0.00	5,000.00
Plant, towers, wells, and reserves	20,000.00	2,350.00	17,650.00
Machinery, tools, and equipment	20,000.00	18,607.14	1,392.86
TOTAL WATER TREATMENT DEPARTMENT	279,900.00	287,786.80	(7,886.80)
CITY MANAGER DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	184,710.00	178,181.29	6,528.71
Pensions and retirement	30,311.00	31,401.65	(1,090.65)
Health insurance	15,840.00	16,242.48	(402.48)
Workers compensation	2,000.00	1,957.84	42.16
FICA	14,131.00	13,255.13	875.87
Overtime	0.00	36.00	(36.00)
COMMODITIES			
Office supplies	1,500.00	2,575.97	(1,075.97)
Books and periodicals	500.00	28.59	471.41
Food	3,000.00	709.03	2,290.97
Gas, oil, diesel	3,000.00	1,841.04	1,158.96
Nuts, bolts, handtools, etc.	0.00	2,178.37	(2,178.37)
CONTRACTUAL			
Telephones and pagers	11,850.00	8,746.23	3,103.77
Travel	3,000.00	845.84	2,154.16
Publications-Legal Ads	100.00	0.00	100.00
Printing	600.00	0.00	600.00
Dues and subscriptions	1,500.00	305.00	1,195.00
Professional fees	50,000.00	41,353.65	8,646.35
Miscellaneous	2,000.00	582.42	1,417.58
MAINTENANCE			
Motor vehicles	1,500.00	742.35	757.65
CAPITAL OUTLAY	36,500.00	0.00	36,500.00
TOTAL CITY MANAGER DEPARTMENT	362,042.00	300,982.88	61,059.12
WATER AND SEWER BILLING DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	91,420.00	103,226.68	(11,806.68)
Medical exam	0.00	70.00	(70.00)
Pensions and retirement	15,823.00	18,546.96	(2,723.96)
Health insurance	18,585.00	19,515.49	(930.49)
Workers compensation	2,000.00	2,294.20	(294.20)
Unemployment compensation	5,000.00	0.00	5,000.00
FICA	7,377.00	7,746.76	(369.76)
Overtime	5,000.00	3,362.11	1,637.89

The budget column is presented using the cash basis of accounting.

City of Dillon, South Carolina  
Water & Sewer Fund  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
Budget (Non - GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
WATER AND SEWER BILLING DEPARTMENT(CONTINUED)			
COMMODITIES			
Office supplies	\$5,000.00	\$4,069.36	\$930.64
Food	50.00	0.00	50.00
Uniform purchase	720.00	719.19	0.81
Gas, oil, diesel	4,000.00	3,385.44	614.56
Nuts, bolts, handtools, etc.	500.00	10,502.50	(10,002.50)
Safety equipment	100.00	0.00	100.00
CONTRACTUAL			
Publications & Ads	0.00	716.82	(716.82)
Travel	200.00	0.00	200.00
Printing	8,700.00	6,269.80	2,430.20
Dues and subscriptions	100.00	45.00	55.00
Computer software maintenance	20,000.00	14,691.51	5,308.49
Postage	22,416.00	18,245.00	4,171.00
Invoice cloud	700.00	19,833.26	(19,133.26)
Computer Maintenance	8,000.00	2,803.00	5,197.00
Miscellaneous	12,000.00	12,673.41	(673.41)
MAINTENANCE			
Machinery, tools, and equipment	500.00	139.30	360.70
Motor vehicles	2,000.00	425.91	1,574.09
	<u>230,191.00</u>	<u>249,281.70</u>	<u>(19,090.70)</u>
TOTAL WATER AND SEWER BILLING DEPT.			
INSURANCE DEPARTMENT			
Vehicle, bond, etc.	79,487.00	74,927.00	4,560.00
	<u>79,487.00</u>	<u>74,927.00</u>	<u>4,560.00</u>
TOTAL INSURANCE DEPARTMENT			
SLUDGE HAULING DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	30,620.00	32,333.89	(1,713.89)
Pensions and retirement	6,666.00	6,732.05	(66.05)
Health insurance	5,327.00	5,927.32	(600.32)
Workers compensation	800.00	0.00	800.00
FICA	3,108.00	2,911.51	196.49
Overtime	5,000.00	6,183.95	(1,183.95)
Holiday pay	5,000.00	109.35	4,890.65
COMMODITIES			
Gas	7,000.00	505.92	6,494.08
Diesel	20,000.00	8,458.34	11,541.66
CONTRACTUAL			
Uniform rental	500.00	456.16	43.84
Sludge hauling	78,000.00	85,642.42	(7,642.42)
Miscellaneous	4,000.00	428.94	3,571.06
MAINTENANCE			
Motor vehicles	10,000.00	6,514.07	3,485.93
	<u>176,021.00</u>	<u>156,203.92</u>	<u>19,817.08</u>
TOTAL SLUDGE HAULING DEPARTMENT			

The budget column is presented using the cash basis of accounting.

City of Dillon, South Carolina  
Water & Sewer Fund  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
Budget (Non - GAAP Basis) and Actual  
For Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance to Final Budget
OTHER OPERATING EXPENSES			
Depreciation	\$0.00	\$1,331,259.41	(\$1,331,259.41)
Bad debts	0.00	27,394.46	(27,394.46)
TOTAL OTHER OPERATING EXPENSES	0.00	1,358,653.87	(1,358,653.87)
TOTAL OPERATING EXPENSES	3,644,306.00	4,487,161.88	(842,855.88)
NET INCOME (LOSS) FROM OPERATIONS	(26,737.00)	(391,928.44)	(365,191.44)
NONOPERATING REVENUES (EXPENSES)			
Grant contributions	0.00	196,024.73	196,024.73
Interest earned	30,000.00	21,642.42	(8,357.58)
Interest expense	(63,899.00)	(7,617.95)	56,281.05
TOTAL NONOPERATING REVENUES (EXPENSES)	(33,899.00)	210,049.20	243,948.20
OTHER FINANCING SOURCES (USES)			
Gain on sale of fixed assets	0.00	3,629.00	3,629.00
Depreciation account funding (Perdue)	60,636.00	60,636.00	0.00
TOTAL OTHER FINANCING SOURCES (USES)	60,636.00	64,265.00	3,629.00
CHANGE IN NET POSITION	0.00	(117,614.24)	(117,614.24)
NET POSITION - beginning of year	26,379,045.26	26,379,045.26	0.00
NET POSITION - end of year	\$26,379,045.26	\$26,261,431.02	(\$117,614.24)

The budget column is presented using the cash basis of accounting.

# KENNETH COBB & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Mayor and Members of City Council  
City of Dillon, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the major fund, and the aggregate remaining fund information of the City of Dillon as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Dillon's basic financial statements and have issued our report thereon dated May 16, 2022.

### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. These significant deficiencies are reported as findings #2021-001 and #2021-002.

## Compliance and Other Matters

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

## City of Dillon's Responses to Findings

The City of Dillon's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City of Dillon's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## Purpose of this Report

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

*Kenneth Cobb & Company P.C.*

Kenneth Cobb & Company, P.C.  
Mullins, South Carolina  
May 16, 2022

City of Dillon, South Carolina  
**SCHEDULE OF FINDINGS AND RESPONSES**  
For the fiscal year ended June 30, 2021

**FINDINGS – FINANCIAL STATEMENTS AUDIT**

**SIGNIFICANT DEFICIENCY**

**#2021-001 Preparation of annual financial statements and disclosures (previously reported)**

Condition: The City does not prepare its annual financial statements or note disclosures. The City's staff, works with the auditor in the preparation and subsequently reviews and approves the financial statements and note disclosures before issuance.

Criteria: Internal controls should be in place that provide reasonable assurance that the financial statements are free of material misstatements and that the independent auditor is not part of this control system.

Cause: The City staff does not have the time to prepare the City's financial statements efficiently.

Effect: The City relies on the auditor to prepare the financial statements and the note disclosures and then they review the final product. Caution must be exercised so that the auditor is not deemed to be part of the control system.

Recommendation: The City can accept this condition and concentrate on the review and approval process or prepare all financial statements and note disclosures in house or hire an outside source to prepare the financial statements and note disclosures.

Views of Responsible Officials and Planned Corrective Actions: The Finance Director will continue to review and approve the financial statements and disclosures. The City does not wish to hire an outside source at this time.

**#2021-002 Inadequate segregation of duties (previously reported)**

Condition: Due to a small staff size, the City does not have complete segregation of duties.

Criteria: The ideal internal control system would not allow one person to perform a transaction from beginning to end.

Cause: There are insufficient personnel to properly segregate all financial functions of the City.

Effect: An error in financial reporting may not be detected in a timely manner or the misappropriation of assets could be concealed.

Recommendation: We recommend that the Mayor, City Council and management use supervisory reviews such as monitoring financial statements and budget reports, and segregate duties where cost beneficial to do so.

Views of Responsible Officials and Planned Corrective Actions: Whenever it becomes cost effective the City will segregate duties. The Finance Director and City Manager provide monthly statements and budget reports to the Mayor and Council to review and ask questions.