

City of Dillon, South Carolina

**BASIC FINANCIAL
STATEMENTS AND
SUPPLEMENTAL INFORMATION**

June 30, 2022

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CITY OF DILLON

City Officials

TITLE

NAME

Mayor	Honorable J. Corey Jackson
Mayor Pro-Tem	Phil Wallace, M.D.
Council Member	Douglas Jackson
Council Member	Johnny Eller
Council Member	James Washington
Council Member	Jay David
Council Member	Tim Cousar
City Manager	Glen Wagner
City Attorney	Janet Paschal
Finance Director	Janet Bethea
Clerk of Council	Tina Scott
Chief of Police	David Lane
Sanitation/Street Supervisor	Burt Rogers
Wastewater Supervisor	Hardy Jackson
Code Enforcement Director	Benny Genwright
Fire Chief	Keith Bailey

KENNETH COBB & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dillon, South Carolina as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dillon as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Dillon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Dillon's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

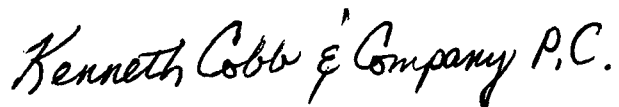
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the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

Supplementary 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 and the Uniform Schedule of Court Fines, Assessments, and Surcharges, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 March 31, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City of Dillon's 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.

A handwritten signature in black ink that reads "Kenneth Cobb & Company P.C." in a cursive script.

Kenneth Cobb & Company, P.C.
Mullins, South Carolina
March 31, 2023

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, 2022. 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, 2022 by \$32.8 million (net position). Of this amount, \$3.9 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 \$1.7 million deficit for governmental activities and \$635,287 excess for business-type activities. The remaining \$29.9 million of net position is for the City's net investment in capital assets.
- The City's total net position increased by \$1,454,347.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5.3 million, an increase of \$406,042 in comparison with the prior year. Approximately 68 percent of this total or \$3.6 million is unassigned fund balance.
- The City's total capital assets increased by approximately \$398,000 during the current fiscal year due to capital asset additions of approximately \$2.3 million offset by depreciation/amortization expense of approximately \$1.9 million.
- The City's total debt increased by \$83,349 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. 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

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

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 two major governmental funds for presentation purposes: the general fund and the American Rescue Plan Act fund. The City's other nonmajor governmental fund details are shown in the supplemental section of the financial statements.

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.

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

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 \$32.8 million at the close of the most recent fiscal year.

The largest portion of the City's net position \$29.9 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, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current Assets	\$7,044	\$5,291	\$5,269	\$4,661	\$12,313	\$9,952
Capital Assets (net)	7,635	7,105	24,309	24,441	31,944	31,546
Other Assets	102	262	0	0	102	262
Total Assets	<u>14,781</u>	<u>12,658</u>	<u>29,578</u>	<u>29,102</u>	<u>44,359</u>	<u>41,760</u>
Deferred Outflow of Resources						
Deferred Pension Charges	<u>979</u>	<u>1,038</u>	<u>337</u>	<u>357</u>	<u>1,316</u>	<u>1,395</u>
Liabilities						
Long Term Liabilities	6,611	7,496	2,612	2,793	9,223	10,289
Other Liabilities	<u>1,823</u>	<u>553</u>	<u>171</u>	<u>59</u>	<u>1,994</u>	<u>612</u>
Total Liabilities	<u>8,434</u>	<u>8,049</u>	<u>2,783</u>	<u>2,852</u>	<u>11,217</u>	<u>10,901</u>
Deferred Inflow of Resources						
Deferred Lease Receivable	0	0	195	199	195	199
Deferred Pension Credits	<u>1,073</u>	<u>445</u>	<u>360</u>	<u>147</u>	<u>1,433</u>	<u>592</u>
	1,073	445	555	346	1,628	791
Net Position						
Net Investment in Capital Assets	6,272	5,711	23,670	23,916	29,942	29,627
Restricted	1,699	1,452	2,272	2,029	3,971	3,481
Unrestricted(deficit)	<u>(1,718)</u>	<u>(1,961)</u>	<u>635</u>	<u>316</u>	<u>(1,083)</u>	<u>(1,645)</u>
Total Net Position	<u>\$6,253</u>	<u>\$5,202</u>	<u>\$26,577</u>	<u>\$26,261</u>	<u>\$32,830</u>	<u>\$31,463</u>

A portion of the City's net position (12 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 \$1.5 million. Approximately 15 percent of the City's total revenue came from property taxes, while 17 percent resulted from grants and contributions (including state and federal aid). Charges for various goods and services provided 61 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, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues:						
Charges for Services	\$3,985	\$3,954	\$4,408	\$4,077	\$8,393	\$8,031
Grants & Contributions						
Operating	1,327	1,514	59	0	1,386	1,514
Capital	310	213	609	196	919	409
General Revenues:						
Taxes	2,085	2,006	0	0	2,085	2,006
Investment Earnings	4	1	16	22	20	23
Hospitality Tax	713	664	0	0	713	664
Other	108	104	85	78	193	182
Gain/(loss) on Sale/Disposal	55	5	1	4	56	9
Total Revenues	<u>8,587</u>	<u>8,461</u>	<u>5,178</u>	<u>4,377</u>	<u>13,765</u>	<u>12,838</u>
Expenses						
General Government	1,685	1,925	0	0	1,685	1,925
Public Safety	2,646	2,473	0	0	2,646	2,473
Highways & Streets	900	861	0	0	900	861
Sanitation	700	690	0	0	700	690
Accommodation Tax	147	115	0	0	147	115
Parks & Recreation	727	715	0	0	727	715
Golf Course	409	450	0	0	409	450
Hospitality Tax	10	0	0	0	10	0
American Rescue Plan Act	189	0	0	0	189	0
Interest & Other Charges	36	38	0	0	36	38
Water & Sewer	0	0	4,861	4,495	4,861	4,495
Total Expenses	<u>7,449</u>	<u>7,267</u>	<u>4,861</u>	<u>4,495</u>	<u>12,310</u>	<u>11,762</u>
Change in Net Position	1,138	1,194	317	(118)	1,455	1,076
Net Position, Beginning of Year	5,202	4,008	26,261	26,379	31,463	30,387
Prior Period Adjustment	<u>(87)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(87)</u>	<u>0</u>
Net Position, End of Year	<u><u>\$6,253</u></u>	<u><u>\$5,202</u></u>	<u><u>\$26,578</u></u>	<u><u>\$26,261</u></u>	<u><u>\$32,831</u></u>	<u><u>\$31,463</u></u>

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

Governmental activities

Total revenues increased \$126,000 compared to the prior year. This was caused by increases to most areas of revenues. Total expenses increased \$182,000 compared to the prior year. The City showed an increase in net position of approximately \$1.1 million.

Business-type activities

Total revenues increased \$801,000 compared to the prior year. This increase was caused by increases to all areas of revenues. Total expenses increased \$366,000. This increase occurred mostly in the wastewater treatment department. The City had an increase in net position of approximately \$317,000.

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 \$5.3 million. As a measure of liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. An unassigned fund balance of \$3.6 million represents 45 percent of total governmental fund expenditures.

The fund balance of the City's general fund increased by approximately \$179,000 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, 2022.

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

- Actual revenues of approximately \$6,462,000 exceeded budget by \$460,000. Property taxes were \$143,000 and licenses and permits were \$189,000 over budget and grant revenues of \$24,000 were not budgeted.

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

- Actual expenditures of approximately \$6,504,000 was under budget by \$71,000. The department with the largest under budget amount was capital outlay \$102,000. This was created when some of the equipment budgeted did not arrive before the end of the fiscal year.

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, 2022, amounts to \$71.3 million, less accumulated depreciation of \$39.4 million, leaving a net book value of \$31.90 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 increase in the City's investment in fixed assets for the current fiscal year was approximately \$305,000. Actual expenditures to purchase or construct capital assets was \$2.2 million for the year. The City's total depreciation expense of \$1.9 million was netted with the following assets that were added to the depreciation schedule: police- vehicle accessories; fire - air compressor and drone; sanitation - 2 garbage trucks; wellness center - ice machine; golf course - top dresser; hospitality tax - railroad ave land; state drug - e-911 software; 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 \$310,000 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 increased by \$83,349 during the current year. Debt was added in the governmental activities for the purchase of garbage truck and on the business-type activities for the Hillside Drive Rehab project. Additional information on the City's long-term debt obligations can be found in Note 2F 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, 2023. The following are some of the factors considered in preparing this budget:

- Increased sanitation rates by 10%.
- The increases to the above revenue is 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, 2022

ASSETS	Governmental Activities	Business-type Activities	Total
Cash	\$3,764,366.13	\$2,167,377.46	\$5,931,743.59
Cash - restricted	2,781,015.26	2,272,323.04	5,053,338.30
Receivables			
Taxes (net of allowance)	15,271.61	0.00	15,271.61
Due from county government	15,329.11	0.00	15,329.11
Due from state government	354,308.96	106,426.28	460,735.24
Due from federal government	10,607.00	0.00	10,607.00
Accounts (net of allowance)	0.00	470,588.74	470,588.74
Due from (to) other funds	(11,673.29)	11,673.29	0.00
Other	102,184.99	0.00	102,184.99
Long term lease receivables			
Due within one year	0.00	18,558.60	18,558.60
Due in more than one year	0.00	98,511.30	98,511.30
Inventory	112,274.97	124,247.40	236,522.37
Prepaid expenses	2,607.20	0.00	2,607.20
Land	1,333,528.10	2,022,432.27	3,355,960.37
Construction in progress	37,539.65	699,011.33	736,550.98
Right to use assets (net)	91,813.61	0.00	91,813.61
Depreciable fixed assets (net)	6,171,667.67	21,587,190.83	27,758,858.50
TOTAL ASSETS	14,780,840.97	29,578,340.54	44,359,181.51
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension charges	979,061.00	337,310.00	1,316,371.00
LIABILITIES			
Accounts payable	118,172.28	154,851.89	273,024.17
Accrued salary and fringe	35,440.98	15,102.61	50,543.59
Court bonds outstanding	3,913.15	0.00	3,913.15
Forfeited funds held pending court	50,318.10	0.00	50,318.10
Security deposit-Wellness Center	1,500.00	0.00	1,500.00
Revenue received in advance	1,600,436.67	0.00	1,600,436.67
Interest payable	12,902.38	973.98	13,876.36
Long term liabilities			
Due within one year	406,561.86	133,301.39	539,863.25
Due in more than one year	956,312.05	505,004.27	1,461,316.32
Compensated absences	283,002.65	98,233.91	381,236.56
Net pension liability	4,965,143.00	1,659,669.00	6,624,812.00
Customer deposits	0.00	215,478.43	215,478.43
TOTAL LIABILITIES	8,433,703.12	2,782,615.48	11,216,318.60
DEFERRED INFLOWS OF RESOURCES			
Deferred lease receivable	0.00	194,653.47	194,653.47
Deferred pension credits	1,073,381.00	360,443.00	1,433,824.00
	1,073,381.00	555,096.47	1,628,477.47
NET POSITION			
Net investment in capital assets	6,271,675.12	23,670,328.77	29,942,003.89
Restricted for:			
Special Revenue	1,699,165.14	0.00	1,699,165.14
Debt Service	0.00	164,946.01	164,946.01
Capital Replacement	0.00	2,107,377.03	2,107,377.03
Unrestricted(Deficit)	(1,718,022.41)	635,286.78	(1,082,735.63)
TOTAL NET POSITION	\$6,252,817.85	\$26,577,938.59	\$32,830,756.44

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, 2022

Functions/Programs	Expenses	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	\$1,685,309.80	\$1,771,868.52	\$711,122.90	\$0.00	\$797,681.62		\$797,681.62
Public safety	2,645,485.42	87,309.02	49,778.79	0.00	(2,508,397.61)		(2,508,397.61)
Highways and streets	899,662.03	140,231.71	0.00	0.00	(759,430.32)		(759,430.32)
Sanitation	699,591.52	1,531,675.13	0.00	0.00	832,083.61		832,083.61
Accommodations tax	147,126.11	0.00	188,097.53	0.00	40,971.42		40,971.42
Parks and recreation	726,891.30	177,644.27	0.00	0.00	(549,247.03)		(549,247.03)
Golf course	409,102.15	275,897.72	50,000.00	310,000.00	226,795.57		226,795.57
Hospitality tax	10,354.16	0.00	0.00	0.00	(10,354.16)		(10,354.16)
American rescue plan act	189,313.56	0.00	328,524.27	0.00	139,210.71		139,210.71
Interest on long term debt	35,973.18	0.00	0.00	0.00	(35,973.18)		(35,973.18)
Total governmental activities	<u>7,448,809.23</u>	<u>3,984,626.37</u>	<u>1,327,523.49</u>	<u>310,000.00</u>	<u>(1,826,659.37)</u>		<u>(1,826,659.37)</u>
Business-type activities:							
Water and Sewer	<u>4,861,340.50</u>	<u>4,407,742.21</u>	<u>59,432.38</u>	<u>609,299.40</u>		<u>\$215,133.49</u>	<u>215,133.49</u>
Total primary government	<u>\$12,310,149.73</u>	<u>\$8,392,368.58</u>	<u>\$1,386,955.87</u>	<u>\$919,299.40</u>	<u>(1,826,659.37)</u>	<u>215,133.49</u>	<u>(1,611,525.88)</u>
General revenues:							
Property taxes					2,084,650.45	0.00	2,084,650.45
Hospitality tax					712,998.00	0.00	712,998.00
Unrestricted investment earnings					4,198.65	15,982.00	20,180.65
Miscellaneous					107,719.83	24,106.08	131,825.91
Gain (Loss) on sale or disposal of fixed assets					54,932.33	650.00	55,582.33
Depreciation account funding					0.00	60,636.00	60,636.00
Total general revenues and transfers					<u>2,964,499.26</u>	<u>101,374.08</u>	<u>3,065,873.34</u>
Change in net position					1,137,839.89	316,507.57	1,454,347.46
Net position, beginning of year					5,202,148.25	26,261,431.02	31,463,579.27
Prior period adjustment					(87,170.29)	0.00	(87,170.29)
Net position, end of year					<u>\$6,252,817.85</u>	<u>\$26,577,938.59</u>	<u>\$32,830,756.44</u>

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, 2022

	General Fund	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$3,764,366.13	\$0.00	\$0.00	\$3,764,366.13
Cash - restricted	0.00	1,182,989.97	1,598,025.29	2,781,015.26
Receivables				
Taxes - net of allowance	15,271.61	0.00	0.00	15,271.61
Due from federal government	0.00	0.00	10,607.00	10,607.00
Due from state government	313,003.83	0.00	41,305.13	354,308.96
Due from county government	15,329.11	0.00	0.00	15,329.11
Due from others	102,184.99	0.00	0.00	102,184.99
Prepaid expenditures	0.00	0.00	2,607.20	2,607.20
Inventory	108,177.29	0.00	4,097.68	112,274.97
TOTAL ASSETS	<u>\$4,318,332.96</u>	<u>\$1,182,989.97</u>	<u>\$1,656,642.30</u>	<u>\$7,157,965.23</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$107,050.24	\$0.00	\$11,122.04	\$118,172.28
Accrued salary and fringe	32,542.96	0.00	2,898.02	35,440.98
Due to other funds	10,357.00	0.00	1,316.29	11,673.29
Forfeited funds held pending court	0.00	0.00	50,318.10	50,318.10
Court bonds outstanding	3,913.15	0.00	0.00	3,913.15
Security deposits-wellness center	1,500.00	0.00	0.00	1,500.00
Revenue received in advance - Grants	95,425.00	1,182,989.97	0.00	1,278,414.97
Revenue received in advance - victim's advocate	24,346.22	0.00	0.00	24,346.22
Revenue received in advance - L.O.S.T.	297,675.48	0.00	0.00	297,675.48
TOTAL LIABILITIES	<u>572,810.05</u>	<u>1,182,989.97</u>	<u>65,654.45</u>	<u>1,821,454.47</u>
FUND BALANCES				
Nonspendable				
Inventory	108,177.29	0.00	4,097.68	112,274.97
Restricted for:				
A-Tax expenditures	0.00	0.00	83,105.54	83,105.54
Police equipment	0.00	0.00	86,107.47	86,107.47
Committed to:				
Beautification	0.00	0.00	228,183.83	228,183.83
Golf course	0.00	0.00	9,351.62	9,351.62
Storm water	0.00	0.00	165,509.63	165,509.63
Assigned to:				
Debt service	0.00	0.00	967,784.86	967,784.86
Police department	0.00	0.00	46,847.22	46,847.22
Unassigned	3,637,345.62	0.00	0.00	3,637,345.62
TOTAL FUND BALANCES	<u>3,745,522.91</u>	<u>0.00</u>	<u>1,590,987.85</u>	<u>5,336,510.76</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$4,318,332.96</u>	<u>\$1,182,989.97</u>	<u>\$1,656,642.30</u>	<u>\$7,157,965.23</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, 2022

Fund Balances - total governmental funds	\$5,336,510.76
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 - land	1,333,528.10
Add - construction in progress	37,539.65
Add - right to use assets	120,063.95
Deduct - accumulated amortization	(28,250.34)
Add - depreciable assets	12,815,012.60
Deduct - accumulated depreciation	(6,643,344.93)
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	(12,902.38)
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	(1,269,204.37)
Deduct - leases payable	(93,669.54)
Deduct - compensated absences	(283,002.65)
Deduct - net pension liability and net deferred inflow/outflow	(5,059,463.00)
Net position of governmental activities	<u>\$6,252,817.85</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, 2022

	General Fund	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$2,084,650.45	\$0.00	\$0.00	\$2,084,650.45
Licenses and permits	1,762,283.36	0.00	0.00	1,762,283.36
State aid	711,122.90	0.00	0.00	711,122.90
Charges for services	1,562,549.29	0.00	0.00	1,562,549.29
Fines and forfeits	87,309.02	0.00	0.00	87,309.02
Wellness Center	156,355.27	0.00	0.00	156,355.27
Interest	1,338.16	2,517.06	343.43	4,198.65
Other revenues	72,927.95	0.00	34,791.88	107,719.83
Grants	23,865.53	328,524.27	1,596.26	353,986.06
Storm water	0.00	0.00	140,231.71	140,231.71
Accommodations tax	0.00	0.00	188,097.53	188,097.53
Drug funds	0.00	0.00	24,317.00	24,317.00
Golf course	0.00	0.00	275,897.72	275,897.72
Hospitality tax	0.00	0.00	712,998.00	712,998.00
TOTAL REVENUES	6,462,401.93	331,041.33	1,378,273.53	8,171,716.79
EXPENDITURES				
DEPARTMENT				
Council	645,138.72	0.00	0.00	645,138.72
Finance	225,642.26	0.00	0.00	225,642.26
Municipal court	116,249.96	0.00	0.00	116,249.96
Downtown coordinator	77,586.43	0.00	0.00	77,586.43
City attorney	27,772.42	0.00	0.00	27,772.42
Code enforcement	247,305.43	0.00	0.00	247,305.43
Police	1,863,633.10	0.00	0.00	1,863,633.10
Fire	507,161.33	0.00	0.00	507,161.33
Street	385,631.76	0.00	0.00	385,631.76
Refuse collection	277,201.96	0.00	0.00	277,201.96
Sanitation	644,022.89	0.00	0.00	644,022.89
Garage	136,063.97	0.00	0.00	136,063.97
Public works	167,701.99	0.00	0.00	167,701.99
Parks and recreation	233,251.20	0.00	0.00	233,251.20
Recreation programs	24,431.70	0.00	0.00	24,431.70
Wellness Center	349,286.12	0.00	0.00	349,286.12
Beautification	166,431.86	0.00	0.00	166,431.86
Local Hospitality Tax	0.00	0.00	10,354.16	10,354.16
Storm water	0.00	0.00	195,900.91	195,900.91
Accommodations tax	0.00	0.00	147,126.11	147,126.11
Drug funds	0.00	0.00	14,654.29	14,654.29

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, 2022

	General Fund	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Golf course	\$0.00	\$0.00	\$386,808.45	\$386,808.45
American rescue plan	0.00	189,313.56	0.00	189,313.56
Capital Outlay	293,065.17	141,727.77	201,570.92	636,363.86
DEBT SERVICE				
Principal retirement	102,285.43	0.00	306,632.49	408,917.92
Interest	14,101.32	0.00	26,515.39	40,616.71
TOTAL EXPENDITURES	<u>6,503,965.02</u>	<u>331,041.33</u>	<u>1,289,562.72</u>	<u>8,124,569.07</u>
Excess (deficiency) of revenues over expenditures	(41,563.09)	0.00	88,710.81	47,147.72
OTHER FINANCING SOURCES (USES)				
Transfer from (to) other governmental entity	0.00	0.00	45,676.00	45,676.00
Debt proceeds	258,286.00	0.00	0.00	258,286.00
Gain on sale of fixed assets	39,100.00	0.00	15,832.33	54,932.33
Transfers from other funds	163,650.40	0.00	330,000.00	493,650.40
Transfers to other funds	<u>(240,000.00)</u>	<u>0.00</u>	<u>(253,650.40)</u>	<u>(493,650.40)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>221,036.40</u>	<u>0.00</u>	<u>137,857.93</u>	<u>358,894.33</u>
Excess (deficiency) of revenues over expenditures and other financing sources	179,473.31	0.00	226,568.74	406,042.05
FUND BALANCE - beginning of year	3,566,049.60	0.00	1,451,589.40	5,017,639.00
Prior period adjustment	<u>0.00</u>	<u>0.00</u>	<u>(87,170.29)</u>	<u>(87,170.29)</u>
FUND BALANCE - end of year	<u>\$3,745,522.91</u>	<u>\$0.00</u>	<u>\$1,590,987.85</u>	<u>\$5,336,510.76</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, 2022

Total net change in fund balance-governmental funds	\$406,042.05
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 or amortization expense.	
Add - capital outlay additions to depreciation schedule	636,363.86
Deduct - depreciation expense	(508,294.92)
Deduct - amortization expense	(28,250.34)
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	310,000.00
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	(258,286.00)
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	408,917.92
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	4,643.53
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	(13,983.21)
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.	
Add - change in net pension liability and deferred inflows/outflows	180,687.00
Change in net position of governmental activities	<u><u>\$1,137,839.89</u></u>

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, 2022

	Business-Type Activities - Enterprise Fund Water and Sewer
ASSETS	
Cash	\$2,167,377.46
Cash - restricted	2,272,323.04
Accounts receivable (net of allowance)	470,588.74
Due from state	106,426.28
Due from other funds	11,673.29
Lease receivable-due within one year	18,558.60
Lease receivable-due in more than one year	98,511.30
Inventory	124,247.40
Land	2,022,432.27
Construction in progress	699,011.33
Property, plant, and equipment (net)	21,587,190.83
	<hr/>
TOTAL ASSETS	29,578,340.54
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension charges	337,310.00
	<hr/>
LIABILITIES	
Accounts payable	154,851.89
Accrued salary and fringe	15,102.61
Compensated absences payable	98,233.91
Interest payable	973.98
Bonds payable-due within one year	133,301.39
Bonds payable-due in more than one year	505,004.27
Net pension liability	1,659,669.00
Customer deposits	215,478.43
	<hr/>
TOTAL LIABILITIES	2,782,615.48
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DEFERRED INFLOWS OF RESOURCES	
Deferred lease receivable	194,653.47
Deferred pension credits	360,443.00
	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	555,096.47
	<hr/>
NET POSITION	
Net investment in capital assets	23,670,328.77
Restricted for debt service	164,946.01
Restricted for capital replacement	2,107,377.03
Unrestricted	635,286.78
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TOTAL NET POSITION	\$26,577,938.59
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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 REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For Fiscal Year Ended June 30, 2022

	Business-Type Activities - Enterprise Fund Water and Sewer
OPERATING REVENUES	
Back flow fees	\$1,260.00
Lab fees	10,190.00
Set up fees	10,225.00
Tap fees	26,175.00
Land and water tower rental	18,239.52
Water and sewer sales	4,341,652.69
American rescue plan grant	59,432.38
Miscellaneous	24,106.08
TOTAL OPERATING REVENUES	<u>4,491,280.67</u>
OPERATING EXPENSES	
DEPARTMENT	
Administration	275,733.93
Wastewater treatment	1,961,652.42
Water treatment	343,098.72
City manager	279,437.34
Water and sewer billing	268,540.79
Insurance	81,239.83
Sludge hauling	246,716.95
Depreciation	1,376,930.66
Bad debts	21,084.53
TOTAL OPERATING EXPENSES	<u>4,854,435.17</u>
NET INCOME (LOSS) FROM OPERATIONS	<u>(363,154.50)</u>
NON-OPERATING REVENUES (EXPENSES)	
Grant contributions	609,299.40
Interest earned	15,982.00
Interest expense	(6,905.33)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>618,376.07</u>
OTHER FINANCING SOURCES (USES)	
Gain on sale of assets	650.00
Depreciation account funding	60,636.00
TOTAL OTHER FINANCING SOURCES (USES)	<u>61,286.00</u>
CHANGE IN NET POSITION	316,507.57
NET POSITION, beginning of year	<u>26,261,431.02</u>
NET POSITION, end of year	<u>\$26,577,938.59</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, 2022

Business-Type
Activities - Enterprise Fund
Water and Sewer

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$4,509,609.51
Cash payments to employees	(1,019,314.98)
Cash payments to suppliers for goods and services	<u>(2,412,673.19)</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,077,621.34</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	502,873.12
Purchase of capital assets	(1,244,706.48)
Proceeds from sale of assets	650.00
Deferred lease payments received	13,939.99
Bond proceeds	170,924.00
Principal payments on bonds payable	(57,007.01)
Interest payments on bonds	<u>(6,892.55)</u>

NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(620,218.93)</u>
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CASH FLOWS OF INVESTING ACTIVITIES

Interest earned	<u>15,982.00</u>
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	534,020.41
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CASH AND CASH EQUIVALENTS - beginning of year	<u>3,905,680.09</u>
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CASH AND CASH EQUIVALENTS - end of year	<u><u>\$4,439,700.50</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, 2022

Business-Type
Activities - Enterprise Fund
Water and Sewer

RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES

Net Operating Income (Loss)	(\$363,154.50)
Adjustments to reconcile net operating income to net cash and cash equivalents provided by operating activities:	
Depreciation	1,376,930.66
Change in assets and liabilities:	
(Increase) decrease in accounts receivable (net)	28,762.28
(Increase) decrease in inventories	(3,345.29)
(Increase) decrease in due from other funds	(11,673.29)
Increase (decrease) in accounts payable	104,939.29
Increase (decrease) in accrued salaries and fringe	7,202.14
Increase (decrease) in customer deposits	1,239.85
Increase (decrease) in compensated absences payable	(1,952.80)
Increase (decrease) in net pension liability and deferred outflows/inflows	<u>(61,327.00)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$1,077,621.34</u></u>

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, 2022

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, 2022

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.

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.

American Rescue Plan Act Fund - This fund is used to account for financial resources to support efforts to fight the pandemic.

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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B - BASIS OF PRESENTATION AND ACCOUNTING (continued)

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.

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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B - BASIS OF PRESENTATION AND ACCOUNTING (continued)

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.
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

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C - DEPOSITS AND INVESTMENTS (continued)

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.

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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Leases - The City is a lessee for noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of the payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the life of the related lease.

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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 & 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.

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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M - NET POSITION/FUND BALANCES(continued)

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.

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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

P - CHANGE IN ACCOUNTING PRINCIPLES

During the fiscal year June 30, 2022, the City adopted new accounting guidance by implementing the provisions of GASB Statement No. 87 Leases, which establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset.

NOTE 2 - DETAILED NOTES ON ALL FUNDS

A - DEPOSITS AND INVESTMENTS

Deposits

At year end, the carrying amount of deposits for the City was \$10,985,082. The combined bank balance was \$11,249,407. The difference between bank and book balances is due to outstanding deposits and checks. Of the bank balance, \$2,121,863 was covered by Federal Depository Insurance Corporation. The \$9,127,544 remaining balance is collateralized with pledged securities except for \$949,797 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, 2022, \$9,127,545 of the City's bank balances of \$11,249,407 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.

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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

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	\$ 846,522	Delinquent Taxes	\$ 39,109
Less Allowance for Doubtful		Penalties Receivable	5,866
Accounts	<u>(375,933)</u>	Less Reserve for Uncollectible	<u>(29,703)</u>
Accounts Receivable (net)	<u>\$ 470,589</u>	Delinquent Taxes Receivable (Net)	<u>\$15,272</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, 2022 forward:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
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	20,088.43	811.57	20,900.00
2028	20,490.19	409.81	20,900.00
	<u>\$117,069.90</u>	<u>\$8,330.10</u>	<u>\$125,400.00</u>

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

C - FIXED ASSETS

Fixed asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Fixed assets-non depreciable:					
Land	\$923,378	\$410,150	\$0	\$0	\$1,333,528
Construction in progress	0	37,540	0	0	37,540
Total fixed assets-non depreciable	<u>923,378</u>	<u>447,690</u>	<u>0</u>	<u>0</u>	<u>1,371,068</u>
Fixed assets depreciable:					
Buildings & Improvements	6,262,761	75,000	0	0	6,337,761
Equipment & Vehicles	<u>6,487,623</u>	<u>423,674</u>	<u>(434,046)</u>	<u>0</u>	<u>6,477,252</u>
Total fixed assets-depreciable	<u>12,750,384</u>	<u>498,674</u>	<u>(434,046)</u>	<u>0</u>	<u>12,815,013</u>
Less accumulated depreciation for:					
Buildings & Improvements	(2,223,850)	(133,917)	0	0	(2,357,767)
Equipment & Vehicles	<u>(4,345,246)</u>	<u>(374,378)</u>	<u>434,046</u>	<u>0</u>	<u>(4,285,578)</u>
Total accumulated depreciation	<u>(6,569,096)</u>	<u>(508,295)</u>	<u>434,046</u>	<u>0</u>	<u>(6,643,345)</u>
Total fixed assets depreciable, net	<u>\$6,181,288</u>	<u>(\$9,621)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,171,668</u>
 Business-type activities					
Fixed assets-non depreciable:					
Land	\$2,016,032	\$6,400	\$0	\$0	\$2,022,432
Construction in progress	<u>231,221</u>	<u>1,042,915</u>	<u>0</u>	<u>(575,125)</u>	<u>699,011</u>
Total fixed assets-non depreciable	<u>2,247,253</u>	<u>1,049,315</u>	<u>0</u>	<u>(575,125)</u>	<u>2,721,443</u>
Fixed assets depreciable:					
Buildings & Systems	49,817,019	0	0	575,125	50,392,144
Equipment & Vehicles	<u>3,813,232</u>	<u>195,391</u>	<u>(35,751)</u>	<u>0</u>	<u>3,972,872</u>
Total fixed assets-depreciable	<u>53,630,251</u>	<u>195,391</u>	<u>(35,751)</u>	<u>575,125</u>	<u>54,365,016</u>
Less accumulated depreciation for:					
Buildings & Improvements	(27,868,511)	(1,312,688)	0	0	(29,181,199)
Equipment & Vehicles	<u>(3,568,134)</u>	<u>(64,243)</u>	<u>35,751</u>	<u>0</u>	<u>(3,596,626)</u>
Total accumulated depreciation	<u>(31,436,646)</u>	<u>(1,376,931)</u>	<u>35,751</u>	<u>0</u>	<u>(32,777,825)</u>
Total fixed assets depreciable, net	<u>\$22,193,605</u>	<u>(\$1,181,539)</u>	<u>\$0</u>	<u>\$575,125</u>	<u>\$21,587,191</u>

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

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	\$ 37,697
Public Safety	208,241
Highways and Streets	62,933
Sanitation	61,896
Parks and Recreation	132,701
Golf Course	<u>4,827</u>

Total depreciation expense - governmental activities \$ 508,295

Total depreciation expense - business-type activities: \$ 1,376,931

D - RIGHT TO USE (LEASED) ASSETS

Right to use leased assets were recorded during this fiscal year. The related leases are discussed in the long term debt note disclosures. The right to use assets are amortized on a straight line basis over the terms of the related lease.

Right to use leased assets activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Leased assets:				
Equipment - Golf Carts	\$120,064	\$0	\$0	\$120,064
Total leased assets	<u>120,064</u>	<u>0</u>	<u>0</u>	<u>120,064</u>
Less accumulated amortization for:				
Equipment - Golf Carts	0	(28,250)	0	(28,250)
Total accumulated amortization	<u>0</u>	<u>(28,250)</u>	<u>0</u>	<u>(28,250)</u>
Total leased assets, net	<u>\$120,064</u>	<u>(\$28,250)</u>	<u>\$0</u>	<u>\$91,814</u>

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

E - INTERFUND ACTIVITY

Inter-fund balances as of June 30, 2022 all of which are a result of normal operating practices, consisted of the following:

Due from	Due to	Amount
General Fund	Water & Sewer Fund	\$10,357.00
Stormwater Fund	Water & Sewer Fund	<u>1,316.29</u>
		<u><u>\$11,673.29</u></u>

Inter-fund transfers as of June 30, 2022(all of which are for normal operating subsidies) consisted of the following:

Transfer from	Transfer to	Amount
State Accommodations Tax	General Fund	\$28,248.92
Hospitality Tax Fund	General Fund	135,401.48
Hospitality Tax Fund	Golf Course	90,000.00
General Fund	Stormwater Fund	<u>240,000.00</u>
		<u><u>\$493,650.40</u></u>

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

F - 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, 2021</u>	<u>Current Yr Additions</u>	<u>Retired Current Yr</u>	<u>Outstanding June 30, 2022</u>
Governmental activities						
Bonds payable:						
BB&T Community Ctr	2/1/25	\$239,474/year	\$907,005	\$ 0	\$ 219,338	\$687,667
Interest rate 2.22%						
Notes payable:						
First Bank						
Vactor Truck	10/20/21	\$62,443/year	60,900	0	60,900	0
Interest rate 2.45%						
Police Vehicles	5/8/24	\$31,966/year	89,813	0	28,945	60,868
Interest rate 3.29%						
Sanitation Truck	8/14/24	\$56,070/year	205,166	0	48,519	156,647
Interest rate 3.6%						
Various Equipment	4/7/26	\$28,130/year	130,558	0	24,821	105,737
Interest rate 2.5%						
Anderson Brothers Bank						
Sanitation Truck	6/30/27	\$55,438/year	0	258,286	0	258,286
Interest rate 2.4%						
Lease Payable						
Golf Carts	9/15/25	\$2,607/month	120,064	0	26,394	93,670
Interest rate 5%						
Compensated Absences			<u>269,019</u>	<u>13,984</u>	<u>0</u>	<u>283,003</u>
Total governmental activities			<u>\$ 1,782,525</u>	<u>\$ 272,270</u>	<u>\$ 408,917</u>	<u>\$ 1,645,878</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 Trucks and Various Equipment debts. The Golf Course is liquidating the lease payable for the golf carts.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

F - LONG TERM DEBT (continued)

Business-type activities

Notes payable:

RIA SRF

Hwy 301 Bridge	3/1/26	\$10,428/qtr	\$190,885	\$ 0	\$ 39,066	\$151,819
Interest rate 1.50%						
Water Tank	2/1/38	\$5,547/qtr	333,503	0	17,941	315,562
Interest rate 1.30%						
Hillside Dr Rehab	5/1/42	\$22,953/qtr	0	170,924	0	170,924
Compensated Absences			<u>100,187</u>	<u>0</u>	<u>1,953</u>	<u>98,234</u>
Total Business-type activities			<u>\$ 624,575</u>	<u>\$ 170,924</u>	<u>\$ 58,960</u>	<u>\$ 736,539</u>

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

Year

Ending

June 30,

	Principal	Interest	Total Payments
2023	\$406,561.86	\$35,802.13	\$442,363.99
2024	417,501.68	24,811.37	442,313.05
2025	396,713.44	13,502.07	410,215.51
2026	87,972.54	3,462.81	91,435.35
2027	54,124.40	1,313.72	55,438.12
	<u>\$1,362,873.92</u>	<u>\$78,892.10</u>	<u>\$1,441,766.02</u>

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

2023	\$133,301.39	\$22,410.41	\$155,711.80
2024	134,894.55	20,817.25	155,711.80
2025	78,739.13	4,433.56	83,172.69
2026	49,946.36	3,525.47	53,471.83
2027	19,143.80	3,045.44	22,189.24
2028-2032	99,536.24	11,409.96	110,946.20
2033-2037	106,209.82	4,736.38	110,946.20
2038-2042	16,534.37	107.59	16,641.96
	<u>\$638,305.66</u>	<u>\$70,486.06</u>	<u>\$708,791.72</u>

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

G - RESTRICTED CASH

The balances of the restricted cash accounts are as follows:

	Governmental Activities	Business-Type Activities
Local hospitality tax	\$967,785	\$0
Accommodations tax(state & local)	273,558	0
Drug funds(federal & state)	172,666	0
Golf Course	16,746	0
Storm Water	167,270	0
American Rescue Plan Act	1,182,990	0
Bond Reserve	0	164,946
Capital Replacement	0	2,107,377
Total Restricted Assets	<u>\$2,781,015</u>	<u>\$2,272,323</u>

H - 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.

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

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, 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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

H - RETIREMENT (continued)

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 teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The 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.

- 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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

H - RETIREMENT (continued)

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.

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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

H - RETIREMENT (continued)

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 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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

H - RETIREMENT (continued)

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
SCRS					
2022	\$2,522,301	9.00%	\$227,007	16.56%	\$417,693
2021	2,546,506	9.00%	229,186	15.56%	396,236
2020	2,428,725	9.00%	218,585	15.56%	377,910
PORS					
2022	\$1,120,670	9.75%	\$109,265	19.24%	\$215,617
2021	1,022,528	9.75%	99,696	18.24%	186,509
2020	1,013,681	9.75%	98,834	18.24%	184,895

* 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, 2022. 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, 2021 (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.

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.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

H - RETIREMENT (continued)

The June 30, 2021, 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, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In FY 2021 the Board adopted demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2021.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return *	7.00%	7.00%
Projected salary increases *	3.00% to 11.0% (varies by service)	3.50% to 10.50% (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 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2021, TPL are as follows:

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

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

H - 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, 2021, 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	\$12,419,491	\$7,544,293	\$4,875,198	60.7%
PORS	5,905,519	4,155,905	1,749,614	70.4%

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

For the year ended June 30, 2021, the City recognized pension expense of \$241,725 and \$149,569 for the SCRS and PORS, respectively. At June 30, 2022, 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, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

H - 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
SCRS		
Differences between expected and actual experience	\$83,043	\$6,580
Assumption changes	266,852	0
Net difference between projected and actual earnings on pension plan investments	0	708,186
Changes in proportion and differences between the City's contributions and proportionate share of contributions	144,002	210,419
City's contributions subsequent to the measurement date	<u>391,976</u>	<u>0</u>
Total SCRS	<u>885,873</u>	<u>925,185</u>
PORS		
Differences between expected and actual experience	\$59,520	\$5,449
Assumption changes	124,791	0
Net difference between projected and actual earnings on plan investments	0	392,255
Changes in proportion and differences between the City's contributions and proportionate share of contributions	40,538	110,935
City's contributions subsequent to the measurement date	<u>205,649</u>	<u>0</u>
Total PORS	<u>430,498</u>	<u>508,639</u>
Total SCRS and PORS	<u><u>\$1,316,371</u></u>	<u><u>\$1,433,824</u></u>

Approximately \$392,000 and \$206,000 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, 2023. 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, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

H - 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>
2022	(\$77,328)	(\$47,731)	(\$125,059)
2023	(68,833)	(60,892)	(129,725)
2024	(20,132)	(37,199)	(57,331)
2025	<u>(264,995)</u>	<u>(137,968)</u>	<u>(402,963)</u>
Total	<u><u>(\$431,288)</u></u>	<u><u>(\$283,790)</u></u>	<u><u>(\$715,078)</u></u>

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 2021 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 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46%	6.87%	3.16%
Bonds	26%	0.27%	0.07%
Private Equity	9%	9.68%	0.87%
Private Debt	7%	5.47%	0.39%
Real Assets	12%		
Real Estate	9%	6.01%	0.54%
Infrastructure	3%	5.08%	0.15%
Total Expected Return	<u>100%</u>		<u>5.18%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u><u>7.43%</u></u>

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

H - RETIREMENT (continued)

Discount Rate

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the City's proportionate share of the NPL calculated using the discount rate of 7.00 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 (6.00 percent) or 1% percent higher (8.00 percent) than the current rate:

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability of the SCRS	\$6,385,813	\$4,875,198	\$3,619,439
City's proportionate share of the net pension liability of the PORS	\$2,538,457	\$1,749,614	\$1,103,419

I - 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, 2022.

Litigation

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

J - MAJOR CUSTOMER

Approximately 45% of the Water & Sewer Enterprise Fund's sales revenue is generated by sewer sales to Perdue Farms, Incorporated.

City of Dillon, South Carolina
NOTES TO FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2022

NOTE 2 - DETAILED NOTES ON ALL FUNDS (continued)

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, 2022 the City's total assessed value was \$15,145,240. The 8% debt limit is \$1,211,619. The amount of the City's debt applicable to their debt limit is \$581,538. 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, 2022 was \$630,081.

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.

M - PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$87,170 was recorded in the Storm Water Fund. This represents the removal of the due from federal government for reimbursement of FEMA grant expenses. This due from was recorded during the year ending June 30, 2021 but to date has not yet been received. The City anticipates collecting these funds but are uncertain when they will receive them.

N - SUBSEQUENT EVENTS

In October 2021, the City entered into a construction contract to perform work on the Hillside Drive Gravity Sewer Rehab and Pump Station Upgrade in the amount of \$1,511,270. The City has secured a loan through the South Carolina State Revolving Fund to finance \$1,662,397 of the total project costs of \$1,845,647.

In August 2021, the City entered into a construction contract to perform the Rosewood and St. Stephens Pump Station Upgrade in the amount of \$778,990. The City has secured CDBG grant funding of \$818,591 to be used towards this project and the City has committed to providing an additional \$114,399 to complete this project.

In October 2022, the City received \$1,570,947 in federal grant monies, as part of the American Rescue Plan. This represents the second 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 March 31, 2023.

City of Dillon, South Carolina
BUDGETARY COMPARISON SCHEDULE
BUDGET (GAAP Basis) AND ACTUAL - GENERAL FUND
For Fiscal Year Ended June 30, 2022

	Budgeted Amounts			Variance to
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$1,941,374.00	\$1,941,374.00	\$2,084,650.45	\$143,276.45
Licenses and permits	1,573,100.00	1,573,100.00	1,762,283.36	189,183.36
State aid	661,677.00	661,677.00	711,122.90	49,445.90
Charges for services	1,508,283.00	1,508,283.00	1,562,549.29	54,266.29
Fines and forfeits	89,535.00	89,535.00	87,309.02	(2,225.98)
Wellness Center	159,150.00	159,150.00	156,355.27	(2,794.73)
Other	65,000.00	65,000.00	72,927.95	7,927.95
Grant revenues	0.00	0.00	23,865.53	23,865.53
Interest	4,150.00	4,150.00	1,338.16	(2,811.84)
TOTAL REVENUES	6,002,269.00	6,002,269.00	6,462,401.93	460,132.93
EXPENDITURES				
DEPARTMENT				
Council	587,547.00	587,547.00	645,138.72	(57,591.72)
Finance	237,591.00	237,591.00	225,642.26	11,948.74
Municipal court	130,171.00	130,171.00	116,249.96	13,921.04
Downtown coordinator	90,301.00	90,301.00	77,586.43	12,714.57
City Attorney	13,607.00	13,607.00	27,772.42	(14,165.42)
Code Enforcement	254,808.00	254,808.00	247,305.43	7,502.57
Police	1,805,814.00	1,805,814.00	1,863,633.10	(57,819.10)
Fire	469,816.00	469,816.00	507,161.33	(37,345.33)
Street	423,685.00	423,685.00	385,631.76	38,053.24
Refuse Collection	267,132.00	267,132.00	277,201.96	(10,069.96)
Sanitation	610,487.00	610,487.00	644,022.89	(33,535.89)
Garage	128,105.00	128,105.00	136,063.97	(7,958.97)
Public works	174,292.00	174,292.00	167,701.99	6,590.01
Parks and recreation	256,093.00	256,093.00	233,251.20	22,841.80
Recreation programs	32,500.00	32,500.00	24,431.70	8,068.30
Wellness Center	358,962.00	358,962.00	349,286.12	9,675.88
Beautification	223,191.00	223,191.00	166,431.86	56,759.14
Debt Service				
Principal retirement	116,167.00	116,167.00	102,285.43	13,881.57
Interest	0.00	0.00	14,101.32	(14,101.32)
Capital Outlay	394,786.00	394,786.00	293,065.17	101,720.83
TOTAL EXPENDITURES	6,575,055.00	6,575,055.00	6,503,965.02	71,089.98
Excess (deficiency) of revenues over expenditures	(572,786.00)	(572,786.00)	(41,563.09)	531,222.91
OTHER FINANCING SOURCES (USES)				
Gain on sale of fixed assets	0.00	0.00	39,100.00	39,100.00
Debt proceeds	394,786.00	394,786.00	258,286.00	(136,500.00)
Transfers to other funds	0.00	0.00	(240,000.00)	(240,000.00)
Transfers from other funds	178,000.00	178,000.00	163,650.40	(14,349.60)
TOTAL OTHER FINANCING SOURCES (USES)	572,786.00	572,786.00	221,036.40	(351,749.60)

City of Dillon, South Carolina
BUDGETARY COMPARISON SCHEDULE
BUDGET (GAAP Basis) AND ACTUAL - GENERAL FUND
For Fiscal Year Ended June 30, 2022

	Budgeted Amounts			Variance to
	Original	Final	Actual	Final Budget
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$0.00	\$0.00	\$179,473.31	\$179,473.31
FUND BALANCE - beginning of year	<u>3,566,049.60</u>	<u>3,566,049.60</u>	<u>3,566,049.60</u>	<u>0.00</u>
FUND BALANCE - end of year	<u><u>\$3,566,049.60</u></u>	<u><u>\$3,566,049.60</u></u>	<u><u>\$3,745,522.91</u></u>	<u><u>\$179,473.31</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, 2022

	<u>June 30, 2022</u>	<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>
South Carolina Retirement System									
City's percentage of the net pension liability	0.022527%	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	\$4,875,198	\$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	\$2,546,506	\$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	191.45%	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	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%	56.39%
Police Officers Retirement System									
City's percentage of the net pension liability	0.068000%	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	\$1,749,614	\$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	\$1,022,528	\$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	171.11%	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	70.40%	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 nine 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, 2022

	<u>June 30, 2022</u>	<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>
South Carolina Retirement System									
Contractually required contribution	\$417,693	\$396,236	\$377,910	\$363,689	\$329,714	\$287,466	\$278,848	\$258,737	\$245,304
Contributions made to the plan	<u>417,693</u>	<u>396,236</u>	<u>377,910</u>	<u>363,689</u>	<u>329,714</u>	<u>287,466</u>	<u>278,848</u>	<u>258,737</u>	<u>245,304</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll during the measurement period	\$2,522,301	\$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	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%	10.60%
 Police Officers Retirement System									
Contractually required contribution	\$215,617	\$186,509	\$184,895	\$183,402	\$159,085	\$134,218	\$132,986	\$126,410	\$119,355
Contributions made to the plan	<u>215,617</u>	<u>186,509</u>	<u>184,895</u>	<u>183,402</u>	<u>159,085</u>	<u>134,218</u>	<u>132,986</u>	<u>126,410</u>	<u>119,355</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll during the measurement period	\$1,120,670	\$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	19.24%	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 nine 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, 2022

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected			\$177,444	\$177,444
Court fines and assessments remitted to State Treasurer			(95,898)	(95,898)
Total Court Fines and Assessments retained			81,546	81,546
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			2,625	2,625
Assessments retained			10,004	10,004
Total Surcharges and Assessments retained for victim services			12,629	12,629

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	16,649		16,649
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	10,004		10,004
Victim Service Surcharges Retained by City/County Treasurer	2,625		2,625
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	29,278		29,278

City of Dillon, South Carolina
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
Year ended June 30, 2022

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$4,932		\$4,932
Operating Expenditures	0		0
Victim Service Contract(s):			
(1) Entity's Name	0		0
(2) Entity's Name			
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	0		0
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
Total Expenditures from Victim Service Fund/Program (B)	4,932		4,932
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	24,346		24,346
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year	24,346		24,346

City of Dillon, South Carolina
General Fund
BALANCE SHEET
June 30, 2022

ASSETS

Cash	\$3,764,366.13
Property taxes receivable - net of allowance	15,271.61
Due from state government	313,003.83
Due from county government	15,329.11
Due from others	83,197.63
Demolition receivable	18,987.36
Inventory	<u>108,177.29</u>
 TOTAL ASSETS	 <u><u>\$4,318,332.96</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES	
Accounts payable	\$107,050.24
Accrued salary and fringe	32,542.96
Due to other funds	10,357.00
Court bonds outstanding	3,913.15
Security deposits-wellness center	1,500.00
Revenue received in advance - Grants	95,425.00
Revenue received in advance - victim's advocate	24,346.22
Revenue received in advance - L.O.S.T	<u>297,675.48</u>
 TOTAL LIABILITIES	 <u>572,810.05</u>

FUND BALANCES

Nonspendable:	
Inventory	108,177.29
Unassigned	<u>3,637,345.62</u>
 TOTAL FUND BALANCES	 <u>3,745,522.91</u>

TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$4,318,332.96</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, 2022

	Final Budget	Actual	Variance to Final Budget
REVENUES			
Property tax	\$922,220.00	\$803,946.54	(\$118,273.46)
Local option sales tax	760,254.00	1,046,681.90	286,427.90
Delinquent tax	98,000.00	55,114.47	(42,885.53)
Vehicle tax	121,500.00	131,388.59	9,888.59
Delinquent tax penalties	12,400.00	8,085.26	(4,314.74)
Motor carrier vehicle tax	27,000.00	39,433.69	12,433.69
Business license	322,000.00	414,035.96	92,035.96
MASC - business license	600,000.00	707,915.44	107,915.44
Construction permits	40,000.00	54,104.35	14,104.35
Code enforcement	100.00	190.00	90.00
Franchise fees	611,000.00	586,037.61	(24,962.39)
Garbage fees	1,472,783.00	1,531,675.13	58,892.13
Lot mowing and demolition	16,000.00	9,585.16	(6,414.84)
Court fines	71,535.00	82,377.32	10,842.32
Victim's assistance	18,000.00	4,931.70	(13,068.30)
Interest	4,150.00	1,338.16	(2,811.84)
State aid	206,677.00	182,157.15	(24,519.85)
State aid/Revenue lost	455,000.00	528,965.75	73,965.75
Miscellaneous	65,000.00	72,927.95	7,927.95
Other grant revenue	0.00	23,865.53	23,865.53
Wellness Center	159,150.00	156,355.27	(2,794.73)
Recreation programs	19,500.00	21,289.00	1,789.00
TOTAL REVENUES	6,002,269.00	6,462,401.93	460,132.93
EXPENDITURES			
COUNCIL			
PERSONAL SERVICES			
Salaries and wages	27,600.00	22,153.32	5,446.68
Pensions and retirement	3,552.00	2,493.62	1,058.38
Health insurance	48,360.00	56,131.73	(7,771.73)
Workers compensation	600.00	216.00	384.00
Unemployment compensation	100.00	0.00	100.00
FICA	2,112.00	1,403.67	708.33
COMMODITIES			
Office supplies	600.00	661.80	(61.80)
Books and periodicals	150.00	0.00	150.00
Food	200.00	2,200.00	(2,000.00)
Gas - COA	3,500.00	3,759.87	(259.87)
Janitorial Supplies	2,000.00	2,185.17	(185.17)
CONTRACTUAL			
Telephones and pagers	1,196.00	6,996.14	(5,800.14)
General/tort liability insurance	210,963.00	223,278.07	(12,315.07)
Travel	2,500.00	2,899.71	(399.71)
Publications - legal ads	12,000.00	16,425.69	(4,425.69)
Complex and street lighting	230,214.00	252,511.81	(22,297.81)
Johnny Bethea Land	0.00	863.80	(863.80)
Dues and subscriptions	3,600.00	3,331.88	268.12
Contractual	15,000.00	32,114.25	(17,114.25)
Miscellaneous	11,000.00	7,408.61	3,591.39
Training	300.00	0.00	300.00
City-County complex	12,000.00	8,103.58	3,896.42
TOTAL COUNCIL	587,547.00	645,138.72	(57,591.72)

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, 2022

	Final Budget	Actual	Variance to Final Budget
FINANCE DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	\$132,485.00	\$132,245.34	\$239.66
Pensions and retirement	24,389.00	22,178.33	2,210.67
Health Insurance	15,510.00	13,809.61	1,700.39
Workers compensation	1,286.00	452.00	834.00
FICA	10,717.00	9,992.88	724.12
Overtime	7,600.00	4,675.32	2,924.68
Holiday pay	0.00	299.70	(299.70)
COMMODITIES			
Office supplies	4,000.00	4,901.97	(901.97)
Books and periodicals	1,000.00	954.43	45.57
Food	100.00	0.00	100.00
CONTRACTUAL			
Telephones and pagers	4,000.00	6,853.16	(2,853.16)
Ads	200.00	0.00	200.00
Freight and express	200.00	374.57	(174.57)
Printing	7,000.00	5,628.56	1,371.44
Dues and subscriptions	1,000.00	835.00	165.00
Computer software maintenance	7,980.00	5,885.92	2,094.08
Postage	2,000.00	815.00	1,185.00
Contractual services	4,000.00	4,031.19	(31.19)
Computer maintenance	4,374.00	2,457.50	1,916.50
Miscellaneous	500.00	251.78	248.22
Audit	9,000.00	9,000.00	0.00
MAINTENANCE			
Machinery, tools, and equipment	250.00	0.00	250.00
TOTAL FINANCE DEPARTMENT	237,591.00	225,642.26	11,948.74
MUNICIPAL COURT			
PERSONAL SERVICES			
Salaries and wages-full time	40,756.00	41,084.50	(328.50)
Salaries and wages-part time	7,540.00	0.00	7,540.00
Pensions and retirement	7,270.00	6,772.97	497.03
Health insurance	7,933.00	10,010.48	(2,077.48)
Workers compensation	50.00	36.00	14.00
FICA	3,772.00	3,018.82	753.18
Overtime	1,000.00	661.43	338.57
COMMODITIES			
Office supplies	1,500.00	543.32	956.68
Food	100.00	0.00	100.00
Janitorial supplies	100.00	122.23	(22.23)
Nuts, bolts, hand tools, etc.	0.00	3,520.03	(3,520.03)
CONTRACTUAL			
Telephones and pagers	3,000.00	3,230.26	(230.26)
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	1,100.00	0.00
Contractual services	47,000.00	41,856.72	5,143.28
Public defender	1,000.00	750.00	250.00
Miscellaneous	500.00	43.20	456.80
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	130,171.00	116,249.96	13,921.04

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, 2022

	Final Budget	Actual	Variance to Final Budget
DOWNTOWN COORDINATOR			
PERSONAL SERVICES			
Salaries and wages-full time	\$45,000.00	\$33,484.37	\$11,515.63
Medical exam	100.00	0.00	\$100.00
Pensions and retirement	7,835.00	5,412.73	2,422.27
Health insurance	5,198.00	2,665.29	2,532.71
Workers compensation	225.00	18.00	207.00
FICA	3,443.00	2,469.27	973.73
COMMODITIES			
Office supplies	2,000.00	3,769.67	(1,769.67)
Food	0.00	980.41	(980.41)
Nuts, bolts, hand tools, etc.	0.00	5,936.82	(5,936.82)
Telephones and pagers	0.00	561.38	(561.38)
Special events downtown	0.00	3,450.57	(3,450.57)
Travel	2,500.00	2,139.47	360.53
Dues and subscriptions	0.00	984.00	(984.00)
CONTRACTUAL			
Contractual services	0.00	3,844.85	(3,844.85)
Facade grants	24,000.00	5,322.60	18,677.40
Training	0.00	6,547.00	(6,547.00)
TOTAL DOWNTOWN COORDINATOR	90,301.00	77,586.43	12,714.57
CITY ATTORNEY			
PERSONAL SERVICES			
Salaries and wages	10,831.00	16,000.00	(5,169.00)
Pensions and retirement	1,886.00	2,625.60	(739.60)
Health insurance	61.00	8,006.62	(7,945.62)
FICA	829.00	1,140.20	(311.20)
TOTAL CITY ATTORNEY	13,607.00	27,772.42	(14,165.42)
CODE ENFORCEMENT DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages-full time	148,153.00	144,802.83	3,350.17
Medical exam	100.00	160.00	(60.00)
Pensions and retirement	25,985.00	23,639.23	2,345.77
Health insurance	10,647.00	16,515.11	(5,868.11)
Workers compensation	2,455.00	1,600.00	855.00
FICA	11,418.00	10,745.51	672.49
Overtime	1,100.00	615.09	484.91
COMMODITIES			
Office supplies	2,900.00	2,483.69	416.31
Food	1,000.00	152.38	847.62
Uniform purchase	400.00	322.19	77.81
Gas, oil, diesel	4,000.00	6,144.89	(2,144.89)
Nuts, bolts, hand tools, etc.	2,050.00	5,496.45	(3,446.45)
CONTRACTUAL			
Telephones and pagers	6,000.00	7,922.48	(1,922.48)
Court costs	150.00	240.00	(90.00)
Travel	1,500.00	885.96	614.04
Publications - legal ads	7,500.00	9,295.65	(1,795.65)
Freight and express	100.00	0.00	100.00
Dues and subscriptions	1,000.00	182.50	817.50
Computer software maintenance	4,000.00	2,087.54	1,912.46
Postage	3,200.00	4,203.00	(1,003.00)
Contractual services	5,000.00	2,120.22	2,879.78
Computer maintenance	4,000.00	498.50	3,501.50
Miscellaneous	2,800.00	2,001.95	798.05
Demolition	5,000.00	3,965.36	1,034.64
Boards and commissions	1,000.00	280.00	720.00
In service training/schools	1,000.00	400.00	600.00

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, 2022

	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	544.90	1,455.10
TOTAL CODE ENFORCEMENT DEPARTMENT	254,808.00	247,305.43	7,502.57
POLICE DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	1,070,474.00	967,944.42	102,529.58
Medical exam	350.00	563.00	(213.00)
Pensions and retirement	202,124.00	212,783.58	(10,659.58)
Health insurance	165,471.00	153,071.44	12,399.56
Workers compensation	39,000.00	38,670.97	329.03
Unemployment compensation	5,000.00	0.00	5,000.00
FICA	78,238.00	84,470.61	(6,232.61)
Overtime	41,866.00	125,628.87	(83,762.87)
Holiday pay	41,000.00	52,481.09	(11,481.09)
COMMODITIES			
Office supplies	2,500.00	2,997.14	(497.14)
Books and periodicals	100.00	0.00	100.00
Victim's assistance	0.00	1,208.10	(1,208.10)
Food	2,000.00	1,066.79	933.21
Uniform purchase	12,000.00	18,123.53	(6,123.53)
Gas, oil, diesel	58,500.00	87,994.00	(29,494.00)
Lab and shop supplies	1,500.00	1,510.50	(10.50)
Janitorial supplies	250.00	77.23	172.77
Nuts, bolts, hand tools, etc.	5,000.00	15,522.37	(10,522.37)
Out-patient med supplies	250.00	0.00	250.00
Safety equipment	250.00	0.00	250.00
CONTRACTUAL			
Telephones and pagers	15,000.00	20,869.50	(5,869.50)
Travel	1,500.00	757.77	742.23
Victim's assistance	1,000.00	0.00	1,000.00
Publications - legal ads	300.00	806.13	(506.13)
Utilities	6,700.00	7,123.94	(423.94)
Freight and express	150.00	0.00	150.00
Printing	300.00	0.00	300.00
Dues and subscriptions	3,000.00	1,855.00	1,145.00
Computer software maintenance	3,000.00	6,263.00	(3,263.00)
Contractual services	8,191.00	10,005.07	(1,814.07)
Miscellaneous	3,500.00	546.40	2,953.60
Prisoner housing	5,000.00	5,275.00	(275.00)
SC Public Safety Grant	0.00	2,245.32	(2,245.32)
In service training/schools	1,500.00	1,045.00	455.00
MAINTENANCE			
Police lab building	1,000.00	809.95	190.05
Machinery, tools, and equipment	1,800.00	0.00	1,800.00
Radio parts and repairs	3,000.00	160.80	2,839.20
Motor vehicles	25,000.00	41,756.58	(16,756.58)
DEBT SERVICE			
Principal	46,594.00	41,851.47	4,742.53
Interest	0.00	4,741.34	(4,741.34)
CAPITAL OUTLAY	136,764.00	13,661.88	123,102.12
TOTAL POLICE DEPARTMENT	1,989,172.00	1,923,887.79	65,284.21

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, 2022

	Final Budget	Actual	Variance to Final Budget
FIRE DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	\$186,486.00	\$184,450.06	\$2,035.94
Medical exam	350.00	0.00	350.00
Pensions and retirement	36,646.00	33,049.75	3,596.25
Health insurance	23,664.00	25,361.71	(1,697.71)
Workers compensation	6,600.00	7,568.00	(968.00)
FICA	16,103.00	14,998.61	1,104.39
Overtime	15,000.00	8,721.02	6,278.98
Holiday pay	9,000.00	10,116.95	(1,116.95)
COMMODITIES			
Office supplies	200.00	425.25	(225.25)
Books and periodicals	2,500.00	2,853.02	(353.02)
Food	150.00	0.00	150.00
Uniform purchase	14,000.00	34,285.68	(20,285.68)
Gas	2,500.00	3,398.37	(898.37)
Diesel	4,500.00	5,339.43	(839.43)
Janitorial supplies	550.00	887.68	(337.68)
Chemical & first aid	1,600.00	0.00	1,600.00
Nuts, bolts, hand tools, etc.	8,000.00	31,896.16	(23,896.16)
Safety equipment	8,000.00	0.00	8,000.00
CONTRACTUAL			
Telephones and pagers	3,000.00	3,419.07	(419.07)
Publications - legal ads	100.00	0.00	100.00
Utilities	19,293.00	17,552.30	1,740.70
Dues and subscriptions	1,000.00	0.00	1,000.00
Medical	6,000.00	6,966.00	(966.00)
Contractual services	85,324.00	86,060.46	(736.46)
Miscellaneous	3,000.00	0.00	3,000.00
MAINTENANCE			
Building and grounds	5,000.00	7,936.97	(2,936.97)
Machinery, tools, and equipment	2,500.00	14,604.34	(12,104.34)
Radio parts and repairs	500.00	160.13	339.87
Motor vehicles	8,000.00	7,110.37	889.63
Smoke detectors	250.00	0.00	250.00
DEBT SERVICE			
Principal	7,877.00	6,950.40	926.60
Interest	0.00	926.60	(926.60)
CAPITAL OUTLAY	0.00	16,335.81	(16,335.81)
TOTAL FIRE DEPARTMENT	477,693.00	531,374.14	(53,681.14)
STREET DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	200,988.00	166,714.21	34,273.79
Medical exam	350.00	305.00	45.00
Pensions and retirement	36,890.00	28,416.51	8,473.49
Health insurance	31,597.00	17,057.92	14,539.08
Workers compensation	8,000.00	7,626.37	373.63
Unemployment Compensation	1,000.00	0.00	1,000.00
FICA	16,210.00	13,020.33	3,189.67
Overtime	10,000.00	6,638.86	3,361.14
Holiday pay	900.00	2,196.43	(1,296.43)
COMMODITIES			
Gas	5,500.00	16,214.87	(10,714.87)
Diesel	12,000.00	22,051.47	(10,051.47)
Chemical and first aid	12,000.00	454.59	11,545.41
Nuts, bolts, hand tools, etc.	5,500.00	11,734.29	(6,234.29)
CONTRACTUAL			
Dues and subscriptions	100.00	0.00	100.00
Uniform rental	2,500.00	2,304.67	195.33
Miscellaneous	5,000.00	422.14	4,577.86
Sidewalks and curbs	30,000.00	3,891.46	26,108.54

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, 2022

	Final Budget	Actual	Variance to Final Budget
STREET DEPARTMENT(CONTINUED)			
MAINTENANCE			
Machinery, tools, and equipment	\$20,000.00	\$13,656.24	\$6,343.76
Lot Mowing/Demo	0.00	39,360.00	(39,360.00)
Radio parts and repairs	150.00	0.00	150.00
Motor vehicles	15,000.00	26,957.81	(11,957.81)
Street signs 911	5,000.00	2,971.28	2,028.72
Street sweeper	5,000.00	3,637.31	1,362.69
DEBT SERVICE			
Principal	5,626.00	4,964.14	661.86
Interest	0.00	661.86	(661.86)
TOTAL STREET DEPARTMENT	429,311.00	391,257.76	38,053.24
REFUSE COLLECTION			
PERSONAL SERVICES			
Salaries and wages	97,580.00	86,923.99	10,656.01
Medical exam	200.00	0.00	200.00
Pensions and retirement	18,034.00	14,383.28	3,650.72
Health insurance	15,794.00	14,064.02	1,729.98
Workers compensation	3,900.00	3,760.00	140.00
FICA	7,924.00	6,558.78	1,365.22
Overtime	4,000.00	1,209.64	2,790.36
Holiday pay	2,000.00	953.40	1,046.60
COMMODITIES			
Gas	500.00	2,738.08	(2,238.08)
Diesel	14,000.00	25,029.61	(11,029.61)
Nuts, bolts, hand tools, etc.	500.00	265.98	234.02
CONTRACTUAL			
Uniform rental	1,500.00	1,464.12	35.88
Limbs and leaves	80,000.00	86,101.74	(6,101.74)
Miscellaneous	500.00	7,947.31	(7,447.31)
MAINTENANCE			
Machinery, tools, and equipment	500.00	212.26	287.74
Radio parts and repairs	200.00	0.00	200.00
Motor vehicles	20,000.00	25,589.75	(5,589.75)
TOTAL REFUSE COLLECTION	267,132.00	277,201.96	(10,069.96)
SANITATION DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	158,453.00	124,738.30	33,714.70
Medical exam	250.00	0.00	250.00
Pensions and retirement	29,467.00	22,604.55	6,862.45
Health insurance	26,319.00	20,619.68	5,699.32
Workers compensation	7,500.00	8,773.74	(1,273.74)
Unemployment compensation	1,000.00	0.00	1,000.00
FICA	12,948.00	10,280.67	2,667.33
Overtime	500.00	1,853.11	(1,353.11)
Holiday pay	10,300.00	13,264.90	(2,964.90)
COMMODITIES			
Gas	2,000.00	7,242.94	(5,242.94)
Diesel	18,000.00	16,279.83	1,720.17
Nuts, bolts, hand tools, etc.	1,000.00	258.16	741.84
CONTRACTUAL			
Telephones & pagers	700.00	578.25	121.75
Publications - legal ads	300.00	410.34	(110.34)
Uniform rental	2,500.00	2,256.24	243.76
Miscellaneous	4,000.00	4,782.81	(782.81)
Dumpsters, roll carts, recycle bins	0.00	19,111.58	(19,111.58)
City sanitation fees	310,000.00	342,371.35	(32,371.35)

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, 2022

	Final Budget	Actual	Variance to Final Budget
SANITATION DEPARTMENT(CONTINUED)			
MAINTENANCE			
Machinery, tools, and equipment	\$5,000.00	\$7,535.00	(\$2,535.00)
Radio parts and repairs	250.00	0.00	250.00
Motor vehicles	20,000.00	41,061.44	(21,061.44)
DEBT SERVICE			
Principal	56,070.00	48,519.42	7,550.58
Interest	0.00	7,771.52	(7,771.52)
CAPITAL OUTLAY	258,022.00	258,021.48	0.52
 TOTAL SANITATION DEPARTMENT	 924,579.00	 958,335.31	 (33,756.31)
 GARAGE			
PERSONAL SERVICES			
Salaries and wages	71,500.00	67,411.17	4,088.83
Pensions and retirement	12,623.00	11,769.07	853.93
Health insurance	10,535.00	11,001.98	(466.98)
Workers compensation	2,000.00	1,579.49	420.51
Unemployment	0.00	1,304.00	(1,304.00)
FICA	5,547.00	5,352.34	194.66
Overtime	1,000.00	5,259.07	(4,259.07)
COMMODITIES			
Books and periodicals	100.00	0.00	100.00
Gas	2,200.00	70.00	2,130.00
Lab and shop supplies	500.00	1,236.79	(736.79)
Janitorial supplies	2,000.00	2,584.32	(584.32)
Welding supplies	1,000.00	2,514.08	(1,514.08)
Nuts, bolts, hand tools, etc.	4,050.00	1,437.99	2,612.01
CONTRACTUAL			
Utilities	10,000.00	10,736.08	(736.08)
Uniform rental	1,500.00	1,072.13	427.87
Miscellaneous	500.00	145.00	355.00
MAINTENANCE			
Building and grounds	2,000.00	4,733.73	(2,733.73)
Machinery, tools, & equipment	300.00	3,088.81	(2,788.81)
Motor vehicles	750.00	4,767.92	(4,017.92)
 TOTAL GARAGE	 128,105.00	 136,063.97	 (7,958.97)
 PUBLIC WORKS ADMINISTRATION			
PERSONAL SERVICES			
Salaries and wages	115,676.00	115,982.12	(306.12)
Pensions and retirement	20,140.00	18,880.95	1,259.05
Health insurance	10,600.00	11,019.93	(419.93)
Workers compensation	2,000.00	1,600.00	400.00
Unemployment	0.00	95.19	(95.19)
FICA	8,850.00	8,668.40	181.60
COMMODITIES			
Office supplies	1,000.00	340.29	659.71
Food	100.00	112.68	(12.68)
Uniform purchase	400.00	330.77	69.23
Gas	2,500.00	2,583.46	(83.46)
Diesel	100.00	93.09	6.91
Janitorial supplies	1,000.00	616.86	383.14
CONTRACTUAL			
Telephones and pagers	5,000.00	4,485.71	514.29
Publications - legal ads	0.00	43.29	(43.29)
Freight and express	50.00	0.00	50.00
Dues & Subscriptions	1,000.00	400.00	600.00
Contractual	3,176.00	760.92	2,415.08
Computer maintenance	1,000.00	0.00	1,000.00
Miscellaneous	500.00	43.20	456.80

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, 2022

	Final Budget	Actual	Variance to Final Budget
PUBLIC WORKS ADMINISTRATION(CONTINUED)			
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	1,645.13	(645.13)
TOTAL PUBLIC WORKS DEPARTMENT	174,292.00	167,701.99	6,590.01
RECREATION ADMINISTRATION DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages-full time	100,651.00	94,360.93	6,290.07
Salaries and wages-part time	12,000.00	0.00	12,000.00
Pre-employment physical	250.00	0.00	250.00
Pensions and retirement	17,524.00	15,246.44	2,277.56
Insurance	25,924.00	24,595.95	1,328.05
Workers compensation	2,500.00	2,392.00	108.00
Unemployment compensation	1,000.00	0.00	1,000.00
FICA	8,618.00	6,586.28	2,031.72
COMMODITIES			
Office supplies	700.00	1,299.73	(599.73)
Food	250.00	475.23	(225.23)
Uniforms	350.00	0.00	350.00
Gas	2,000.00	1,142.95	857.05
Diesel	1,500.00	807.43	692.57
Janitorial supplies	1,000.00	398.15	601.85
Chemicals	22,000.00	22,433.02	(433.02)
Nuts, bolts, hand tools, ammo	3,000.00	6,006.71	(3,006.71)
CONTRACTUAL			
Telephones and pagers	2,100.00	1,665.27	434.73
Travel expenses	1,500.00	0.00	1,500.00
Publications	350.00	0.00	350.00
Utilities	30,000.00	31,935.98	(1,935.98)
Printing	100.00	0.00	100.00
Dues and subscriptions	800.00	983.00	(183.00)
Postage	700.00	0.00	700.00
Program supplement	10,676.00	5,487.16	5,188.84
Miscellaneous	1,400.00	6,251.84	(4,851.84)
In-serv Training/Schools	200.00	0.00	200.00
MAINTENANCE			
Buildings and grounds	3,000.00	1,166.89	1,833.11
Machinery and equipment repairs	4,000.00	9,854.55	(5,854.55)
Motor vehicle repairs	2,000.00	161.69	1,838.31
TOTAL RECREATION ADMINISTRATION DEPARTMENT	256,093.00	233,251.20	22,841.80
RECREATION PROGRAMS			
Softball	5,700.00	10,768.73	(5,068.73)
Basketball	6,500.00	2,365.48	4,134.52
Soccer	4,000.00	1,875.69	2,124.31
Volleyball	1,000.00	543.24	456.76
Senior	2,500.00	444.77	2,055.23
Special events	1,650.00	1,792.22	(142.22)
Donations	1,650.00	4,000.00	(2,350.00)
Polar Express trip	5,500.00	0.00	5,500.00
Holiday Goodness Event	3,500.00	2,641.57	858.43
Indoor yard sale	500.00	0.00	500.00
TOTAL RECREATION PROGRAMS	32,500.00	24,431.70	8,068.30

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, 2022

	Final Budget	Actual	Variance to Final Budget
WELLNESS CENTER			
PERSONAL SERVICES			
Salaries and wages-full time	\$52,918.00	\$30,458.24	\$22,459.76
Salaries and wages-part time	75,000.00	87,639.14	(12,639.14)
Pensions and retirement	17,535.00	11,921.30	5,613.70
Insurance	10,578.00	5,478.78	5,099.22
Workers compensation	6,500.00	6,204.00	296.00
Unemployment compensation	1,500.00	0.00	1,500.00
FICA	9,786.00	8,960.17	825.83
Overtime	0.00	298.88	(298.88)
COMMODITIES			
Office supplies	1,500.00	284.12	1,215.88
Food	200.00	0.00	200.00
Gas, oil, and diesel	1,500.00	351.61	1,148.39
Janitorial supplies	20,000.00	19,730.32	269.68
Chemical and first aid	1,000.00	5,229.62	(4,229.62)
Nuts, bolts, hand tools, ammo	5,000.00	10,329.64	(5,329.64)
CONTRACTUAL			
Telephones and pagers	10,000.00	31,593.17	(21,593.17)
Publications	7,000.00	5,355.49	1,644.51
Utilities	80,000.00	79,436.52	563.48
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	100.00	0.00
Uniform allowance	580.00	0.00	580.00
Contractual services	13,176.00	7,005.29	6,170.71
Computer maintenance	4,924.00	5,046.95	(122.95)
Miscellaneous	17,000.00	2,351.79	14,648.21
MAINTENANCE			
Buildings and grounds	15,000.00	25,149.87	(10,149.87)
Machinery and equipment repairs	4,000.00	6,361.22	(2,361.22)
Motor vehicles	1,000.00	0.00	1,000.00
CAPITAL OUTLAY	0.00	5,046.00	(5,046.00)
TOTAL WELLNESS CENTER	358,962.00	354,332.12	4,629.88
BEAUTIFICATION DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	135,201.00	106,699.80	28,501.20
Pre-employment physical	350.00	0.00	350.00
Pensions and retirement	23,713.00	16,942.51	6,770.49
Insurance	21,057.00	17,656.33	3,400.67
Workers compensation	3,000.00	2,788.00	212.00
FICA	10,420.00	7,879.49	2,540.51
Overtime	1,000.00	934.69	65.31
COMMODITIES			
Office supplies	2,000.00	0.00	2,000.00
Food	500.00	0.00	500.00
Gas	5,700.00	5,734.21	(34.21)
Diesel	1,600.00	371.16	1,228.84
Chemical and first aid	1,000.00	1,417.25	(417.25)
Nuts, bolts, hand tools, ammo	4,000.00	2,274.47	1,725.53
Safety equipment	200.00	0.00	200.00
CONTRACTUAL			
Uniform allowance	1,800.00	1,432.28	367.72
Miscellaneous	5,000.00	589.00	4,411.00
MAINTENANCE			
Machinery, tools, and equipment	5,150.00	1,353.32	3,796.68
Motor vehicles	1,500.00	359.35	1,140.65
TOTAL BEAUTIFICATION DEPARTMENT	223,191.00	166,431.86	56,759.14

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, 2022

	Final Budget	Actual	Variance to Final Budget
TOTAL EXPENDITURES ALL DEPARTMENTS	\$6,575,055.00	\$6,503,965.02	\$71,089.98
Excess (deficiency) of revenues over expenditures	(572,786.00)	(41,563.09)	531,222.91
OTHER FINANCING SOURCES (USES)			
Gain on sale of fixed assets	0.00	39,100.00	39,100.00
Debt proceeds	394,786.00	258,286.00	(136,500.00)
Transfer to storm water	0.00	(240,000.00)	(240,000.00)
Transfers from hospitality tax	150,000.00	135,401.48	(14,598.52)
Transfers from state accommodations tax	28,000.00	28,248.92	248.92
TOTAL OTHER FINANCING SOURCES (USES)	572,786.00	221,036.40	(351,749.60)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	0.00	179,473.31	179,473.31
FUND BALANCE - beginning of year	3,566,049.60	3,566,049.60	0.00
FUND BALANCE - end of year	\$3,566,049.60	\$3,745,522.91	\$179,473.31

City of Dillon, South Carolina
Nonmajor Governmental Funds
COMBINING BALANCE SHEET
June 30, 2022

	Golf Course	Local Hospitality Tax	State A-Tax	Local A-Tax	Storm Water	State Drug Fund	Federal Drug Fund DEA	Total Nonmajor Governmental Funds
ASSETS								
Cash - restricted	\$16,746.39	\$967,784.86	\$42,239.90	\$231,318.02	\$167,270.33	\$86,558.32	\$86,107.47	\$1,598,025.29
Due from state government	439.49	0.00	40,865.64	0.00	0.00	0.00	0.00	41,305.13
Due from federal government	0.00	0.00	0.00	0.00	0.00	10,607.00	0.00	10,607.00
Prepaid expenditures	2,607.20	0.00	0.00	0.00	0.00	0.00	0.00	2,607.20
Inventory	4,097.68	0.00	0.00	0.00	0.00	0.00	0.00	4,097.68
TOTAL ASSETS	\$23,890.76	\$967,784.86	\$83,105.54	\$231,318.02	\$167,270.33	\$97,165.32	\$86,107.47	\$1,656,642.30
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$7,987.85	\$0.00	\$0.00	\$3,134.19	\$0.00	\$0.00	\$0.00	\$11,122.04
Accrued salary & fringe	2,453.61	0.00	0.00	0.00	444.41	0.00	0.00	2,898.02
Due to other funds	0.00	0.00	0.00	0.00	1,316.29	0.00	0.00	1,316.29
Forfeited funds held pending court	0.00	0.00	0.00	0.00	0.00	50,318.10	0.00	50,318.10
TOTAL LIABILITIES	10,441.46	0.00	0.00	3,134.19	1,760.70	50,318.10	0.00	65,654.45
FUND BALANCES								
Nonspendable								
Inventory	4,097.68	0.00	0.00	0.00	0.00	0.00	0.00	4,097.68
Restricted for:								
A-Tax expenditures	0.00	0.00	83,105.54	0.00	0.00	0.00	0.00	83,105.54
Police equipment	0.00	0.00	0.00	0.00	0.00	0.00	86,107.47	86,107.47
Committed to:								
Beautification	0.00	0.00	0.00	228,183.83	0.00	0.00	0.00	228,183.83
Golf course	9,351.62	0.00	0.00	0.00	0.00	0.00	0.00	9,351.62
Storm water	0.00	0.00	0.00	0.00	165,509.63	0.00	0.00	165,509.63
Assigned to:								
Debt service	0.00	967,784.86	0.00	0.00	0.00	0.00	0.00	967,784.86
Police department	0.00	0.00	0.00	0.00	0.00	46,847.22	0.00	46,847.22
TOTAL FUND BALANCES	13,449.30	967,784.86	83,105.54	228,183.83	165,509.63	46,847.22	86,107.47	1,590,987.85
TOTAL LIABILITIES AND FUND BALANCES	\$23,890.76	\$967,784.86	\$83,105.54	\$231,318.02	\$167,270.33	\$97,165.32	\$86,107.47	\$1,656,642.30

City of Dillon, South Carolina
Nonmajor Governmental Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For Fiscal Year Ended June 30, 2022

	Golf Course	Local Hospitality Tax	State A-Tax	Local A-Tax
REVENUES				
FEDERAL				
Grants	\$0.00	\$0.00	\$0.00	\$0.00
STATE				
Accommodations tax	0.00	0.00	90,964.65	0.00
Drug fund	0.00	0.00	0.00	0.00
LOCAL				
Accommodations tax	0.00	0.00	0.00	97,132.88
Hospitality tax	0.00	712,998.00	0.00	0.00
Golf course	275,897.72	0.00	0.00	0.00
Storm water	0.00	0.00	0.00	0.00
Interest	2.40	283.94	3.97	22.37
Miscellaneous	3,774.80	0.00	0.00	23,941.00
TOTAL REVENUES	279,674.92	713,281.94	90,968.62	121,096.25
EXPENDITURES				
Local Hospitality Tax	0.00	10,354.16	0.00	0.00
State Accommodations Tax	0.00	0.00	51,463.39	0.00
Local Accommodations Tax	0.00	0.00	0.00	95,662.72
Golf Course	386,808.45	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	26,394.41	219,338.62	0.00	0.00
Interest	4,891.99	20,135.51	0.00	0.00
CAPITAL OUTLAY	6,478.92	175,150.00	0.00	0.00
TOTAL EXPENDITURES	424,573.77	424,978.29	51,463.39	95,662.72
Excess (deficiency) of revenues over over expenditures	(144,898.85)	288,303.65	39,505.23	25,433.53
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	(135,401.48)	(28,248.92)	0.00
Transfer from (to) Golf Course	0.00	(90,000.00)	0.00	0.00
Transfer from hospitality tax fund	90,000.00	0.00	0.00	0.00
TOTAL OTHER FINANCING SOURCES (USES)	140,000.00	(225,401.48)	(28,248.92)	0.00
Excess(deficiency) of revenues over expenditures and other financing sources (uses)	(4,898.85)	62,902.17	11,256.31	25,433.53
FUND BALANCE (deficit) - beginning of year	18,348.15	904,882.69	71,849.23	202,750.30
Prior period adjustment	0.00	0.00	0.00	0.00
FUND BALANCE (deficit) - end of year	\$13,449.30	\$967,784.86	\$83,105.54	\$228,183.83

City of Dillon, South Carolina
Nonmajor Governmental Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For Fiscal Year Ended June 30, 2022

	Storm Water	State Drug Fund	Federal Drug Fund DEA	Total Nonmajor Governmental Funds
REVENUES				
FEDERAL				
Grants	\$0.00	\$1,596.26	\$0.00	\$1,596.26
STATE				
Accommodations tax	0.00	0.00	0.00	90,964.65
Drug fund	0.00	24,317.00	0.00	24,317.00
LOCAL				
Accommodations tax	0.00	0.00	0.00	97,132.88
Hospitality tax	0.00	0.00	0.00	712,998.00
Golf course	0.00	0.00	0.00	275,897.72
Storm water	140,231.71	0.00	0.00	140,231.71
Interest	13.21	8.02	9.52	343.43
Miscellaneous	645.74	6,430.34	0.00	34,791.88
TOTAL REVENUES	140,890.66	32,351.62	9.52	1,378,273.53
EXPENDITURES				
Local Hospitality Tax	0.00	0.00	0.00	10,354.16
State Accommodations Tax	0.00	0.00	0.00	51,463.39
Local Accommodations Tax	0.00	0.00	0.00	95,662.72
Golf Course	0.00	0.00	0.00	386,808.45
State drug fund	0.00	6,254.29	0.00	6,254.29
Federal drug fund-DEA	0.00	0.00	8,400.00	8,400.00
Storm water	195,900.91	0.00	0.00	195,900.91
Debt Service				
Principal retirement	60,899.46	0.00	0.00	306,632.49
Interest	1,487.89	0.00	0.00	26,515.39
CAPITAL OUTLAY	0.00	19,942.00	0.00	201,570.92
TOTAL EXPENDITURES	258,288.26	26,196.29	8,400.00	1,289,562.72
Excess (deficiency) of revenues over over expenditures	(117,397.60)	6,155.33	(8,390.48)	88,710.81
OTHER FINANCING SOURCES (USES)				
Transfer from (to) other governmental entity	0.00	(4,324.00)	0.00	45,676.00
Gain on sale of equipment	0.00	13,332.33	2,500.00	15,832.33
Transfer from (to) general fund	240,000.00	0.00	0.00	76,349.60
Transfer from (to) Golf Course	0.00	0.00	0.00	(90,000.00)
Transfer from hospitality tax fund	0.00	0.00	0.00	90,000.00
TOTAL OTHER FINANCING SOURCES (USES)	240,000.00	9,008.33	2,500.00	137,857.93
Excess(deficiency) of revenues over expenditures and other financing sources (uses)	122,602.40	15,163.66	(5,890.48)	226,568.74
FUND BALANCE (deficit) - beginning of year	130,077.52	31,683.56	91,997.95	1,451,589.40
Prior period adjustment	(87,170.29)	0.00	0.00	(87,170.29)
FUND BALANCE (deficit) - end of year	\$165,509.63	\$46,847.22	\$86,107.47	\$1,590,987.85

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, 2022

	Final Budget	Actual	Variance to Final Budget
REVENUES			
LOCAL			
Memberships	\$25,000.00	\$25,345.77	\$345.77
Cart fees	150,000.00	155,834.50	5,834.50
Green fees	23,000.00	27,130.00	4,130.00
Range balls	2,000.00	2,224.00	224.00
Tournament fees	20,000.00	32,203.00	12,203.00
Sponsorships	5,000.00	8,000.00	3,000.00
Locker fees	1,035.00	850.00	(185.00)
Fishing fees	100.00	1,190.00	1,090.00
Merchandise - sales	20,900.00	23,120.45	2,220.45
Miscellaneous	0.00	3,774.80	3,774.80
Interest	0.00	2.40	2.40
TOTAL REVENUES	247,035.00	279,674.92	32,639.92
EXPENDITURES			
PERSONAL SERVICES			
Salaries - full time	108,048.00	82,549.76	25,498.24
Salaries - part time	50,000.00	78,112.17	(28,112.17)
Pensions and retirement	18,812.00	13,592.89	5,219.11
Health insurance	15,802.00	10,686.48	5,115.52
Workers compensation	1,430.00	836.00	594.00
FICA	12,091.00	12,185.85	(94.85)
Overtime	0.00	2,032.12	(2,032.12)
COMMODITIES			
Office supplies	1,000.00	216.48	783.52
Gas	15,000.00	16,600.45	(1,600.45)
Diesel	3,000.00	3,233.55	(233.55)
Janitorial supplies	1,000.00	276.58	723.42
Chemicals	50,000.00	42,510.70	7,489.30
Nuts, bolts, handtools, etc.	6,000.00	13,480.76	(7,480.76)
CONTRACTUAL			
Telephones & pagers	7,000.00	6,783.77	216.23
General/tort liability insurance	3,000.00	3,193.70	(193.70)
Travel	500.00	0.00	500.00
Publications - legal ads	1,000.00	78.00	922.00
Utilities	27,000.00	24,735.68	2,264.32
Dues and subscriptions	500.00	0.00	500.00
Computer software maintenance	4,000.00	0.00	4,000.00
Postage	100.00	0.00	100.00
Uniform allowance	3,500.00	2,403.54	1,096.46
Contractual services	53,370.00	12,884.63	40,485.37
Computer maintenance	5,000.00	0.00	5,000.00
Miscellaneous	1,200.00	2,068.62	(868.62)
Sales & admissions tax	16,000.00	17,857.64	(1,857.64)
Cost of merchandise sold	15,300.00	13,392.46	1,907.54

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, 2022

	Final Budget	Actual	Variance to Final Budget
MAINTENANCE			
Buildings & grounds	\$6,000.00	\$5,210.18	\$789.82
Equipment	20,000.00	21,886.44	(1,886.44)
DEBT SERVICE			
Principal	0.00	26,394.41	(26,394.41)
Interest	0.00	4,891.99	(4,891.99)
CAPITAL OUTLAY	0.00	6,478.92	(6,478.92)
 TOTAL EXPENDITURES	 445,653.00	 424,573.77	 21,079.23
 Excess (deficiency) of revenues over expenditures	 (198,618.00)	 (144,898.85)	 53,719.15
 OTHER FINANCING SOURCES (USES)			
Transfer from other governmental entity	50,000.00	50,000.00	0.00
Transfer from hospitality tax fund	148,618.00	90,000.00	(58,618.00)
 TOTAL OTHER FINANCING SOURCES (USES)	 198,618.00	 140,000.00	 (58,618.00)
 Excess (deficiency) of revenues over expenditures and other financing sources (uses)	 0.00	 (4,898.85)	 (4,898.85)
 FUND BALANCE (deficit) - beginning of year	 18,348.15	 18,348.15	 0.00
 FUND BALANCE (deficit) - end of year	 \$18,348.15	 \$13,449.30	 (\$4,898.85)

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, 2022

	Final Budget	Actual	Variance to Final Budget
REVENUES			
LOCAL			
Hospitality tax	\$650,000.00	\$712,998.00	\$62,998.00
Interest	1,000.00	283.94	(716.06)
TOTAL REVENUES	651,000.00	713,281.94	62,281.94
EXPENDITURES			
CONTRACTUAL			
Miscellaneous	260.00	354.16	(94.16)
Pee Dee Regional Transportation Authority	12,000.00	10,000.00	2,000.00
Economic Development	20,000.00	0.00	20,000.00
DEBT SERVICE			
Principal payment	209,915.00	219,338.62	(9,423.62)
Interest payment	29,560.00	20,135.51	9,424.49
CAPITAL OUTLAY	0.00	175,150.00	(175,150.00)
TOTAL EXPENDITURES	271,735.00	424,978.29	(153,243.29)
Excess (deficiency) of revenues over expenditures	379,265.00	288,303.65	(90,961.35)
OTHER FINANCING SOURCES (USES)			
Transfer (to) General Fund	(199,265.00)	(135,401.48)	63,863.52
Transfer (to) Golf Course	(180,000.00)	(90,000.00)	90,000.00
TOTAL OTHER FINANCING SOURCES (USES)	(379,265.00)	(225,401.48)	153,863.52
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	0.00	62,902.17	62,902.17
FUND BALANCE - beginning of year	904,882.69	904,882.69	0.00
FUND BALANCE - end of year	\$904,882.69	\$967,784.86	\$62,902.17

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, 2022

	Final Budget	Actual	Variance to Final Budget
REVENUES			
STATE			
Accommodations tax	\$85,000.00	\$90,964.65	\$5,964.65
LOCAL			
Interest	3.00	3.97	0.97
TOTAL REVENUES	85,003.00	90,968.62	5,965.62
EXPENDITURES			
Committee Disbursements	39,000.00	31,969.89	7,030.11
Chamber General Advertising	18,000.00	19,493.50	(1,493.50)
TOTAL EXPENDITURES	57,000.00	51,463.39	5,536.61
Excess (deficiency) of revenues over expenditures	28,003.00	39,505.23	11,502.23
OTHER FINANCING SOURCES (USES)			
Transfers (to) general fund	(28,000.00)	(28,248.92)	(248.92)
TOTAL OTHER FINANCING SOURCES (USES)	(28,000.00)	(28,248.92)	(248.92)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	3.00	11,256.31	11,253.31
FUND BALANCE - beginning of year	71,849.23	71,849.23	0.00
FUND BALANCE - end of year	\$71,852.23	\$83,105.54	\$11,253.31

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, 2022

	Final Budget	Actual	Variance to Final Budget
REVENUES			
LOCAL			
Accommodations tax	\$85,000.00	\$97,132.88	\$12,132.88
Interest	16.00	22.37	6.37
Miscellaneous	0.00	23,941.00	23,941.00
TOTAL REVENUES	85,016.00	121,096.25	36,080.25
EXPENDITURES			
Beautification	40,116.00	35,880.50	4,235.50
Miscellaneous advertising	5,000.00	3,485.84	1,514.16
Utilities	12,900.00	9,194.75	3,705.25
Parks, recreation, and tourism	27,000.00	47,101.63	(20,101.63)
TOTAL EXPENDITURES	85,016.00	95,662.72	(10,646.72)
Excess (deficiency) of revenues over expenditures	0.00	25,433.53	25,433.53
FUND BALANCE - beginning of year	202,750.30	202,750.30	0.00
FUND BALANCE - end of year	\$202,750.30	\$228,183.83	\$25,433.53

City of Dillon, South Carolina
Storm Water
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance to Final Budget
REVENUES			
LOCAL			
Storm water fees	\$141,740.00	\$140,231.71	(\$1,508.29)
Miscellaneous	0.00	645.74	645.74
Interest	50.00	13.21	(36.79)
TOTAL REVENUES	<u>141,790.00</u>	<u>140,890.66</u>	<u>(899.34)</u>
EXPENDITURES			
PERSONAL SERVICES			
Salaries - full time	58,788.00	53,633.37	5,154.63
Pensions and retirement	10,410.00	8,769.02	1,640.98
Health insurance	256.00	169.81	86.19
Workers compensation	1,500.00	676.00	824.00
FICA	4,574.00	4,162.79	411.21
Overtime	1,000.00	782.15	217.85
COMMODITIES			
Diesel	3,500.00	1,058.84	2,441.16
Nuts, bolts, handtools, etc.	3,500.00	83.90	3,416.10
CONTRACTUAL			
General/tort liability insurance	1,000.00	1,000.00	0.00
Uniform allowance	700.00	1,635.94	(935.94)
FEMA Hazard Mitigation (engineering)	3,000.00	123,772.95	(120,772.95)
Miscellaneous	100.00	90.00	10.00
MAINTENANCE			
Equipment rental	6,000.00	0.00	6,000.00
Vehicle repairs	2,000.00	66.14	1,933.86
DEBT SERVICE			
Principal retirement	62,444.00	60,899.46	1,544.54
Interest	0.00	1,487.89	(1,487.89)
TOTAL EXPENDITURES	<u>158,772.00</u>	<u>258,288.26</u>	<u>(99,516.26)</u>
Excess (deficiency) of revenues over expenditures	<u>(16,982.00)</u>	<u>(117,397.60)</u>	<u>(100,415.60)</u>
OTHER FINANCING SOURCES (USES)			
Transfer from General Fund	<u>0.00</u>	<u>240,000.00</u>	<u>240,000.00</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>0.00</u>	<u>240,000.00</u>	<u>240,000.00</u>

City of Dillon, South Carolina
Storm Water
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance to Final Budget
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$16,982.00)	\$122,602.40	\$139,584.40
FUND BALANCE (deficit) - beginning of year	130,077.52	130,077.52	0.00
Prior period adjustment	0.00	(87,170.29)	(87,170.29)
FUND BALANCE (deficit) - end of year	<u>\$113,095.52</u>	<u>\$165,509.63</u>	<u>\$52,414.11</u>

City of Dillon, South Carolina
State Drug Fund
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For Fiscal Year Ended June 30, 2022

REVENUES	
FEDERAL	
JAG Grant	\$1,596.26
STATE	
State Drug Fund	24,317.00
LOCAL	
Miscellaneous	6,430.34
Interest	8.02
	<hr/>
TOTAL REVENUES	32,351.62
	<hr/>
EXPENDITURES	
Miscellaneous	6,254.29
CAPITAL OUTLAY	19,942.00
	<hr/>
TOTAL EXPENDITURES	26,196.29
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Excess (deficiency) of revenues over expenditures	6,155.33
	<hr/>
OTHER FINANCING SOURCES (USES)	
Gain on sale of equipment	13,332.33
Transfer from (to) other governmental entity	(4,324.00)
	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	9,008.33
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Excess (deficiency) of revenues over expenditures and other financing sources (uses)	15,163.66
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FUND BALANCE - beginning of year	31,683.56
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FUND BALANCE - end of year	\$46,847.22
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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, 2022

REVENUES	
LOCAL	
Interest	<u>\$9.52</u>
TOTAL REVENUES	<u>9.52</u>
EXPENDITURES	
Rent	<u>8,400.00</u>
TOTAL EXPENDITURES	<u>8,400.00</u>
Excess (deficiency) of revenues over expenditures	<u>(8,390.48)</u>
OTHER FINANCING SOURCES (USES)	
Gain on sale of equipment	<u>2,500.00</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,500.00</u>
Excess (deficiency) if revenues over expenditures and other financing sources (uses)	(5,890.48)
FUND BALANCE - beginning of year	<u>91,997.95</u>
FUND BALANCE - end of year	<u><u>\$86,107.47</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, 2022

	Final Budget	Actual	Variance to Final Budget
OPERATING REVENUES			
Back flow fees	\$4,500.00	\$1,260.00	(\$3,240.00)
Lab fees	10,000.00	10,190.00	190.00
Setup fees	13,000.00	10,225.00	(2,775.00)
Tap fees	7,000.00	26,175.00	19,175.00
Land and water tower rental	17,995.00	18,239.52	244.52
Perdue Surcharge	0.00	25,308.39	25,308.39
Water and sewer sales	3,648,472.00	4,316,344.30	667,872.30
Bad debt recovery	200.00	0.00	(200.00)
American rescue plan grant	0.00	59,432.38	59,432.38
Miscellaneous	12,000.00	24,106.08	12,106.08
TOTAL OPERATING REVENUES	3,713,167.00	4,491,280.67	778,113.67
OPERATING EXPENSES			
ADMINISTRATION DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	163,158.00	165,906.48	(2,748.48)
Pensions and retirement	28,406.00	16,394.60	12,011.40
Health insurance	13,328.00	13,524.93	(196.93)
Workers compensation	3,500.00	3,020.00	480.00
FICA	12,482.00	12,379.12	102.88
COMMODITIES			
Office supplies	1,850.00	1,472.22	377.78
Books and periodicals	350.00	326.08	23.92
Food	325.00	190.54	134.46
Uniform purchase	400.00	474.45	(74.45)
Gas	3,000.00	4,591.45	(1,591.45)
Diesel	200.00	1,571.71	(1,371.71)
Lab and shop supplies	30,000.00	33,003.24	(3,003.24)
Janitorial supplies	2,500.00	691.02	1,808.98
Nuts, bolts, handtools, etc.	1,500.00	69.24	1,430.76
Safety equipment	1,000.00	8,137.48	(7,137.48)
CONTRACTUAL			
Telephone and pagers	6,000.00	5,878.07	121.93
Travel	200.00	178.08	21.92
Publications-legal ads	1,000.00	0.00	1,000.00
Freight and express	300.00	31.74	268.26
Printing	500.00	0.00	500.00
Dues and subscriptions	1,000.00	75.00	925.00
Postage	2,000.00	1,354.60	645.40
Computer maintenance	4,300.00	2,445.17	1,854.83
Miscellaneous	500.00	0.00	500.00
In service training/schools	3,000.00	1,899.00	1,101.00
MAINTENANCE			
Building and grounds	2,000.00	1,954.95	45.05
Machinery, tools and equipment	1,500.00	62.63	1,437.37
Motor vehicles	3,000.00	102.13	2,897.87
CAPITAL OUTLAY	8,000.00	0.00	8,000.00
TOTAL ADMINISTRATION DEPARTMENT	295,299.00	275,733.93	19,565.07

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, 2022

	Final Budget	Actual	Variance to Final Budget
WASTEWATER TREATMENT DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	\$452,013.00	\$450,324.56	\$1,688.44
Medical examinations	300.00	0.00	300.00
Pensions and retirement	83,745.00	44,971.75	38,773.25
Health insurance	75,740.00	73,596.54	2,143.46
Workers compensation	10,000.00	7,933.00	2,067.00
Unemployment	2,000.00	0.00	2,000.00
FICA	36,798.00	37,970.61	(1,172.61)
Overtime	20,000.00	52,116.30	(32,116.30)
Holiday pay	9,000.00	10,308.72	(1,308.72)
COMMODITIES			
Uniform purchase	200.00	0.00	200.00
Gas	18,000.00	32,099.32	(14,099.32)
Diesel	15,000.00	5,792.16	9,207.84
Chemical and first aid	199,160.00	262,120.87	(62,960.87)
Nuts, bolts, handtools, etc.	21,000.00	21,265.00	(265.00)
CONTRACTUAL			
Telephones and pagers	3,000.00	3,808.19	(808.19)
Publications & Ads	200.00	106.73	93.27
Utilities	500,000.00	543,180.00	(43,180.00)
Dues and subscriptions	4,000.00	1,180.00	2,820.00
Uniform rental	7,800.00	5,351.51	2,448.49
Contractual services	45,000.00	62,977.75	(17,977.75)
Engineering services	50,000.00	68,691.15	(18,691.15)
Miscellaneous	4,000.00	9,437.53	(5,437.53)
Contingency	83,623.00	0.00	83,623.00
MAINTENANCE			
Building and grounds	3,000.00	18,500.90	(15,500.90)
Inflow & infiltration	75,000.00	0.00	75,000.00
Sewer line	15,000.00	14,815.84	184.16
Sewer line extensions	5,000.00	0.00	5,000.00
Machinery, tools, and equipment	200,000.00	190,617.07	9,382.93
Pump & equipment rental	75,000.00	11,771.68	63,228.32
Motor vehicles	15,200.00	32,715.24	(17,515.24)
Depreciation city/perdue	60,636.00	0.00	60,636.00
CAPITAL OUTLAY	166,000.00	0.00	166,000.00
TOTAL WASTEWATER TREATMENT DEPT.	2,255,415.00	1,961,652.42	293,762.58
WATER TREATMENT DEPARTMENT			
COMMODITIES			
Chemical and first aid	44,100.00	40,288.24	3,811.76
Nuts, bolts, handtools, etc.	4,000.00	7,944.63	(3,944.63)
CONTRACTUAL			
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	71,213.55	(3,213.55)
Dues and subscriptions	21,000.00	17,090.00	3,910.00
Professional fees	16,105.00	18,047.36	(1,942.36)
Engineering services	15,000.00	16,906.31	(1,906.31)

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, 2022

	Final Budget	Actual	Variance to Final Budget
WATER TREATMENT DEPARTMENT (CONTINUED)			
Water meters	\$46,000.00	\$81,349.43	(\$35,349.43)
SRF Loan	0.00	1,185.25	(1,185.25)
Miscellaneous	600.00	142.50	457.50
MAINTENANCE			
Building and grounds	8,500.00	1,000.00	7,500.00
Water line	20,000.00	33,017.77	(13,017.77)
Water line extensions	5,000.00	46,416.17	(41,416.17)
Plant, towers, wells, and reserves	20,000.00	1,150.00	18,850.00
Machinery, tools, and equipment	20,000.00	7,347.51	12,652.49
TOTAL WATER TREATMENT DEPARTMENT	291,005.00	343,098.72	(52,093.72)
CITY MANAGER DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	184,710.00	174,921.40	9,788.60
Pensions and retirement	32,158.00	17,252.09	14,905.91
Health insurance	16,807.00	14,850.82	1,956.18
Workers compensation	2,000.00	1,960.00	40.00
FICA	14,131.00	12,941.60	1,189.40
COMMODITIES			
Office supplies	1,500.00	729.42	770.58
Books and periodicals	500.00	0.00	500.00
Food	3,000.00	311.52	2,688.48
Gas, oil, diesel	3,000.00	3,208.02	(208.02)
CONTRACTUAL			
Telephones and pagers	11,850.00	9,700.43	2,149.57
Travel	3,000.00	458.01	2,541.99
Publications-Legal Ads	100.00	0.00	100.00
Printing	600.00	0.00	600.00
Dues and subscriptions	1,500.00	355.00	1,145.00
Professional fees	50,000.00	42,275.77	7,724.23
Miscellaneous	2,000.00	413.84	1,586.16
MAINTENANCE			
Motor vehicles	1,500.00	59.42	1,440.58
TOTAL CITY MANAGER DEPARTMENT	328,356.00	279,437.34	48,918.66
WATER AND SEWER BILLING DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	118,056.00	111,986.65	6,069.35
Medical exam	0.00	226.00	(226.00)
Pensions and retirement	21,424.00	11,162.33	10,261.67
Health insurance	18,481.00	19,223.79	(742.79)
Workers compensation	2,000.00	2,296.00	(296.00)
Unemployment compensation	5,000.00	0.00	5,000.00
FICA	9,414.00	8,324.75	1,089.25
Overtime	5,000.00	5,755.86	(755.86)

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, 2022

	Final Budget	Actual	Variance to Final Budget
WATER AND SEWER BILLING DEPARTMENT(CONTINUED)			
COMMODITIES			
Office supplies	\$5,000.00	\$5,096.65	(\$96.65)
Food	50.00	0.00	50.00
Uniform purchase	720.00	1,404.87	(684.87)
Gas, oil, diesel	4,000.00	5,365.56	(1,365.56)
Nuts, bolts, handtools, etc.	500.00	5,758.64	(5,258.64)
Safety equipment	100.00	0.00	100.00
Telephones	0.00	1,867.97	(1,867.97)
CONTRACTUAL			
Publications & Ads	0.00	211.38	(211.38)
Travel	200.00	0.00	200.00
Printing	8,700.00	6,633.59	2,066.41
Dues and subscriptions	100.00	0.00	100.00
Computer software maintenance	20,000.00	19,439.63	560.37
Postage	22,416.00	18,265.00	4,151.00
Invoice cloud	700.00	25,622.03	(24,922.03)
Computer Maintenance	8,000.00	6,871.80	1,128.20
Miscellaneous	15,000.00	10,065.11	4,934.89
MAINTENANCE			
Machinery, tools, and equipment	500.00	1,853.47	(1,353.47)
Motor vehicles	2,000.00	1,109.71	890.29
CAPITAL OUTLAY	33,500.00	0.00	33,500.00
TOTAL WATER AND SEWER BILLING DEPT.	300,861.00	268,540.79	32,320.21
INSURANCE DEPARTMENT			
Vehicle, bond, etc.	79,487.00	81,239.83	(1,752.83)
TOTAL INSURANCE DEPARTMENT	79,487.00	81,239.83	(1,752.83)
SLUDGE HAULING DEPARTMENT			
PERSONAL SERVICES			
Salaries and wages	33,101.00	33,865.10	(764.10)
Pensions and retirement	7,504.00	5,584.38	1,919.62
Health insurance	5,278.00	5,425.20	(147.20)
Workers compensation	800.00	0.00	800.00
FICA	3,298.00	4,162.20	(864.20)
Overtime	5,000.00	19,161.80	(14,161.80)
Holiday pay	5,000.00	2,170.25	2,829.75
COMMODITIES			
Gas	7,000.00	290.84	6,709.16
Diesel	20,000.00	16,067.84	3,932.16
CONTRACTUAL			
Uniform rental	500.00	708.03	(208.03)
Sludge hauling	78,000.00	147,723.11	(69,723.11)
Miscellaneous	4,000.00	272.27	3,727.73
MAINTENANCE			
Motor vehicles	10,000.00	11,285.93	(1,285.93)
TOTAL SLUDGE HAULING DEPARTMENT	179,481.00	246,716.95	(67,235.95)

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, 2022

	Final Budget	Actual	Variance to Final Budget
OTHER OPERATING EXPENSES			
Depreciation	\$0.00	\$1,376,930.66	(\$1,376,930.66)
Bad debts	0.00	21,084.53	(21,084.53)
TOTAL OTHER OPERATING EXPENSES	0.00	1,398,015.19	(1,398,015.19)
TOTAL OPERATING EXPENSES	3,729,904.00	4,854,435.17	(1,124,531.17)
NET INCOME (LOSS) FROM OPERATIONS	(16,737.00)	(363,154.50)	(346,417.50)
NONOPERATING REVENUES (EXPENSES)			
Grant contributions	0.00	609,299.40	609,299.40
Interest earned	20,000.00	15,982.00	(4,018.00)
Interest expense	(63,899.00)	(6,905.33)	56,993.67
TOTAL NONOPERATING REVENUES (EXPENSES)	(43,899.00)	618,376.07	662,275.07
OTHER FINANCING SOURCES (USES)			
Gain on sale of fixed assets	0.00	650.00	650.00
Depreciation account funding (Perdue)	60,636.00	60,636.00	0.00
TOTAL OTHER FINANCING SOURCES (USES)	60,636.00	61,286.00	650.00
CHANGE IN NET POSITION	0.00	316,507.57	316,507.57
NET POSITION - beginning of year	26,261,431.02	26,261,431.02	0.00
NET POSITION - end of year	<u>\$26,261,431.02</u>	<u>\$26,577,938.59</u>	<u>\$316,507.57</u>

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

**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, each major fund, and the aggregate remaining fund information of the City of Dillon as of and for the year ended June 30, 2022, 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 March 31, 2023.

Report on 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) as a basis for designing 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 #2022-001 and #2022-002.

We noted certain matters that we reported to the management of the City of Dillon in a separate letter dated March 31, 2023.

Report on 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*.

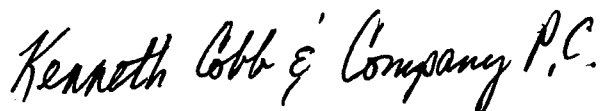
We noted certain matters that we reported to the management of the City of Dillon in a separate letter dated March 31, 2023.

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.

A handwritten signature in black ink that reads "Kenneth Cobb & Company P.C." in a cursive script.

Kenneth Cobb & Company, P.C.
Mullins, South Carolina
March 31, 2023

City of Dillon, South Carolina
SCHEDULE OF FINDINGS AND RESPONSES
For the fiscal year ended June 30, 2022

FINDINGS – FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

#2022-001 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 may 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.

#2022-002 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.