

Town of Blacksburg, South Carolina
Financial Statements and Additional Information
Year Ended March 31, 2020

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Town of Blacksburg, South Carolina

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Independent Auditor's Report

To the Honorable Mayor and Town Council
Town of Blacksburg, South Carolina
Blacksburg, South Carolina

Report on Financial Statements

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 **Town of Blacksburg, South Carolina** as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Blacksburg, South Carolina as of March 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof in conformity with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Blacksburg, South Carolina's basic financial statements. The combining nonmajor fund financial statements and schedule of fines, assessments and surcharges listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Spartanburg, South Carolina
December 6, 2020

Town of Blacksburg, South Carolina

Management's Discussion and Analysis

As management of the Town of Blacksburg, South Carolina, we offer readers of the Town of Blacksburg, South Carolina's financial statements this narrative overview and analysis of the financial activities of the Town of Blacksburg, South Carolina for the fiscal year ended March 31, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets of the Town of Blacksburg, South Carolina exceeded its liabilities at the close of the fiscal year by \$9,424,973 (*net position*).
- The government's total net position increased by \$300,818. Depreciation expense (a noncash item) totaled \$600,989 for the year.
- As of the close of the current fiscal year, the Town of Blacksburg, South Carolina's governmental funds reported combined ending fund balances of \$502,806, a decrease of \$18,435 in comparison with the prior year. Approximately 83 percent of this total amount is available for spending at the government's discretion (unassigned fund balances).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$418,217 or 26 percent of total general fund expenditures and net transfers for the fiscal year. General fund expenditures included \$71,816 in capital asset additions and \$7,984 in principal payments on long-term debt.
- The Town of Blacksburg, South Carolina's total long-term debt excluding pension and OPEB liabilities and compensated absences decreased by \$94,617 (35.12%) during the current fiscal year. Principal repayments on capital leases totaled \$46,280 and repayments on general obligation bonds totaled \$48,337. No new debt was issued.
- With the required GASB 68 reporting, the total long-term net pension liability increased \$38,805.
- Actual expenditures of the General Fund exceeded budget by \$34,983 and actual revenues exceeded budget by \$77,444. Licenses, permits and franchise fees were over budget by \$32,557 and other revenues were over budget by \$44,887. Fund balance increased by \$50,588.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of Blacksburg, South Carolina's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Blacksburg, South Carolina.

Basic Financial Statements

The first two statements (pages 13 and 14) in the basic financial statements are the Government-Wide Financial Statements. They provide both short and long-term information about the Town's financial status.

The next statements (pages 15 to 26) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the agency fund statement.

Town of Blacksburg, South Carolina

Management's Discussion and Analysis

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Town's individual funds. Required pension plan and OPEB reporting and budgetary information required by state statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net positions and how they have changed. Net position is the difference between the Town's total assets and total liabilities. Measuring net position is one way to gauge the Town's financial condition.

The government-wide financial statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include all of the basic services such as general government, police and fire, and street department. Property taxes, business licenses, franchise fee taxes, intergovernmental revenues, and charges for services such as police fines finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include water and sewer services offered by the Town of Blacksburg.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Blacksburg, South Carolina, like all other governmental entities, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the state statutes, or the Town's budget ordinance. All of the funds of the Town of Blacksburg, South Carolina can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Blacksburg, South Carolina adopts an annual budget for its General Fund, as required by the State statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary schedule provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedule uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The schedule shows four columns: 1) the original budget as adopted by the council; 2) the final budget as amended by the council; 3) the actual resources,

Town of Blacksburg, South Carolina

Management's Discussion and Analysis

charges to appropriations, and ending balances in the Funds; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds - The Town of Blacksburg Water and Sewer Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Blacksburg uses the enterprise fund to account for its water and sewer operations. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

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 fund financial statements. The notes to the financial statements are on pages 27 to 52 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain supplementary information concerning the Town of Blacksburg, South Carolina's budgetary reporting, combining nonmajor governmental funds statements and other information. Supplementary information can be found beginning on page 53 of this report.

Government-Wide Financial Analysis

The Town of Blacksburg, South Carolina's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 839,220	\$ 801,809	\$ 1,840,357	\$ 1,510,196	\$ 2,679,577	\$ 2,312,005
Capital assets, net	1,509,720	1,552,383	8,207,355	8,223,072	9,717,075	9,775,455
Total assets	<u>2,348,940</u>	<u>2,354,192</u>	<u>10,047,712</u>	<u>9,733,268</u>	<u>12,396,652</u>	<u>12,087,460</u>
Deferred outflows of resources	177,833	269,498	98,020	152,894	275,853	422,392
Long-term liabilities	1,775,407	1,843,066	1,157,312	1,206,508	2,932,719	3,049,574
Other liabilities	292,974	218,950	(12,805)	75,907	280,169	294,857
Total liabilities	<u>2,068,381</u>	<u>2,062,016</u>	<u>1,144,507</u>	<u>1,282,415</u>	<u>3,212,888</u>	<u>3,344,431</u>
Deferred inflows of resources	27,977	33,054	6,667	8,212	34,644	41,266
Net position						
Net investment in capital assets	1,401,557	1,387,898	8,140,723	8,118,144	9,542,280	9,506,042
Restricted	84,589	153,612			84,589	153,612
Unrestricted	(1,055,731)	(1,012,890)	853,835	477,391	(201,896)	(535,499)
Total net position	<u>\$ 430,415</u>	<u>\$ 528,620</u>	<u>\$ 8,994,558</u>	<u>\$ 8,595,535</u>	<u>\$ 9,424,973</u>	<u>\$ 9,124,155</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Blacksburg, South Carolina exceeded liabilities and deferred inflows by \$9,424,973, as of March 31, 2020. The Town's net position increased by \$300,818 for the fiscal year ended March 31, 2020.

A large portion (101.24%) reflects the investment in capital assets (land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Town of Blacksburg, South Carolina**Management's Discussion and Analysis**

An additional portion of the Town of Blacksburg's net position, \$84,589 represents resources that are subject to external restrictions on how they may be used.

As a result of the Town implementing GASB Statement 68, unrestricted net position is reported deficient in the amount of \$201,896. With the new reporting change, the Town allocated its proportionate share of the Plans net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. Current year net position decreased \$178,722 because of this reporting. Decisions regarding the allocations are made by the administrators of the pension plan, not by the Town of Blacksburg's management.

Several particular aspects of the Town's financial operations influenced the total governmental net position as follows:

- Total governmental expenses decreased by \$228,273.
- Operating grants and contributions decreased by \$20,560.
- Property taxes decreased by \$4,556 and other taxes increased by \$36,980.
- Administrative overhead reimbursement decreased by \$134,863.

Town of Blacksburg, South Carolina

Management's Discussion and Analysis

The Town of Blacksburg, South Carolina Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 96,419	\$ 92,027	\$ 1,779,737	\$ 1,777,062	\$ 1,876,156	\$ 1,869,089
Operating grants	90,431	110,991			90,431	110,991
Capital grants/contributions			486,689	260,942	486,689	260,942
General revenues:						
Taxes	1,471,859	1,574,298			1,471,859	1,574,298
Other general revenues	122,197	79,368	14,712	9,119	136,909	88,487
Total revenues	<u>1,780,906</u>	<u>1,856,684</u>	<u>2,281,138</u>	<u>2,047,123</u>	<u>4,062,044</u>	<u>3,903,807</u>
Expenses						
General government	287,721	433,349			287,721	433,349
Police department	963,691	1,057,614			963,691	1,057,614
Fire department	101,650	101,650			101,650	101,650
Street department	410,881	395,493			410,881	395,493
Cemetery department	14,250	14,050			14,250	14,050
Interest on long-term debt	918	5,228			918	5,228
Water and sewer			1,982,115	2,045,175	1,982,115	2,045,175
Total expenses	<u>1,779,111</u>	<u>2,007,384</u>	<u>1,982,115</u>	<u>2,045,175</u>	<u>3,761,226</u>	<u>4,052,559</u>
Increase before transfers	1,795	(150,700)	299,023	1,948	300,818	(148,752)
Transfers in (out)	<u>(100,000)</u>		<u>100,000</u>			
Change in net position	(98,205)	(150,700)	399,023	1,948	300,818	(148,752)
Net position, beginning	528,620	669,290	8,595,535	8,616,846	9,124,155	9,286,136
Prior period GASB 75 adjustment		10,030		(23,259)		(13,229)
Net position, ending	<u>\$ 430,415</u>	<u>\$ 528,620</u>	<u>\$ 8,994,558</u>	<u>\$ 8,595,535</u>	<u>\$ 9,424,973</u>	<u>\$ 9,124,155</u>

Governmental activities. Governmental activities decreased the Town's net position by \$98,205 compared to a decrease of \$150,700 the prior year. Key elements of this decrease are as follows:

- Charges for services increased by \$4,392.
- Operating grants and contributions decreased \$20,560.
- Property taxes decreased \$4,556, hospitality taxes increased \$11,629 while franchise fees increased \$28,347.
- General government expenses decreased \$145,628 which consisted primarily of a decrease in general government expenses primarily in salaries and benefits.
- Police department expenses decreased \$93,923 which consisted primarily of a decrease in salaries and employee benefits and grant expenses.
- Street department expenses increased by \$15,388 primarily due to an increase in retirement expense.
- The Hospitality Tax Fund made a one-time transfer to the Water and Sewer System of \$100,000.

Business-Type activities. Business-type activities increased the Town of Blacksburg's net position by \$399,023 compared to an increase of \$1,948 the previous year. Key elements of this increase are as follows:

Town of Blacksburg, South Carolina**Management's Discussion and Analysis**

- Operating revenues increased \$2,675 and operating expenses decreased by \$63,060.
- Capital grants and contributions increased by \$225,747.
- The Hospitality Tax Fund made a one-time transfer of \$100,000 to support capital expenditures.
- The administrative overhead reimbursement expense of \$134,863 in the prior year was not repeated in the current year.
- Repairs, maintenance and supplies expenses decreased \$59,000.

Financial Analysis of the Town's Funds

As noted earlier, the Town of Blacksburg, South Carolina uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town of Blacksburg, South Carolina's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Blacksburg, South Carolina's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town of Blacksburg, South Carolina. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$418,217. As a measure of the General Funds liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.71 percent of total General Fund budgeted expenditures.

At March 31, 2020 the governmental funds of the Town of Blacksburg reported a combined fund balance of \$502,806, a 3.5 percent decrease from last year. The General Fund budgeted for a \$0 decrease and realized an increase of \$50,588.

General Fund Budgetary Highlights. During the fiscal year, the Town did not revise its budget.

Proprietary Funds. The Town of Blacksburg's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year was \$853,835. The total increase in net position for the Water and Sewer Fund was \$399,023. Other factors concerning the finances of the fund have already been addressed in the discussion of the Town of Blacksburg, South Carolina's business-type activities.

Capital Assets and Debt Administration

Capital Assets. The Town of Blacksburg, South Carolina's investment in capital assets for its governmental and business-type activities as of March 31, 2020, totals \$9,717,075 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, infrastructure and distribution system.

Major capital asset transactions during the year include the following additions:

- I-85 Welcome Center sewer project at a cost of \$390,381
- Acquisition of two police vehicles at a cost of \$60,762
- Purchase of real estate at a cost of \$51,319
- Web based and other computer related at a cost of \$33,165

Town of Blacksburg, South Carolina

Management's Discussion and Analysis

Town of Blacksburg, South Carolina's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 244,355	\$ 244,355	\$ 110,381	\$ 59,062	\$ 354,736	\$ 303,417
Buildings	921,224	957,884	34,498	36,028	955,722	993,912
Infrastructure	93,519	100,101			93,519	100,101
Distribution system			7,887,715	7,929,930	7,887,715	7,929,930
Machinery and equipment	250,622	250,043	174,761	198,052	425,383	448,095
Total	<u>\$ 1,509,720</u>	<u>\$ 1,552,383</u>	<u>\$ 8,207,355</u>	<u>\$ 8,223,072</u>	<u>\$ 9,717,075</u>	<u>\$ 9,775,455</u>

Additional information on the Town's capital assets can be found in note 5 of the basic financial statements

Debt Administration. Long-term obligations consist of the following:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
GO Bonds	\$ 99,593	\$ 147,930	\$	\$	\$ 99,593	\$ 147,930
Capital leases	8,570	16,555	66,632	104,928	75,202	121,483
Compensated absences	41,907	51,998	32,399	46,163	74,306	98,161
Net pension liability	1,425,727	1,404,975	921,844	903,791	2,347,571	2,308,766
Net OPEB liability	199,610	221,608	136,437	151,626	336,047	373,234
Total	<u>\$ 1,775,407</u>	<u>\$ 1,843,066</u>	<u>\$ 1,157,312</u>	<u>\$ 1,206,508</u>	<u>\$ 2,932,719</u>	<u>\$ 3,049,574</u>

The Town of Blacksburg, South Carolina's total long-term obligations decreased by \$116,855 (3.83%) during the past fiscal year substantially due to the decrease in capital leases and general obligation bonds in the amount of \$94,618.

South Carolina State Law limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Blacksburg, South Carolina is approximately \$6,053,268. The Town has \$99,593 general obligation debt outstanding. Additional information regarding the Town of Blacksburg, South Carolina's long-term debt can be found in Note 6 of the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the challenges the Town faces with the local economy:

- Assessed valuation of property increased from \$75,665,849 to \$81,879,936.
- Millage rates increased 4.4 mills for operations.

Budget Highlights for the Fiscal Year Ending March 31, 2021

Governmental Activities: General Fund revenue has been budgeted to increase by approximately \$103,000 from the prior year final budget. Property taxes are budgeted to increase \$61,938 and licenses, permits and fees are budgeted at an increase of \$53,000.

Budgeted expenditures in the General Fund are expected to increase approximately \$103,038 from the prior year final budget. The departments with the largest budgeted expenditure increase are the general government and the police department which have budgeted expenditure increases of approximately \$57,229 and \$67,848, respectively. The increases are substantially due to increased salaries and related payroll taxes and benefits.

Town of Blacksburg, South Carolina

Management's Discussion and Analysis

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Administrator, Town of Blacksburg, 105 South Shelby Street, Blacksburg, South Carolina 29702.

Town of Blacksburg, South Carolina

Statement of Net Position
March 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 637,866	\$ 1,593,489	\$ 2,231,355
Receivables			
Taxes	43,440		43,440
Other	92,007	197,408	289,415
Restricted cash and cash equivalents	65,907	49,460	115,367
Capital assets (net)	1,509,720	8,207,355	9,717,075
Total assets	<u>2,348,940</u>	<u>10,047,712</u>	<u>12,396,652</u>
Deferred Outflows of Resources	<u>177,833</u>	<u>98,020</u>	<u>275,853</u>
Liabilities			
Accounts payable	22,976	90,831	113,807
Customer deposits		47,077	47,077
Other accrued expenses	101,791	17,494	119,285
Due to/from other funds	168,207	(168,207)	
Long-term liabilities			
Due within one year	57,873	45,086	102,959
Due in more than one year	50,290	21,546	71,836
Non-current accrued compensated absences	41,907	32,399	74,306
Net OPEB liability	199,610	136,437	336,047
Net pension liability	1,425,727	921,844	2,347,571
Total liabilities	<u>2,068,381</u>	<u>1,144,507</u>	<u>3,212,888</u>
Deferred Inflows of Resources	<u>27,977</u>	<u>6,667</u>	<u>34,644</u>
Net Position			
Net investment in capital assets	1,401,557	8,140,723	9,542,280
Restricted for			
Victims' assistance	18,329		18,329
Law enforcement	11,361		11,361
Tourism	42,828		42,828
Museum maintenance	12,071		12,071
Unrestricted	(1,055,731)	853,835	(201,896)
Total net position	<u>\$ 430,415</u>	<u>\$ 8,994,558</u>	<u>\$ 9,424,973</u>

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

Town of Blacksburg, South Carolina

Statement of Activities
Year Ended March 31, 2020

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities			
General government	\$ 287,721	\$ 650	\$
Police department	963,691	67,685	90,431
Fire department	101,650		
Street department	410,881	28,084	
Cemetery department	14,250		
Interest on long-term debt	918		
Total governmental activities	1,779,111	96,419	90,431
Business-type activities			
Water and sewer utility	1,982,115	1,779,737	
Total business-type activities	1,982,115	1,779,737	
Total government wide	\$ 3,761,226	\$ 1,876,156	\$ 90,431

General revenues:

Taxes

Property taxes

Payment in lieu of taxes

Hospitality tax

Local option sales tax

Occupational licenses and franchise fees

State shared income

Rental income

Miscellaneous

Unrestricted investment earnings

Transfers

Total general revenues

Change in net position

Net Position, beginning of year

Net Position, End of year

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

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
\$	\$ (287,071)	\$	\$ (287,071)
	(805,575)		
	(101,650)		(101,650)
	(382,797)		(382,797)
	(14,250)		(14,250)
	(918)		(918)
	<u>(1,592,261)</u>		<u>(1,592,261)</u>
<u>486,689</u>		<u>284,311</u>	<u>284,311</u>
<u>486,689</u>		<u>284,311</u>	<u>284,311</u>
<u>\$ 486,689</u>	<u>(1,592,261)</u>	<u>284,311</u>	<u>(1,307,950)</u>
	813,246		813,246
	5,617		5,617
	141,239		141,239
	84,200		84,200
	427,557		427,557
	62,343		62,343
	3,500		3,500
	55,553		55,553
	801	14,712	15,513
	<u>(100,000)</u>	<u>100,000</u>	
	<u>1,494,056</u>	<u>114,712</u>	<u>1,608,768</u>
	(98,205)	399,023	300,818
	<u>528,620</u>	<u>8,595,535</u>	<u>9,124,155</u>
<u>\$</u>	<u>430,415</u>	<u>\$ 8,994,558</u>	<u>\$ 9,424,973</u>

Town of Blacksburg, South Carolina

Balance Sheet - Governmental Funds
March 31, 2020

ASSETS

	General Fund	Hospitality Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 559,900	\$ 36,878	\$ 41,088	\$ 637,866
Receivables				
Taxes receivable	43,440			43,440
Accounts receivable	92,007			92,007
Restricted cash and cash equivalents	65,907			65,907
Due from other funds	14,300	5,950	673	20,923
Total assets	<u>\$ 775,554</u>	<u>\$ 42,828</u>	<u>\$ 41,761</u>	<u>\$ 860,143</u>

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

Town of Blacksburg, South Carolina

Balance Sheet - Governmental Funds
March 31, 2020

LIABILITIES AND FUND BALANCES

	General Fund	Hospitality Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Liabilities				
Accounts payable	\$ 22,976	\$		\$ 22,976
Other accrued expenses	101,791			101,791
Due to other funds	189,130			189,130
Total liabilities	<u>313,897</u>			<u>313,897</u>
Deferred Inflows of Resources	<u>43,440</u>			<u>43,440</u>
Fund Balances				
Restricted, reported in Special Revenue Funds				
Tourism related		42,828		42,828
Victims' assistance			18,329	18,329
Drug enforcement			11,361	11,361
Assigned for museum and park			12,071	12,071
Unassigned	418,217			418,217
Total fund balances	<u>418,217</u>	<u>42,828</u>	<u>41,761</u>	<u>502,806</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 775,554</u>	<u>\$ 42,828</u>	<u>\$ 41,761</u>	<u>\$ 860,143</u>

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

Town of Blacksburg, South Carolina

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
March 31, 2020

Total Governmental Fund Balances	\$	502,806
Amounts reported in 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 the funds.		1,509,720
Other long-term assets are not available to pay for current period expenditures and therefore are shown as deferred inflows of resources. These consist of property taxes not available at year end.		43,440
Long-term liabilities for capital leases, notes payable, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(150,070)
Net OBEP liability		(199,610)
Net pension liability		(1,425,727)
Pension related deferrals		<u>149,856</u>
Net Position of Governmental Activities	\$	<u><u>430,415</u></u>

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

Town of Blacksburg, South Carolina

Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended March 31, 2020

	General Fund	Hospitality Tax Fund	Nonmajor Governmental Funds	Total
Revenues				
Property taxes and penalties	\$ 831,425	\$	\$	\$ 831,425
Hospitality tax		141,239		141,239
Local option sales tax	84,200			84,200
Payment in lieu of taxes	5,617			5,617
Licenses, permits and fees	427,557			427,557
Collection fees	1,442			1,442
Fines, forfeitures and penalties	61,912			61,912
Victims assistance			5,773	5,773
Disposal fees and penalties	28,084			28,084
Intergovernmental revenues:				
School district and auto reimbursements	90,431			90,431
State shared revenues	62,343			62,343
Investment earnings	801			801
Rental income	3,500			3,500
Miscellaneous revenues	45,982		650	46,632
Total revenues	1,643,294	141,239	6,423	1,790,956
Expenditures				
Current				
General government	177,650	61,572		239,222
Police department	865,144		3,817	868,961
Fire department	101,650			101,650
Street department	361,421			361,421
Cemetery department	14,250			14,250
Capital outlay				
General government	11,055			11,055
Police department	60,761			60,761
Debt service				
Principal payments	7,984	48,337		56,321
Interest	918	2,959		3,877
Total expenditures	1,600,833	112,868	3,817	1,717,518
Excess of Revenues Over (Under)				
Expenditures	42,461	28,371	2,606	73,438

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

Town of Blacksburg, South Carolina

Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended March 31, 2020

	<u>General</u>	<u>Hospitality Tax Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Other financing sources (uses)				
Transfers in (out)		(100,000)		(100,000)
Proceeds from sale of assets	8,127			8,127
Total other financing sources (uses)	<u>8,127</u>	<u>(100,000)</u>		<u>(91,873)</u>
Net change in fund balance	50,588	(71,629)	2,606	(18,435)
Fund Balances - Beginning	<u>367,629</u>	<u>114,457</u>	<u>39,155</u>	<u>521,241</u>
Fund Balances - Ending	<u>\$ 418,217</u>	<u>\$ 42,828</u>	<u>\$ 41,761</u>	<u>\$ 502,806</u>

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

Town of Blacksburg, South Carolina

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended March 31, 2020

Net Change in Governmental Fund Balances	\$	(18,435)
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Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$114,479 exceeded capital outlays of \$71,816 in the current period.		(42,663)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Deferred inflows decreased for tax revenues by this amount during the year.		(18,178)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt. Debt proceeds of \$0 net of principal repayments totaling \$56,322 for the year.		56,322
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. During the current year compensated absences decreased by this amount.		10,092
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Contributions to the pension plan in the current fiscal year after the measurement date not included on the Statement of Activities.		82,409
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OPEB expense		21,998
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Pension expense increase		(189,750)
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Change in Net Position of Governmental Activities	\$	<u>(98,205)</u>
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The accompanying notes are an integral part of these financial statements.

Town of Blacksburg, South Carolina

Statement of Net Position
Proprietary Fund
March 31, 2020

	Water and Sewer System	Total
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,593,489	\$ 1,593,489
Trade receivables (net of allowance for uncollectibles)	131,555	131,555
Unbilled accounts receivable	65,853	65,853
Due from other funds	188,457	188,457
Total current assets	<u>1,979,354</u>	<u>1,979,354</u>
Noncurrent assets		
Restricted assets		
Cash and cash equivalents - customer deposits and construction	49,460	49,460
Capital assets		
Total capital assets (net of accumulated depreciation)	<u>8,207,355</u>	<u>8,207,355</u>
Total noncurrent assets	<u>8,256,815</u>	<u>8,256,815</u>
Total assets	<u>10,236,169</u>	<u>10,236,169</u>
DEFERRED OUTFLOWS OF RESOURCES		
	<u>98,020</u>	<u>98,020</u>
LIABILITIES		
Current Liabilities		
Accounts payable	90,831	90,831
Accrued expenses	17,494	17,494
Current portion of leases payable	45,086	45,086
Due to other funds	20,250	20,250
Total before restricted	<u>173,661</u>	<u>173,661</u>
Payable from restricted assets		
Customer deposits	47,077	47,077
Total current liabilities	<u>220,738</u>	<u>220,738</u>
Noncurrent liabilities		
Compensated absences	32,399	32,399
Leases payable - noncurrent portion	21,546	21,546
Net OPEB liability	136,437	136,437
Net pension liability	921,844	921,844
Total noncurrent liabilities	<u>1,112,226</u>	<u>1,112,226</u>
Total liabilities	<u>1,285,887</u>	<u>1,332,964</u>

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

Town of Blacksburg, South Carolina

Statement of Net Position
Proprietary Fund
March 31, 2020

	Water and Sewer System	Total
DEFERRED INFLOWS OF RESOURCES	<u>6,667</u>	<u>6,667</u>
NET POSITION		
Net investment in capital assets	8,140,723	8,140,723
Unrestricted	853,835	853,835
Total net position	<u>\$ 8,994,558</u>	<u>\$ 8,994,558</u>

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

Town of Blacksburg, South Carolina

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Fund
 Year Ended March 31, 2020

	Water System	Sewer System	Total
Operating Revenues			
Metered water sales/admin fee - net of bad debts	\$ 1,191,733	\$	\$ 1,191,733
Sewer service charges - net of bad debts		508,683	508,683
Tap fees	18,500	2,000	20,500
Customer service charges/penalties	58,486		58,486
Other revenues	335		335
Total operating revenues	<u>1,269,054</u>	<u>510,683</u>	<u>1,779,737</u>
Operating expenses			
Water purchased	360,650		360,650
Salaries, wages and benefits	469,208	224,668	693,876
Repairs, maintenance and supplies	107,080	71,014	178,094
Utilities	23,870	76,707	100,577
Professional fees	13,825	8,700	22,525
DHEC fees/laboratory testing	18,531	7,404	25,935
Insurance expense	37,494	14,960	52,454
Administration	45,828	10,862	56,690
Depreciation	359,211	127,299	486,510
Total operating expenses	<u>1,435,697</u>	<u>541,614</u>	<u>1,977,311</u>
Operating Income (loss)	<u>(166,643)</u>	<u>(30,931)</u>	<u>(197,574)</u>
Nonoperating revenues (expenses):			
Investment earnings	14,712		14,712
Interest expense	(4,804)		(4,804)
Total nonoperating revenue (expenses)	<u>9,908</u>		<u>9,908</u>
Income (loss) before other revenues and transfers	<u>(156,735)</u>	<u>(30,931)</u>	<u>(187,666)</u>
Other revenues and transfers			
Capital grants, net		369,881	369,881
Capital contributions		116,808	116,808
Transfers in (out), net		100,000	100,000
Total other revenues and transfers		<u>586,689</u>	<u>586,689</u>
Change in net position	(156,735)	555,758	399,023
Total net position, beginning of year	<u>5,841,681</u>	<u>2,753,854</u>	<u>8,595,535</u>
Total net position, end of year	<u>\$ 5,684,946</u>	<u>\$ 3,309,612</u>	<u>\$ 8,994,558</u>

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

Town of Blacksburg, South Carolina

Statement of Cash Flows - Proprietary Fund Type
 Proprietary Fund
 Year Ended March 31, 2020

	Total
Cash Flows from Operating Activities	
Cash received from customers	\$ 1,693,093
Cash paid for goods and services	(791,768)
Cash paid to employees for services	(649,382)
Net cash provided by operating activities	251,943
Cash Flows from Capital and Related Financing Activities	
Grants and capital contributions	586,689
Purchases of capital assets	(470,792)
Principal payments on capital leases	(38,296)
Interest paid on capital leases payable	(4,804)
Net cash provided by capital and related financing activities	72,797
Cash Flows from Investing Activities	
Interest received on invested funds	14,712
Net cash provided by investing activities	14,712
Net increase in cash and cash equivalents	339,452
Cash and cash equivalents, Beginning of year	1,303,497
Cash and cash equivalents, End of year	\$ 1,642,949

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

Town of Blacksburg, South Carolina

Statement of Cash Flows - Proprietary Fund Type
 Proprietary Fund
 Year Ended March 31, 2020

	Total
Reconciliation of Operating Income (Loss) to Net Cash	
Provided by Operating Activities	
Operating income (loss)	\$ (197,574)
Adjustments to reconcile operating income (loss)	
to net cash provided by (used in) operating activities	
Depreciation and amortization	486,510
Pension expense	71,383
OPEB expense	(15,189)
Changes in assets and liabilities	
(Increase) decrease in accounts receivable	10,609
(Increase) decrease in unbilled receivable	(1,319)
Increase (decrease) in accounts payable	5,158
Increase (decrease) in accrued expenses	(11,700)
Increase (decrease) in customer meter deposits	(618)
Increase (decrease) in due to other funds	(95,317)
Total adjustments	449,517
Net cash provided by operating activities	\$ 251,943

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

Town of Blacksburg, South Carolina

Statement of Fiduciary Net Position
Fiduciary Funds
March 31, 2020

	<u>Police Seizure Fund</u>	<u>Total Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 13,682	\$ 13,682
Total assets	<u>\$ 13,682</u>	<u>\$ 13,682</u>
LIABILITIES		
Amounts held for others benefit	\$ 13,682	\$ 13,682
Total liabilities	<u>\$ 13,682</u>	<u>\$ 13,682</u>

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

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

a. Reporting Entity

The Town of Blacksburg, South Carolina (the "Town") operates as a municipal corporation under a charter granted by the State of South Carolina on February 4, 1899. The Town operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, public improvements, planning and zoning, water and sewer utilities, and general administrative services. The Town receives funding through taxes collected on the Town's behalf by Cherokee County, federal and state aid, and other fees and services.

The Town is not included in any other governmental "reporting entity" as defined by Government Accounting Standards Board (GASB) since the Town's Mayor and Council Members are elected by the public and have autonomous decision-making authority, responsibility to significantly influence operations, and primary accountability for fiscal matters. The Town has some economic dependence on monies from bonds and fines realized after convictions or forfeitures and local hospitality and tax revenues.

b. Basis of Presentation

Government-wide Statements - The statement of net position and the statement of activities report information about all of the nonfiduciary activities of the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues including all taxes are presented as general revenues.

Fund Financial Statements - The fund financial statements provide information about the Town's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The Town has chosen to present the Hospitality Tax Fund as a major fund. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary Funds - Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as grants, subsidies, local option taxes, and investment earnings, result from non-exchange transactions or ancillary activities.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 1 - (continued)

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Town reports the following major governmental funds:

General Fund - is the general operating fund of the Town. The General Fund is used to account for all financial resources of the Town except those required to be accounted for in another fund. The primary revenue sources are property taxes, licenses and permits, and intergovernmental revenues. The primary expenditures are for public safety, public works, building zoning, and general administration.

Hospitality Tax Fund - is a special revenue fund used to account for the Town's portion of monies collected from sales of prepared meals and beverages. The collections are to be expended for tourism related activities and/or an amount not to exceed fifty percent of the revenue in the preceding fiscal year for the operation and maintenance of such activities

The Town reports the following major proprietary fund:

Water and Sewer System Fund - The Water and Sewer System Fund is used to account for water and sewer utilities services provided to customers within the Town and surrounding areas. Services are supplied to customers under a rate structure designed to produce revenues sufficient to recover operating expenses, including principal and interest on the fund's debt.

The Town reports the following non-major governmental funds:

Museum Fund - The Museum Fund is a special revenue fund whose use is assigned by the Mayor and Council for maintenance of the Blacksburg Museum. These funds are derived primarily from sales and other revenue generated by the museum.

Victim's Rights Advocate Fund - The Victims Assistance Fund is a special revenue fund used for the support of victims of crime. Revenues are derived from a portion of police fines.

Narcotics Seizure Fund - The Narcotics Seizure Fund is a special revenue fund used to account for amounts received from confiscated drug monies. These funds are restricted for various purposes to assist public safety.

The Town reports a fiduciary fund. The fiduciary fund accounts for financial resources held for the benefit of parties outside of the government because the resources of that fund are not available to support the Town's own programs. The Town uses an agency fund to account for seized funds that are being held for the court system until the cases are adjudicated.

c. Measurement Focus and Basis of Accounting

The financial statements of the Town are prepared in accordance with generally accepted accounting principles (GAAP).

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 1 - (continued)

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

Governmental Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the accounting period when they are both measurable and available to pay the liabilities of the current period. In addition, expenditures are recorded when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The Town has recognized assets of nonexchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Nonexchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. State shared revenues, federal grants funding federal mandates, local option taxes, and donations are examples of nonexchange transactions. The Town considers all revenues available if they are collected within 60 days after year end.

Proprietary funds are accounted for using the full accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

Revenue Recognition - Property tax revenues are assessed and collected by Cherokee County and are remitted to the Town. Property taxes are levied the first of September (except automobiles which are annually assessed on the first day of the month the automobiles are registered) on the assessed value as of the prior December 31 for all real and personal property located in the County. Taxes are due in one payment on or before January 15. A three percent penalty is added on January 16. If taxes remain unpaid on February 2, a seven percent penalty is added to the total of taxes plus penalties. If taxes remain unpaid on the March 17 lien date, an additional five percent penalty is added to the total of taxes and penalties plus a \$15 delinquent execution charge.

Major revenue sources susceptible to accrual include property taxes, franchise fee taxes and intergovernmental.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost - reimbursement grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost - reimbursement grant resources to such programs and then general revenues.

The government reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Refundable advances (unearned revenue) may arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for refundable advances and the deferred inflows of resources are removed from the governmental funds balance sheet and revenue is recognized.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 1 - (continued)

d. Budgets and Budgetary Accounting

The Town observes the following procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed annually as a management control device for the General Fund. The budget is accepted for use in the United States of America.
2. The Town approves, by ordinance, total budget appropriations only. The Mayor is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total appropriations of any fund must be approved by the Town Council. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes this level has been expanded to a functional basis.

e. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

Statement of Cash Flows - For the purposes of the Statement of Cash Flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

1. Deposits and Investments

Statutes authorize the Town to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, Savings and Loan Associations to the extent of federal insurance, certificates of deposit collaterally secured, repurchase agreements secured by the foregoing obligations and the State Treasurer's investment pool.

2. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts (taxes and water and sewer billings) are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were collected in prior years. Receivables for taxes less applicable allowances for doubtful accounts are reflected in deferred inflows of resources within the fund financial statements because the amount is not considered "available".

3. Capital Assets

The Town's capital assets are recorded at cost or estimated historical costs. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets generally result from expenditures in the governmental or proprietary funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statement or are reported in the business-type activities column and in the proprietary fund financial statement.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 1 - (continued)

It is the policy of the Town to capitalize all capital assets costing more than \$5,000 for non-real estate items and \$50,000 for real estate with an estimated useful life in excess of 5 years. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	7-40
Infrastructure	5-40
Distribution system	5-40
Vehicles and other equipment	5-20

The Town is a Phase III government and not required to retroactively report infrastructure assets.

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has multiple items that meet this criterion relative to implementation of GASB Statement 68 pension reporting.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion, deferrals of pension expense that result from the implementation of GASB Statement 68.

5. Long-term Obligations

In the government-wide financial statements and proprietary 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. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 1 - (continued)

6. Compensated Absences

Employees may accumulate up to four weeks' annual leave with such leave being fully vested when earned. For the Town, the current portion of the accumulated annual leave is not considered to be material. The Town's liability for accumulated annual leave as of March 31, 2020, in the government-wide and proprietary fund financial statements, represents the value of accumulated unpaid annual leave and salary related payments as of that date.

7. Short-term Interfund Receivables and Payables

During the course of operations, certain transactions occur between individual funds for goods provided or services rendered. The receivables and payables are classified as "due from other funds" or "due to other funds" on the fund statements and internal balances on the government-wide statements.

8. Encumbrance Accounting

All outstanding encumbrances lapse at year end and are re-budgeted in the following year.

9. Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

10. Net Position/Fund Balances

Net position in the government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Net position is reported as restricted when there are legal limitations imposed on their use by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

In the governmental fund financial statements, fund balance is composed of various classifications designated to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund type classifies fund balance as follows:

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for tourism - Portion of fund balance accumulated from the Town's portion of monies collected from local hospitality establishments less expenses and transfers.

Restricted for drug enforcement - Portion of fund balance collected and seized from police fines and forfeitures required to be expended specifically for drug enforcement activities.

Restricted for victims' assistance expenditures - Portion of fund balance collected from police fines and forfeitures required to be used for victims' assistance expenditures.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 1 - (continued)

Assigned Fund Balance - This classification includes revenue sources assigned by the Mayor and Council for specific purposes.

Assigned for museum maintenance and park - Portion of fund balance received from sales and other revenue sources to be used for museum expenditures.

Unassigned Fund Balance - Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Administrator will use resources in the following hierarchy: federal funds, state funds, county funds, and local funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Town Council has the authority to deviate from this policy if it's in the best interest of the Town.

11. Pensions

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

Note 2 - Cash and Cash Equivalents

The Town's bank balances of \$2,494,541 were different than the amounts reflected in the accompanying statements of net position and governmental balance sheet due to outstanding checks, deposits in transit, and other reconciling items at March 31, 2020. The bank balances at March 31, 2020 are categorized as follows:

Amount insured by the FDIC	\$ 250,000
Amounts collateralized with securities held by pledging financial institution's trust or agents not in entity's name	2,244,541
	\$ 2,494,541

The Town has no policy regarding custodial credit risks for deposits. In addition, the Town has no formal policy regarding investment decisions and credit risk.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 3 - Receivables - Allowances for Doubtful Accounts

Receivables presented in the governmental activities column of the statement of net position and in the governmental funds balance sheet are net of allowances for doubtful accounts and consist of the following:

Taxes receivable from Cherokee County	\$	13,512
Other		4,110
Local option sales tax/property tax credit fund		22,928
MASC license collections		13,197
School resource officer reimbursement		5,822
Revenues from the magistrate		3,701
Franchise fees		28,737
Total	\$	92,007

Other receivables presented in the business-type activities column of the statement of net position and in the proprietary funds statement of net position represent the Town's portion of unremitted water and sewer billings.

Note 4 - Taxes Receivable

Taxes receivable represent taxes due but uncollected net of an allowance for uncollectible. In the governmental fund statements taxes receivable are accrued as revenue when they are considered to be both measurable and available. If not considered available within 60 days of year end, they are recorded as deferred inflows of resources. In the government-wide statements, property taxes receivable, net of an allowance, are shown in revenue of the current period regardless of when cash is received.

At March 31, 2020, the Town's uncollected assessed taxes that have been transferred to the Cherokee County Delinquent Tax Collector for the General Fund were \$45,726. These amounts net of allowances for doubtful accounts of \$2,286 are shown as taxes receivable in the accompanying statements.

Assessed values for real estate are established annually by the County Tax Assessor based on the assessment ratio applied to the appropriate class of property. Real and personal property, excluding merchant's inventory, in the Town's area was assessed at \$75,665,849 for the Town.

The Town's operating tax rate is currently 180.2 mills for the Town.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 5 - Capital Assets

Capital asset activity for governmental activities the year ended March 31, 2020, was as follows:

	Balance April 1, 2019	Additions	Deletions	Balance March 31, 2020
Governmental activities				
Not being depreciated				
Land and right-of-ways	\$ 244,355	\$	\$	\$ 244,355
Total capital assets not being depreciated	<u>244,355</u>			<u>244,355</u>
Being depreciated				
Buildings and improvements	1,621,288			1,621,288
Infrastructure	324,972			324,972
Vehicles and other equipment	1,787,189	71,816	47,642	1,811,363
Total capital assets being depreciated	<u>3,733,449</u>	<u>71,816</u>	<u>47,642</u>	<u>3,757,623</u>
Less accumulated depreciation				
Buildings and improvements	663,404	36,660		700,064
Infrastructure	224,869	6,584		231,453
Vehicles and other equipment	1,537,148	71,235	47,642	1,560,741
Total accumulated depreciation	<u>2,425,421</u>	<u>114,479</u>	<u>47,642</u>	<u>2,492,258</u>
Total capital assets being depreciated, net	<u>1,308,028</u>	<u>(42,663)</u>		<u>1,265,365</u>
Total capital assets, net	<u>\$ 1,552,383</u>	<u>\$ (42,663)</u>	<u>\$</u>	<u>\$ 1,509,720</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 39,614
Police department	61,429
Street department	13,436
Total depreciation expense	<u>\$ 114,479</u>

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 5 - (continued)

Capital asset activity for business-type activities for the year ended March 31, 2020 was as follows:

Business-type activities			
Not being depreciated			
Land and easements	\$ 59,062	\$ 51,319	\$ 110,381
Total capital assets not being depreciated	<u>59,062</u>	<u>51,319</u>	<u>110,381</u>
Being depreciated			
Buildings and improvements	61,214		61,214
Distribution system	16,369,187	397,364	16,766,551
Vehicles and other equipment	<u>1,081,594</u>	<u>22,109</u>	<u>1,103,703</u>
Total capital assets being depreciated	<u>17,511,995</u>	<u>419,473</u>	<u>17,931,468</u>
Less accumulated depreciation			
Buildings and improvements	25,186	1,530	26,716
Distribution system	8,439,257	439,579	8,878,836
Vehicles and other equipment	<u>883,541</u>	<u>45,401</u>	<u>928,942</u>
Total accumulated depreciation	<u>9,347,984</u>	<u>486,510</u>	<u>9,834,494</u>
Total capital assets being depreciated, net	<u>8,164,011</u>	<u>(67,037)</u>	<u>8,096,974</u>
Business-type activity capital assets, net	<u>\$ 8,223,073</u>	<u>\$ (15,718)</u>	<u>\$ 8,207,355</u>

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 6 - Long-Term Debt

A summary of changes in long-term obligations for the Town for the year ended March 31, 2020 is as follows:

	Balance April 1, 2019	Increases	Decreases	Balance March 31, 2020
Governmental activities				
General Obligation Bonds	\$ 147,930	\$	\$ 48,337	\$ 99,593
Capital lease obligations	16,555		7,985	8,570
Compensated absences	51,998		10,091	41,907
Net pension liability	1,404,975	20,752		1,425,727
OPEB liability	221,608		21,998	199,610
Total governmental activities	<u>\$ 1,843,066</u>	<u>\$ 20,752</u>	<u>\$ 88,411</u>	<u>\$ 1,775,407</u>
Business-type activities				
Capital lease obligations	\$ 104,928	\$	\$ 38,296	\$ 66,632
Compensated absences	46,163		13,764	32,399
Net pension liability	903,791	18,053		921,844
OPEB liability	151,626		15,189	136,437
Total business-type activities	<u>\$ 1,206,508</u>	<u>\$ 18,053</u>	<u>\$ 67,249</u>	<u>\$ 1,157,312</u>

The following details the changes in long-term debt obligations for governmental activities for the year:

	Payable at March 31, 2019	Additions	Reductions	Payable at March 31, 2020
Vehicle lease collateralized by a 2018 Dodge Charger with a cost of \$24,136 payable in 36 monthly installments of \$741.87 including interest at 7.091% through April 2021	\$ 16,555	\$	\$ 7,985	\$ 8,570
2014 General Obligation Improvement Bonds payable in 7 annual installments of \$51,295.55 including interest at 2% through July 2021	147,930		48,337	99,593
Total long-term debt obligations	<u>\$ 164,485</u>	<u>\$</u>	<u>\$ 56,322</u>	<u>\$ 108,163</u>

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 6 - (continued)

The following is a summary of the Town's future annual debt service requirements under capital lease obligations for governmental activities as of March 31, 2020:

Year Ended March 31,	Principal	Interest	Total
2021	\$ 8,570	\$ 333	\$ 8,903
	<u>\$ 8,570</u>	<u>\$ 333</u>	<u>\$ 8,903</u>

The annual requirements to retire the above referenced general obligation bonds is as follows:

Year Ended March 31,	Principal	Interest	Total
2021	\$ 49,303	\$ 1,993	\$ 51,296
2022	50,290	1,006	51,296
	<u>\$ 99,593</u>	<u>\$ 2,999</u>	<u>\$ 102,592</u>

Interest expense on capital lease obligations totaled \$918 for the year ended March 31, 2020. The Town has utilized resources of the General Fund to pay debt service costs in the current year.

Interest expense on general obligation bonds totaled \$2,959 for the year ended March 31, 2020. The Town has utilized hospitality tax revenues to pay debt service costs on these bonds in the current year.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 6 - (continued)

The following details the changes in long-term debt obligations for business-type activities for the year:

	Payable at March 31, 2019	Additions	Reductions	Payable at March 31, 2020
Vehicle lease collateralized by a 2017 Ford F250 with a cost of \$24,715, payable in 60 monthly installments of \$469.38 including interest at 5.45%, through August 2022	\$ 17,553	\$	\$ 4,797	\$ 12,756
Vehicle lease collateralized by a 2018 Ford F150 with a cost of \$31,160, payable in 36 monthly installments of \$955.19 including interest at 6.90% through August 2021	25,447		10,019	15,428
Vehicle lease collateralized by a Cat Backhoe/Loader with a cost of \$78,821, payable in 36 monthly installments of \$2,364.08 including interest at 5.346% through July 2021	<u>61,928</u>		<u>23,480</u>	<u>38,448</u>
Total capital lease obligations	<u>\$ 104,928</u>	<u>\$</u>	<u>\$ 38,296</u>	<u>\$ 66,632</u>

Future annual debt service requirements under these capital lease obligations for business-type activities as of March 31, 2020, are as follows:

Year Ended March 31,	Principal	Interest	Total
2021	\$ 45,086	\$ 2,742	\$ 47,828
2022	19,230	635	19,865
2023	2,316	30	2,346
	<u>\$ 66,632</u>	<u>\$ 3,407</u>	<u>\$ 70,039</u>

Interest expense totaled \$4,804 for the year ended March 31, 2020.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 7 - Defined Benefit Pension Plan

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

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on 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.

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.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 7 - (continued)

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member 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 terms of his employment, 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; or to serve as a peace officer employed by the Department of Corrections, Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in the 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 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.

Plan Benefits. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system follows.

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.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 7 - (continued)

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.

Plan 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 through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in 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 contribution rates 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 systems shows a funded ratio that is equal to or greater than 85 percent.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 7 - (continued)

As noted above, both employees and the Town are required to contribute to the Plans at rates established and as amended by the PEBA. The Town's contributions are actuarially determined but are communicated to and paid by the Town as a percentage of the employees' annual eligible compensation.

Required contributions (100% funded) to the SCRS for the years ended March 31, 2020, 2019, and 2018 are as follows:

Year Ended	Employee		Employer	
	Amount	Percentage	Amount	Percentage
2020	\$ 55,552	9.00%	\$ 94,506	14.56/15.56%
2019	\$ 61,962	9.00%	\$ 97,508	13.56/14.56%
2018	\$ 57,665	8.66/9.00%	\$ 83,636	11.56/13.56%

Required contributions (100% funded) to the PORS for the years ended March 31, 2020, 2019, and 2018 are as follows:

Year Ended	Employee		Employer	
	Amount	Percentage	Amount	Percentage
2020	\$ 40,513	9.75%	\$ 74,707	17.24/18.24%
2019	\$ 44,563	9.75%	\$ 75,838	16.24/17.24%
2018	\$ 40,897	9.24/9.75%	\$ 65,249	14.24/16.24%

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

At March 31, 2020, the Town reported liabilities of \$1,453,554 and \$894,017 for its proportionate share of the net pension liabilities for the SCRS and PORS Plans, respectively. The net pension liabilities were measured as of June 30, 2019, and the total pension liabilities for the Plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report as of July 1, 2018. The total pension liability was then rolled forward from the valuation date to the plans' fiscal year end of June 30, 2019 using generally accepted actuarial principles. The Town's proportions of the net pension liabilities were based on a projection of the Town's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At June 30, 2019, the Town's SCRS proportion was .006366 percent, as compared to .006360 percent measured as of June 30, 2018. At June 30, 2019, the Town's PORS proportion was .031195 percent, as compared to .031186 percent measured as of June 30, 2018.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 7 - (continued)

For the year ended March 31, 2020, the Town recognized pension expense of approximately \$202,407 and \$134,289 for the SCRS and PORS, respectively. At March 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
SCRS		
Difference between expected and actual experience	\$ 999	\$ 10,442
Net difference between projected and actual earnings on pension plan investments	12,869	
Change in assumptions	29,291	
Change in proportionate share of plan contributions	39,265	71
Town's contributions subsequent to measurement date	72,133	
Total SCRS	<u>\$ 154,557</u>	<u>\$ 10,513</u>
PORS		
Difference between expected and actual experience	\$ 18,383	\$ 6,607
Net difference between projected and actual earnings on pension plan investments	11,336	
Change in assumptions	35,452	
Change in proportionate share of plan contributions	102	17,524
Town's contributions subsequent to measurement date	56,023	
Total PORS	<u>\$ 121,296</u>	<u>\$ 24,131</u>

The \$72,133 and \$56,023 that are reported as deferred outflows of resources, which represent the Town'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 March 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will be recognized as pension expense as follows:

<u>Year Ended March 31,</u>	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
2021	\$ 62,881	\$ 31,487	\$ 94,368
2022	1,734	4,205	5,939
2023	2,350	1,748	4,098
2024	4,946	3,702	8,648
Total	<u>\$ 71,911</u>	<u>\$ 41,142</u>	<u>\$ 113,053</u>

Actuarial Assumptions and Methods.

Actuarial valuations of the plans involve estimates of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 7 - (continued)

South Carolina state statute requires that an actuarial experience study be completed as least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015.

The June 30, 2019, total pension liability (TPL), net pension liability (NPL) and sensitivity information were determined by the Systems consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the Systems' fiscal year ended June 30, 2019, using generally accepted actuarial principles.

The following provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2019 for SCRS and PORS:

Actuarial cost method	SCRS	PORS
	Entry age normal	Entry age normal
Actuarial assumptions		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5%	3.0% to 9.5%
Includes inflation at	2.25%	2.25%
Benefit adjustment annually	lesser of 1% or \$500	lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality Table (2016 PRSC), was developed using the System's mortality experience. These base rates are adjusted for future improvement in mortality using the published scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2019 total pension liability for general employees' job classification was the 2016 PRSC Males multiplied by 100% and the 2016 PRSC Females multiplied by 111% for males and females, respectively and for the public safety and firefighters job classification was the 2016 PRSC Males multiplied by 125% and the 2016 Females multiplied by 111% for females, respectively.

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less the system's fiduciary net position. NPL totals as of June 30, 2019, for SCRS and PORS are:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary NPL as a % of the TPL
SCRS	\$ 50,073,060,256	\$ 27,238,916,138	\$ 22,834,144,118	54.4%
PORS	\$ 7,681,749,768	\$ 4,815,808,554	\$ 2,865,941,214	62.7%

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 7 - (continued)

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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected 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 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding the expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 7 - (continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0%	7.29%	2.55%
Private Equity	9.0%	7.67%	0.69%
Equity Options Strategies	7.0%	5.23%	0.37%
Real Assets	12.0%		
Real Estate (Private)	8.0%	5.59%	0.45%
Real Estate (REITs)	1.0%	8.16%	0.08%
Infrastructure (Private)	2.0%	5.03%	0.10%
Infrastructure (Public)	1.0%	6.12%	0.06%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.09%	0.22%
Other Opportunistic Strategies	1.0%	3.82%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans	4.0%	3.14%	0.13%
Emerging Markets Debt	4.0%	3.31%	0.13%
Private Debt	7.0%	5.49%	0.38%
Rate Sensitive	14.0%		
Core Fixed Income	13.0%	1.62%	0.21%
Cash and Short Duration (Net)	1.0%	0.31%	0.00%
Total Expected Real Return	<u>100.0%</u>		<u>5.41%</u>
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			<u>7.66%</u>

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 7 - (continued)

Sensitivity Analysis. The following table presents the sensitivity of the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.25 percent) or 1% point higher (8.25 percent) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Town's proportionate share of the net pension liability - SCRS	<u>\$ 1,831,174</u>	<u>\$ 1,453,554</u>	<u>\$ 1,138,409</u>
Town's proportionate share of the net pension liability - PORS	<u>\$ 1,211,605</u>	<u>\$ 894,017</u>	<u>\$ 633,832</u>

Note 8 - Other Employment Benefits

The Town provides post-retirement health benefits, as per the requirements of a local ordinance, for certain retirees and their dependents. The Town of Blacksburg OPEB Plan (the Plan) is approved each year by Town Council. The Plan is a single member defined benefit postemployment healthcare plan administered internally by the Town. Information about the Plan is included in the Town's entity-wide financial statements. Participants must be eligible to retire under the South Carolina Retirement System (SCRS or PORS) to receive the benefits upon retirement. In addition, the retiree must meet the minimum age of 57 or 28 years of service to the Town (25 years for police).

The Plan allows eligible employees to elect to stay on the Town's group insurance plan and pay all costs. The cost of coverage for pre-65 retirees is implicitly subsidized by the Town. The Plan does not provide disability benefits, special pre-retirement death benefits, or a special withdrawal benefit. Service of retirees is determined from the date of hire. Retirees pay 100 percent of the health insurance premiums. The Town's regular health insurance providers underwrite the retirees' policies.

The Plan has 29 covered members: 1 member is a retiree receiving benefits who participates and pays for insurance and 28 are active participants. The Town currently finances the Plan on a pay-as-you-go basis. For the year ended March 31, 2020, the Town recognized pay-as-you-go expenses of \$0 for healthcare net of retiree contributions.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 8 - (continued)

The Town's total OPEB liability was determined by the alternative measurement method as of March 31, 2020, using the following key assumptions and methods:

Age adjustment factor	1.851612
Average retirement age	60
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Assets backing OPEB liability	\$0
Plan asset return	0.00%
Bond yield	3.42%
Discount rate	3.42%
Measurement date	3/31/2020
Projected salary increases	1.00%
Medical trend rate	4.90% to 4.30% over 10 years
Amortization period	20 years
Percentage participation	70.00%
Mortality table	RP2000 Mortality Tables for Males and Females

The following presents the net OPEB liability of the Town at March 31, 2020, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.42%) or 1 percentage point higher (4.42%) than the current discount rate:

	1% Decrease <u>(2.42 percent)</u>	Discount Rate <u>(3.42 percent)</u>	1% Increase <u>(4.42 percent)</u>
Net OPEB liability	\$ 355,137	\$ 336,047	\$ 263,412

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1 percentage point lower (3.90%) or 1 percentage point higher (5.90%):

	1% Decrease <u>(3.90 percent)</u>	Discount Rate <u>(4.90 percent)</u>	1% Increase <u>(5.90 percent)</u>
Net OPEB liability	\$ 302,108	\$ 336,047	\$ 376,854

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 8 - (continued)

At March 31, 2020, the components of the net OPEB liability of the Town, measured as of March 31, 2020, were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at March 31, 2019	\$ 373,234	\$	\$ 373,234
Changes for the Year:			
Service cost at end of year			
Interest on total OPEB liability			
Effect of Plan changes			
Effect of economic/demographic gains and losses	(35,519)		(35,519)
Effect of assumption changes or inputs	(1,668)		(1,668)
Net Changes	<u>(37,187)</u>		<u>(37,187)</u>
Balance at March 31, 2020	<u>\$ 336,047</u>	<u>\$</u>	<u>\$ 336,047</u>

Note 9 - Contingent Liabilities

Federal and State Awards

The Town participates in both federal and state awards programs. These programs are subject to the possibility of program compliance audits by the grantors or their representatives at some future date. In the event of noncompliance findings, certain expenditures could be disallowed. However, the Town expects such amounts, if any, to be immaterial.

Note 10 - Interfund Receivables and Payables

At March 31, 2020, the following interfund receivables and payables are reflected in governmental funds balance sheet and proprietary fund statement of net position (such amounts are removed in the statement of net position):

Receivable by	Payable by	Amount
General Fund	Water and Sewer System	\$ 14,300
Hospitality Tax Fund	Water and Sewer System	\$ 5,950
Nonmajor Governmental Fund	General Fund	\$ 673
Water and Sewer System	General Fund	\$ 188,457

The amounts due from the General Fund to the Water and Sewer System were primarily from collections of receivables by electronic means not yet transferred to the Water and Sewer System.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 11 - Interfund Transfers

The transfer from the Hospitality Tax Fund to the Water and Sewer System of \$100,000 was for matching requirements on the capital grant from the South Carolina Rural Infrastructure Authority which was utilized for sewer upgrades along Interstate 85. The transfers are reflected in the governmental funds statements of revenues, expenditures, and fund balances and the proprietary fund statement of revenues, expenses, and changes in net position but are eliminated on the government-wide statement of activities.

Note 12 - Litigation

Due to the nature of the Town's normal operating activities, it is subject to a variety of claims and demands by various individuals and entities. At present the Town is not aware of any material pending or threatened litigation, claims, or assessments. In addition, the Town is not aware of any unasserted possible claims or assessments that are expected to significantly affect the Town's operations.

Note 13 - Risk Management

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors or omissions, injuries to employees, and natural disasters. The Town, along with other governmental agencies in the state, is insured under the South Carolina Municipal Insurance and Risk Financing Fund, a public entity risk pool currently operating as a common risk management and insurance fund, to cover risks of loss and pay claims for covered losses relating to auto comprehensive, collision and liability, buildings and personal property including bodily injury, general tort liability claims, public official liability and law enforcement liability. The Town pays annual premiums to the Insurance and Risk Financing Fund for its general insurance coverage.

The Town also participates in the State Accident Fund for workers' compensation insurance coverage up to the statutory limits. The Fund is a self-insurer and purchases reinsurance to limit losses. The Town pays premiums to the Fund which issues policies, accumulates assets to cover risks of loss and pays claims for covered losses.

There were no significant reductions in insurance coverage from the prior year and no settlements exceeding coverage for the past three years.

Note 14 - Tax Abatements

Cherokee County utilizes an economic development program to attract business and industry to the County for purposes of expanding and diversifying the local economy and creating jobs. The two mechanisms that County employs are Fee in Lieu of Tax agreements and Special Source Revenue Credits. For the 2019 tax assessment, abatements from Fee in Lieu of Tax agreements totaled \$0 for the Town and abatements from Special Revenue Credits were \$0 for the Town.

Note 15 - Commitments

On August 24, 2011, the Town negotiated a twenty (20) year contract with the Board of Public Works of Gaffney, South Carolina to purchase water. The total water purchases for the fiscal year ended March 31, 2020, were \$360,650.

Town of Blacksburg, South Carolina

Notes to Financial Statements

Note 15 - (continued)

The Town participates in the State of South Carolina Local Option Sales Tax program in which it receives a portion of the sales tax funds collected by the state. Funds received from the State are allocated between a general revenue account and a property tax credit fund account. Funds deposited in the property tax credit fund account in excess of the amount provided for property tax relief in the current year are recorded as a liability and must be applied as a credit against property tax bills in the following year. When calculating the next fiscal year's tax credit factor, the Town must consider any surplus funds in the property tax credit fund account when projecting future collections.

Note 16 - Subsequent Events

In March 2020, the coronavirus pandemic invaded the United States and has since created economic hardships and disruptions for individuals and businesses, from voluntary to mandatory closures of various businesses and other operations. The pandemic is currently still affecting normal operations to certain extents. The impact of this pandemic on the Town's portion of state shared revenues, its local option hospitality taxes, and other revenues cannot be properly calculated at this time but could be material to the normal operations of the Town.

Town of Blacksburg, South Carolina

Schedule of the Town of Blacksburg's Proportionate Share of the Net Pension Liability
 South Carolina Retirement System
 Year Ended March 31, 2020

	2020	2019	2018	2017	2016
Town's proportion of the net pension liability	0.006366%	0.006360%	0.006096%	0.005882%	0.006437%
Town's proportionate share of the net pension liability	\$ 1,453,554	\$ 1,425,089	\$ 1,372,308	\$ 1,256,387	\$ 1,108,238
Town's covered employee payroll	\$ 688,461	\$ 647,177	\$ 605,595	\$ 565,561	\$ 563,000
Town's proportionate share of the net pension liability as a percentage of its covered employee payroll	211.13%	220.20%	226.60%	222.15%	196.85%
Plan fiduciary net position as a percentage of the total pension liability	54.40%	54.10%	53.30%	52.91%	59.88%

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

Town of Blacksburg, South Carolina

Schedule of the Town of Blacksburg's Contributions
South Carolina Retirement System
Year Ended March 31, 2020

	2020	2019	2018	2017	2016
Contractually required contribution	\$ 94,506	\$ 98,541	\$ 84,551	\$ 69,281	\$ 60,999
Contributions in relation to the contractually required contribution	<u>94,506</u>	<u>98,541</u>	<u>84,551</u>	<u>69,281</u>	<u>60,999</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Town's covered employee payroll	\$ 617,243	\$ 688,461	\$ 647,177	\$ 605,595	\$ 565,561
Contributions as a percentage of covered employee payroll	15.31%	14.31%	13.06%	11.44%	10.79%

Town of Blacksburg, South Carolina

Schedule of the Town of Blacksburg's Proportionate Share of the Net Pension Liability
Police Officers Retirement System
Year Ended March 31, 2020

	2020	2019	2018	2017	2016
Town's proportion of the net pension liability	0.031195%	0.031186%	0.031980%	0.032690%	0.032680%
Town's proportionate share of the net pension liability	\$ 894,017	\$ 883,677	\$ 876,194	\$ 829,148	\$ 625,692
Town's covered employee payroll	\$ 457,055	\$ 425,395	\$ 424,624	\$ 423,594	\$ 421,000
Town's proportionate share of the net pension liability as a percentage of its covered employee payroll	195.60%	207.73%	206.35%	195.74%	148.62%
Plan fiduciary net position as a percentage of the total pension liability	62.69%	61.70%	60.90%	60.44%	67.55%

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

Town of Blacksburg, South Carolina

Schedule of the Town of Blacksburg's Contributions
Police Officers Retirement System
Year Ended March 31, 2020

	2020	2019	2018	2017	2016
Contractually required contribution	\$ 74,707	\$ 77,667	\$ 70,018	\$ 59,927	\$ 55,562
Contributions in relation to the contractually required contribution	74,707	77,667	70,018	59,927	55,563
Contribution deficiency (excess)	\$	\$	\$	\$	\$ (1)
Town's covered employee payroll	\$ 415,518	\$ 457,055	\$ 425,395	\$ 424,624	\$ 423,594
Contributions as a percentage of covered employee payroll	17.98%	16.99%	16.46%	14.11%	13.12%

Town of Blacksburg, South Carolina

Schedule of Changes in the Net OPEB Liability

Fiscal Year Ending March 31,	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost at end of year	\$	\$ 30,454	\$ 30,294
Interest on total OPEB liability		13,668	960
Effect of Plan changes			
Effect of economic/demographic gains or losses	(35,519)	(29,082)	72,854
Effect of assumption changes or inputs	<u>(1,668)</u>	<u>10,038</u>	
Net change in Total OPEB Liability	(37,187)	25,078	104,108
Total OPEB Liability - beginning	<u>373,234</u>	<u>348,156</u>	<u>244,048</u>
Total OPEB Liability - ending	336,047	373,234	348,156
Plan Fiduciary Net Position			
Net OPEB Liability	<u>\$ 336,047</u>	<u>\$ 373,234</u>	<u>\$ 348,156</u>
Covered payroll	1,032,761	1,145,516	1,072,572
Net OPEB Liability as a percentage of covered payroll	32.54%	32.58%	32.46%

Town of Blacksburg, South Carolina

Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual - General Fund
Year Ended March 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Property taxes and penalties	\$ 800,000	\$ 800,000	\$ 831,425	\$ 31,425
Local option sales tax	80,000	80,000	84,200	4,200
Payment in lieu of taxes			5,617	5,617
Administrative overhead reimbursement				
Licenses, permits and fees	395,000	395,000	427,557	32,557
Collection fees	3,000	3,000	1,442	(1,558)
Fines, forfeitures and penalties	90,000	90,000	61,912	(28,088)
Disposal fees and penalties	28,000	28,000	28,084	84
Intergovernmental revenues:				
School district and auto reimburse	100,000	100,000	90,431	(9,569)
State shared revenues	57,000	57,000	62,343	5,343
Investment earnings	350	350	801	451
Rental income	5,000	5,000	3,500	(1,500)
Miscellaneous revenues	7,500	7,500	45,982	38,482
Total revenues	<u>1,565,850</u>	<u>1,565,850</u>	<u>1,643,294</u>	<u>77,444</u>
Expenditures				
Current				
General government	185,057	185,057	177,650	7,407
Police department	892,200	892,200	865,144	27,056
Fire department	101,650	101,650	101,650	
Street department	348,043	348,043	361,421	(13,378)
Cemetery department	15,000	15,000	14,250	750
Capital outlay	15,000	15,000	71,816	(56,816)
Debt service	8,900	8,900	8,902	(2)
Total expenditures	<u>1,565,850</u>	<u>1,565,850</u>	<u>1,600,833</u>	<u>(34,983)</u>
Excess of Revenues Over (Under)				
Expenditures			42,461	42,461
Other Financing Sources (Uses)				
Proceeds from sale of assets			8,127	8,127
Total other financing sources (use)			<u>8,127</u>	<u>8,127</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	50,588	<u>\$ 50,588</u>
Fund Balances - Beginning			<u>367,629</u>	
Fund Balances - Ending			<u>\$ 418,217</u>	

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

Town of Blacksburg, South Carolina

Combining Balance Sheet
 Nonmajor Governmental Funds
 March 31, 2020

	Victim's Rights Advocate Fund	Narcotics Seizure Fund	Museum Fund	Total
Cash and cash equivalents	\$ 17,656	\$ 11,361	\$ 12,071	\$ 41,088
Accounts receivable				
Due from other funds	<u>673</u>			<u>673</u>
Total assets	<u>\$ 18,329</u>	<u>\$ 11,361</u>	<u>\$ 12,071</u>	<u>\$ 41,761</u>

LIABILITIES AND FUND BALANCES

Liabilities				
Accounts payable	\$	\$	\$	\$
Due to other funds				
Total liabilities				
Fund Balances				
Special Revenue Fund - restricted	<u>18,329</u>	<u>11,361</u>	<u>12,071</u>	<u>41,761</u>
Total liabilities and fund balances	<u>\$ 18,329</u>	<u>\$ 11,361</u>	<u>\$ 12,071</u>	<u>\$ 41,761</u>

Town of Blacksburg, South Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended March 31, 2020

	Victim's Rights Advocate Fund	Narcotics Seizure Fund	Museum Fund	Total
Revenue				
Assessments and surcharges	\$ 5,773	\$	\$	\$ 5,773
Intergovernmental				
Property sales			650	650
Total revenues	<u>5,773</u>		<u>650</u>	<u>6,423</u>
Expenditures				
General government	615	3,202		3,817
Public safety - police				
Capital outlay	<u>615</u>	<u>3,202</u>		<u>3,817</u>
Net change in fund balances	5,158	(3,202)	650	2,606
Fund balances, beginning of year	13,171	14,563	11,421	39,155
Fund balances, end of year	<u>\$ 18,329</u>	<u>\$ 11,361</u>	<u>\$ 12,071</u>	<u>\$ 41,761</u>

Town of Blacksburg, South Carolina

Schedule of Fines, Assessments and Surcharges - General Fund
Year Ended March 31, 2020

	<u>Fines</u>	<u>Assessments</u>	<u>Surcharges</u>	<u>Victim Services</u>
Collected	\$ 21,001	\$ 22,966	\$ 17,944	\$
Retained by town	(21,001)			
Remitted to State Treasurer		(20,402)	(15,181)	
Allocated to Victim Services		(2,564)	(2,763)	5,327
Prior year receivable				446
Victim Services expenditures				(615)
Funds carried forward	<u>\$</u>	<u>\$</u>	<u>\$</u>	5,158
Balance available, beginning of year				13,171
Balance available, end of year				<u>\$ 18,329</u>