

CITY OF CONWAY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared By:

Finance Department

Allison Williams

INTRODUCTORY SECTION

CITY OF CONWAY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2021

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**CITY OF CONWAY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2021**

PRINCIPAL OFFICIALS

ELECTED

MayorBarbara Jo Blain-Bellamy

Mayor Pro TemJean M. Timbes

City CouncilmemberAlex Hyman

City Councilmember William M. Goldfinch, IV

City CouncilmemberJustin Jordan

City CouncilmemberShane Hubbard

City CouncilmemberLarry White

APPOINTED

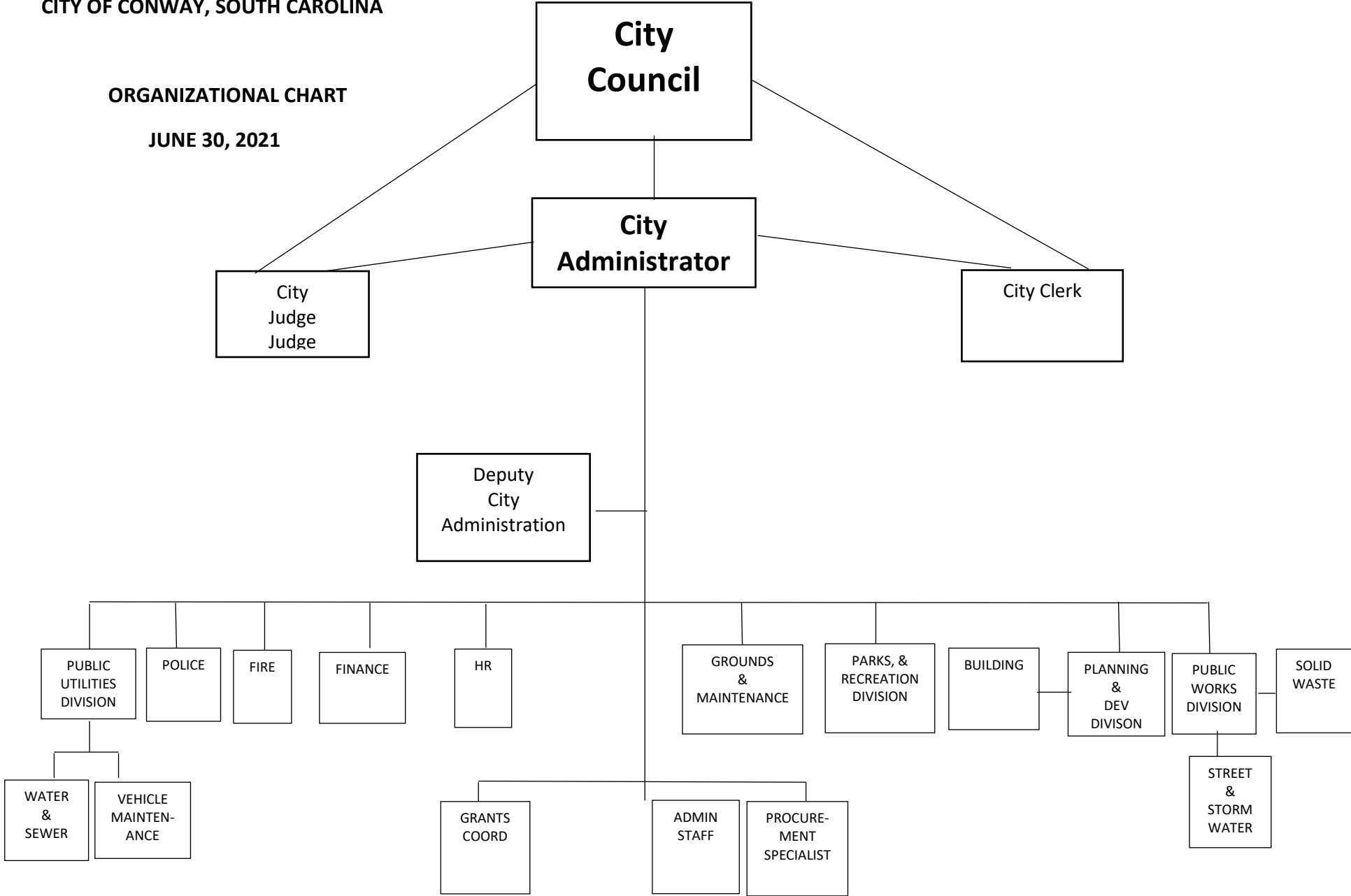
AdministratorAdam Emrick

Finance DirectorAllison Williams

CITY OF CONWAY, SOUTH CAROLINA

ORGANIZATIONAL CHART

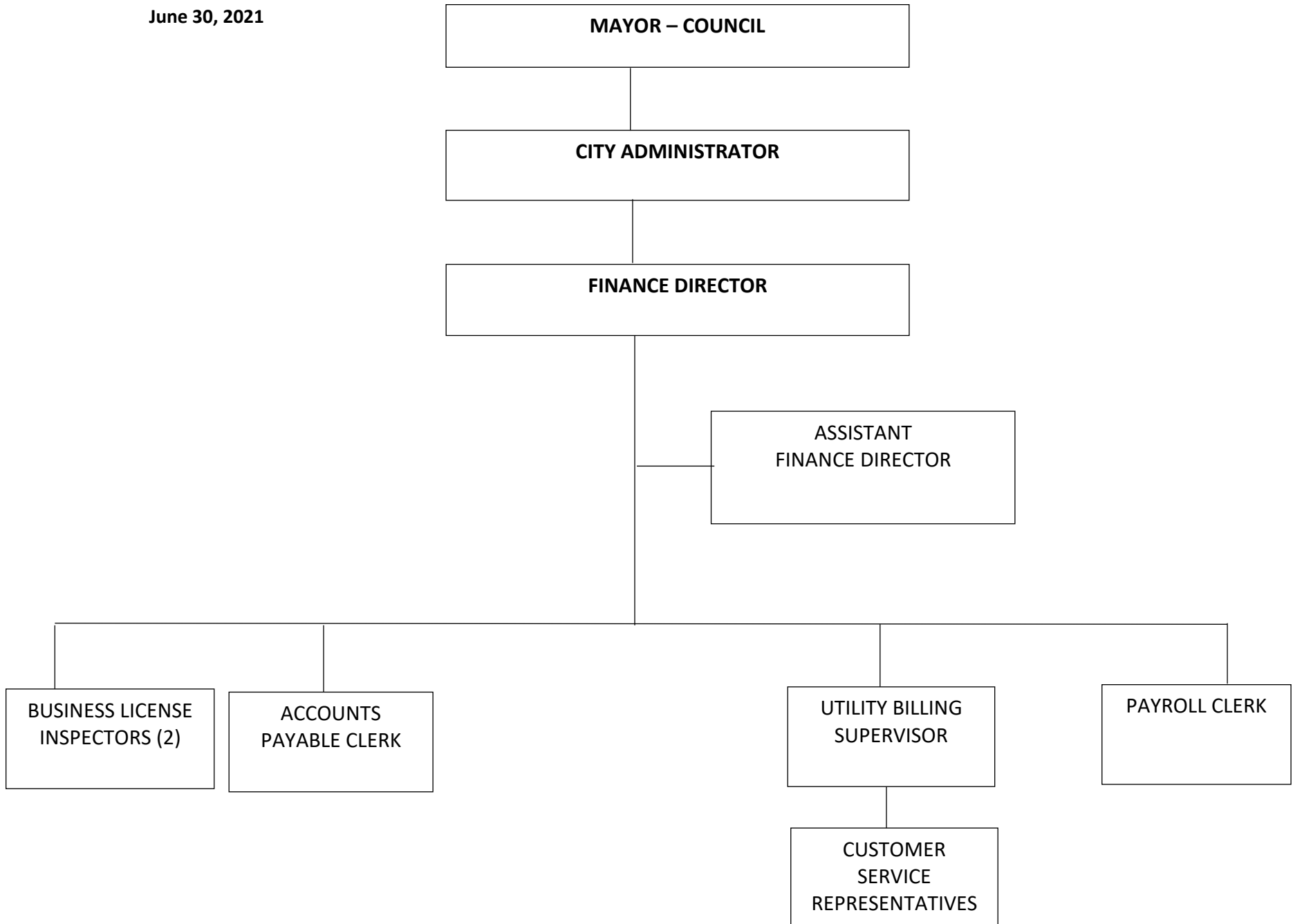
JUNE 30, 2021



CITY OF CONWAY, SOUTH CAROLINA

FINANCE DEPARTMENT ORGANIZATIONAL CHART

June 30, 2021



MAYOR
Barbara Blain-Bellamy

MAYOR PRO TEM
Jean M. Timbes



FINANCE DEPARTMENT

COUNCIL MEMBERS
Justin Jordan
Shane Hubbard
William Goldfinch IV
Larry A. White
Alex Hyman

December 21, 2021

Honorable Mayor, Members of the Conway City Council, and Citizens of the City of Conway:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Conway for the fiscal year ended June 30, 2021. This report contains financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the City. These financial statements contain all disclosures necessary to enable the reader to gain an understanding of the City's financial activities. The responsibility for the accuracy of all data presented and its completeness and fairness of presentation rests with the city.

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

The City's financial statements have been audited by Smith Sapp Professional Association. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended June 30, 2021, are fairly presented in conformity with GAAP. An unmodified opinion represents the highest level of assurance. The independent auditor's report is presented as a component of the financial section of this report.

This report presents the financial activity of the City in conformity with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Our History

In 1670, the British settled Charles Town (Charleston, SC). The area now known as Horry (O-REE) County was part of old Craven County, established in 1682. In 1730, Robert Johnson, Royal Governor of SC, included Kingston Township in a plan to encourage development of the Province of SC. By 1732, the site of the town of Kingston (Conway) was marked out. In 1734, a plan for the town was completed and by 1735 the first settlers had begun to arrive.

Many area residents fought in the American Revolutionary War. Small engagements were fought near Kingston at Bear Bluff on the Waccamaw, at Black Lake along the Little Pee Dee, and in the Socastee area. Gen. Frances Marion, who was known as the "Swamp Fox", had relatives living in the area. He and his troops encamped in the village of Kingston on his way to the battle of Black Mingo.

Following the war, the state was divided into counties of smaller size to accommodate courts. The Georgetown District was split into four counties, the largest being the former Kingston Township. Originally named Kingston County, the name was changed to Horry County in honor of Peter Horry, a revolutionary war hero who fought with Frances Marion.

In 1801, the county seat changed its name from Kingston to Conwayborough in honor of Robert Conway, a Revolutionary War veteran who had acquired a lot of property in the town. The first courthouse in Horry County was built in Conwayborough in 1824 and is used today as the Conway City Hall. At that time, Conway had about 25 houses and 100 townspeople.

The Waccamaw River was the town's main transportation link. Planters, who developed plantations both large and small, owned much of the land along the Waccamaw and Pee Dee Rivers. Throughout the rest of the county were small farms, plantations and forests.

In the 1870s, Conway boomed as an export center for timber products, shipping tar, pitch, turpentine, and pine lumber around the world. The railroad came to Conway in 1887, and a few years later a group of Conway businessmen extended it to the coast, launching what is now Myrtle Beach and its famous Grand Strand.

Much of present-day downtown was built in the early 1900s following a destructive fire. The old live oak trees and the beautiful Waccamaw River provide the perfect setting for South Carolina's Historic River Town. Today, Conway is a pleasant, riverside town of quiet neighborhoods, historic structures, and moss-shrouded live oak trees. The best of the Old South's charm lives today in picturesque Conway, South Carolina's Historic Rivertown.

Our Community, Economic Condition and Outlook

Established in 1732, the City of Conway, South Carolina has an estimated 2019 population of 25,956. Conway serves as the county seat of Horry County which has consistently been one of the fastest growing counties in South Carolina. Conway itself has benefited from this growth with its population nearly doubling since 1990.

Over the past 25 years, Conway has taken great care to preserve and enhance its historic downtown located on the riverfront of the Waccamaw River. As a result, downtown is enjoying unprecedented success as shops and restaurants have thrived in the core of the community. In addition to a strong downtown core, downtown Conway has had a rich history tied to the Waccamaw River. The river "frames" downtown Conway and was once a key source of trade for the community. It now serves as a redevelopment opportunity for the City with exciting potential to enhance commercial activity.

Housing permits are being requested and issued at record levels leading a surge in residential building. New residents are streaming to the City of Conway attracted by its small town charm, proximity to the ocean, the beauty of the Waccamaw River, inexpensive housing costs and low tax rates. Many new residents are retirees from the Northeastern US States.

Coastal Carolina University and Horry Georgetown Technical College also attract many new visitors to the City. With more than 10,000 current enrollees at CCU and more than 7,500 at HGTC, these two institutions of higher learning alone contribute immensely to the economic and social vibrancy of Conway. CCU recently progressed from the Big South Conference to the Sun Belt Conference bringing the University even more prestige and recognition. The City of Conway is poised to continue growing, in population, commercial success and notoriety.

Profile of Government

The City of Conway operates under the Council-Administrator form of government. Policy-making and legislative authority rests with the Mayor and six Council members, all elected on a non-partisan basis. The six members of City Council are elected on an at-large basis to serve four year overlapping terms. The Mayor is elected on an at-large basis to serve a four-year term.

The Mayor and City Council appoint the City's Administrator, who is responsible for implementing the policies of the City Council, directing business and administrative procedures and appointing departmental officials and certain other City employees.

The City of Conway provides a full range of municipal services which includes police and fire protection, recreation services, cultural activities, street/drainage maintenance and construction, solid waste collection, storm water management, development review and planning activities, and water / sewer services.

The council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Conway's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Administrator may transfer resources within and between departments as necessary to achieve the goals of the budget.

Budgetary Controls

Budgetary controls are maintained by having purchase orders prior to expenditures. All purchase orders are approved by the appropriate department heads, and reviewed by the Director of Finance. A detailed budget and actual expenditures comparison is provided each month to the appropriate department managers and City Administrator. A financial statement is presented bi-monthly to the City Council.

Long-term financial planning

Unassigned fund balance in the general fund is \$16,761,640 which falls within the policy guidelines set by the City Council for budgetary and planning purposes. Those guidelines require the City to maintain an unassigned fund balance in the general fund of at least \$5.2 million. Following its most recent annual review of the City of Conway's Five Year Capital Plan, the Council plans to leave the policy guidelines at \$5.2 million for the general fund's unassigned fund balance.

Certificate of Excellence Award

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Conway for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2021. This was the twenty-eighth year out of the last thirty years that the City of Conway has received this prestigious award. In order to be awarded a Certificate of Achievement, the City of Conway had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report would not have been possible without the efforts of the Finance Department staff. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report and to the staff of Smith Sapp Professional Association who diligently strived to provide guidance and assistance. I would also like to thank the Mayor and all City Council members for their oversight and support throughout the year in planning and conducting the financial operations for the City in a responsible and progressive manner.

Sincerely,

Allison Williams

Allison Williams
Finance Director



Government Finance Officers Association

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

Presented to

**City of Conway
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



SMITH
SAPP

Certified Public Accountants & Consultants

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Independent Auditors' Report

To the Mayor and City Council
City of Conway, South Carolina

Report the 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 City of Conway, South Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Conway, South Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 City of Conway, South Carolina, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 - 10), pension plan information (pages 50 - 53), OPEB information (pages 54 - 56), and budgetary comparison information (pages 57 - 62) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Conway, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of the City of Conway, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Conway, South Carolina's internal control over financial reporting and compliance.

Smith Sapp, PA

Smith Sapp Professional Association
Certified Public Accountants

Myrtle Beach, South Carolina
December 21, 2021



Certified Public Accountants & Consultants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Conway, South Carolina, offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, located at the front of this report, and the City's financial statements, which follow this section.

Financial Highlights

- The Statement of Net Position reflects total assets of \$107,274,248. This represents a \$5,711,545 or 5.6% increase from fiscal year 2020 of \$101,562,703, which is largely due to increases in cash from the American Rescue Plan and increases in receivables due to the strength of the economy.
- Net long-term liabilities increased by \$904,087, or 3.0%, which was mainly due to increases in the City's Net Pension and OPEB Liabilities of \$2,281,283, offset by \$1,182,262 related to long-term debt and capital lease repayments.
- Net position of the City totaled \$72,964,160 at June 30, 2021, an increase of \$2,931,568 from fiscal year 2020. This primarily relates to an increase in net position of our governmental activities of \$2,089,809, or 4.5%, which is attributable to an increase in the City's net investment in capital assets, less the impact of the increase in the City's long-term liabilities previously discussed.
- The City's total revenues amounted to \$42,292,896 during the year ended June 30, 2021. Revenues of governmental activities totaled \$28,549,007, which reflects an increase of \$956,139, or 3.5% primarily due to increases in business licenses and property taxes, and revenues of business type activities were \$13,743,889, an increase of 7.1% primarily related to increased water and sewer volumes.
- During the year ended June 30, 2021, the City's total expenses amounted to \$39,361,328. Expenses of governmental activities totaled \$27,204,098, an increase of 0.6%, and expenses of business-type activities were \$12,157,230, an increase of 1.8%, which are discussed in further detail below.
- The City's outlays for capital assets for the current fiscal year decreased \$(4,171,689) or (159.2)% for governmental activities, and decreased \$(232,722) or (15.7)%, for business-type activities, which is discussed in further detail below.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (on pages 11 - 13) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements start on page 14. For governmental activities, the statements present how services were financed in the short term as well as what remains at the end of the period for future appropriation. Fund financial statements traditionally report the City's operations in more detail than government-wide statements by providing information about the City's most significant funds. The fiduciary fund financial statement on page 25 provides financial information about an activity for which the City acts as an agent on behalf of the City's firefighters. The notes to the financial statements are an integral part of the financial statements and begin on page 26. This report also contains information in addition to the basic financial statements.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 5. The statement of net position and the statement of activities report information about the City as a whole and its activities in a way that answers the question. The aforementioned statements present all assets and liabilities using the accrual basis of accounting, which is similar to the application of accounting in most private-sector companies. All current year revenues and expenses are recognized, regardless of when cash is received or paid.

The City's net position may be considered a tool to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position act as indicators of financial health and demonstrate whether the entity is improving or deteriorating. However, other nonfinancial factors must be considered in conjunction with net position. Changes in the property tax base and the condition of existing infrastructure are examples of nonfinancial factors that should also be considered when assessing the overall health of the City.

The City's operations are segregated into two types of activities in the statement of net position and the statement of activities:

- *Governmental Activities* - The majority of the City's basic services are reported under governmental activities, including general government; public safety; transportation; community and economic development; parks, recreation and sports tourism; and public works. Property taxes, local accommodations taxes, business license taxes, franchise taxes, hospitality fee taxes, local option tourism taxes, user fees, and state and federal grants are the primary financing sources for these activities.
- *Business-Type Activities* - Business-type activities encompass funds where fees are charged to customers to offset all or most of the cost of provision of certain services. The City's water and sewer management activities are reported as business-type activities.

Government-wide Financial Statements

The *government-wide financial statements* present a broad view of the financial position and activities of the City of Conway as a whole using the flow of economic resources applied on the accrual basis of accounting. The flow of economic resources refers to all of the assets available to the City for the purpose of providing goods and services to the public. The government-wide financial statements consist of the *statement of net position* and the *statement of activities* which include all governmental and business-type activities of the City, but not its fiduciary activities. Governmental activities are defined as those activities that are generally financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are defined as those activities that are financed in whole or in part by fees charged to external parties for goods and services.

The *statement of net position* presents all of the assets and liabilities, both current and long-term, of the City of Conway, with the difference between the two reported as net position. The *statement of activities* presents information about how the City's net position changed during the current period. The focus of this statement is on the expenses of the City. Expenses are presented first by functional activity and are directly offset by the revenues that support those functions in order to report net expenses. The remaining revenues of the City, classified as general revenues, are reported separately after net expenses.

Fund Financial Statements

The *fund financial statements* present the City's activities in groups of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more information by presenting the City's major funds separately and combining all other funds. The fund financial statements do not present the City as a whole. The City's fund financial statements include governmental, proprietary, and fiduciary funds.

Governmental fund financial statements encompass essentially the same functions reported in the government-wide financial statements; however, the focus is very different. Governmental fund financial statements utilize the current financial resources measurement focus applied on the modified accrual basis of accounting. Thus, these financial statements have a short-term emphasis and focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. A reconciliation is presented to facilitate the comparison between the government-wide financial statements which have a long-term emphasis and the governmental fund statements. The City of Conway's governmental financial funds include the general, special revenue, and capital projects funds.

Proprietary fund financial statements are used to report activities that operate more like those of commercial enterprises. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. Therefore, a reconciliation between the government-wide financial statements for business-type activities and the proprietary fund financial statements is not necessary. The proprietary fund category includes *enterprise funds* which are used to account for activities for which a fee is charged to external users for goods and services. The City maintains one enterprise fund, the waterworks and sewer fund.

The City as an Agent

The City is an agent, or fiduciary, for certain funds held on behalf of the City's firefighters. The fiduciary fund financial statement can be found on page 25 of this report. We exclude this activity from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in this fund are used for their intended purposes.

Notes to the Financial Statements

The notes to the financial statements provide the additional information that is essential for a full and fair presentation of the information provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 27-48.

Other Information

In addition to the basic financial statements and accompanying notes, a budgetary comparison statement has been provided for the general fund to demonstrate compliance with the annual appropriated budget. This schedule is presented as required supplementary information. Required supplementary information can be found on pages 50-60 of this report.

Other supplementary information is presented following the required supplementary information. This information can be found on pages 61-63. The combining and individual fund statements and schedules can be found on pages 64-68.

The City as a Whole

Our analysis of government-wide financial information focuses on the net position and changes in net position of the City's governmental and business-type activities.

City of Conway's Net Position As of June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 28,354,534	\$ 23,829,350	\$ 13,684,570	\$ 11,716,905	\$ 42,039,104	\$ 35,546,255
Capital Assets (Net)	<u>47,053,485</u>	<u>47,299,196</u>	<u>18,181,659</u>	<u>18,717,252</u>	<u>65,235,144</u>	<u>66,016,448</u>
Total Assets	<u>\$ 75,408,019</u>	<u>\$ 71,128,546</u>	<u>\$ 31,866,229</u>	<u>\$ 30,434,157</u>	<u>\$107,274,248</u>	<u>\$ 101,562,703</u>
Deferred Outflows of Resources	\$ 5,551,546	\$ 4,666,614	\$ 843,332	\$ 754,306	\$ 6,394,878	\$ 5,420,920
Long-Term Liabilities						
Outstanding	\$ 28,082,823	\$ 27,030,841	\$ 4,627,149	\$ 4,527,251	\$ 32,709,972	\$ 31,558,092
Other Liabilities	<u>4,112,715</u>	<u>2,532,724</u>	<u>3,179,301</u>	<u>2,591,059</u>	<u>7,292,016</u>	<u>5,123,783</u>
Total Liabilities	<u>\$ 32,195,538</u>	<u>\$ 29,563,565</u>	<u>\$ 7,806,450</u>	<u>\$ 7,118,310</u>	<u>\$ 40,001,988</u>	<u>\$ 36,681,875</u>
Deferred Inflows of Resources	\$ 688,139	\$ 245,516	\$ 14,839	\$ 23,640	\$ 702,978	\$ 269,156
Net position						
Net Investment in						
Capital Assets	\$ 43,915,398	\$ 42,978,847	\$ 17,347,169	\$ 17,616,110	\$ 61,262,567	\$ 60,594,957
Restricted	6,826,966	4,873,426	4,295,988	4,712,288	11,122,954	9,585,714
Unrestricted	<u>(2,666,476)</u>	<u>(1,866,194)</u>	<u>3,245,115</u>	<u>1,718,115</u>	<u>578,639</u>	<u>(148,079)</u>
Total Net position	<u>\$ 48,075,888</u>	<u>\$ 45,986,079</u>	<u>\$ 24,888,272</u>	<u>\$ 24,046,513</u>	<u>\$ 72,964,160</u>	<u>\$ 70,032,592</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position at June 30, 2021, was \$72,964,160 an increase of \$2,931,568, or 4.2%, from a year ago. The largest portion of the City's net position, \$61,262,567 or 84.0%, reflects its net investment in capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion, \$11,122,954 of the City's net position, or 15.2%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position amounts to \$578,639.

The City's Changes in Net Position
Fiscal Year Ended June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 6,734,564	\$ 6,292,362	\$ 12,256,232	\$11,551,606	\$ 18,990,796	\$ 17,843,968
Operating Grants and Contributions	1,765,948	1,625,468			1,765,948	1,625,468
Capital Grants and Contributions	1,124,874	2,039,820	1,455,019	1,196,687	2,579,893	3,236,507
General Revenues						
Property Taxes	7,974,233	7,305,548			7,974,233	7,305,548
Franchise Fees	1,489,610	1,477,434			1,489,610	1,477,434
Other Taxes and Fees	2,127,181	1,811,504			2,127,181	1,811,504
Licenses	6,681,585	6,174,620			6,681,585	6,174,620
Interest	109,604	408,416	32,638	83,948	142,242	492,364
Gain on Disposal	68,908	8,993			68,908	8,993
Grants and Contributions	472,500	448,703			472,500	448,703
Total Revenues	<u>\$ 28,549,007</u>	<u>\$ 27,592,868</u>	<u>\$ 13,743,889</u>	<u>\$12,832,241</u>	<u>\$ 42,292,896</u>	<u>\$ 40,425,109</u>
Expenses						
Governmental Activities						
General Government	\$ 3,546,100	\$ 4,693,713	\$	\$	\$ 3,546,100	\$ 4,693,713
Public Safety	12,129,647	11,432,955			12,129,647	11,432,955
Street	3,316,380	2,702,481			3,316,380	2,702,481
Sanitation	2,352,004	3,120,766			2,352,004	3,120,766
Intragovernmental						
Maintenance	345,619	399,792			345,619	399,792
Beautification	1,252,689	1,279,660			1,252,689	1,279,660
Culture and Recreation	4,178,358	3,289,509			4,178,358	3,289,509
Interest and Fiscal Charges	83,301	114,882			83,301	114,882
Business Activities						
Maintenance	\$	\$	\$ 2,427,521	\$ 2,420,856	\$ 2,427,521	\$ 2,420,856
Operations			1,306,983	1,041,111	1,306,983	1,041,111
Construction			1,045,474	1,088,294	1,045,474	1,088,294
Non-Departmental			5,570,656	5,658,037	5,570,656	5,658,037
Depreciation and Amort.			1,783,381	1,708,502	1,783,381	1,708,502
Interest and Fiscal Charges			23,215	28,640	23,215	28,640
Total Expenses	<u>\$ 27,204,098</u>	<u>\$ 27,033,758</u>	<u>\$ 12,157,230</u>	<u>\$11,945,440</u>	<u>\$ 39,361,328</u>	<u>\$ 38,979,198</u>
Change in Net Position						
Before Transfers	\$ 1,344,909	\$ 559,110	\$ 1,586,659	\$ 886,801	\$ 2,931,568	\$ 1,445,911
Transfers	744,900	744,900	(744,900)	(744,900)		
Change in Net Position	<u>\$ 2,089,809</u>	<u>\$ 1,304,010</u>	<u>\$ 841,759</u>	<u>\$ 141,901</u>	<u>\$ 2,931,568</u>	<u>\$ 1,445,911</u>
Net Position – Beginning	<u>45,986,079</u>	<u>44,682,069</u>	<u>24,046,513</u>	<u>23,904,612</u>	<u>70,032,592</u>	<u>68,586,681</u>
Net Position – Ending	<u>\$ 48,075,888</u>	<u>\$ 45,986,079</u>	<u>\$ 24,888,272</u>	<u>\$ 24,046,513</u>	<u>\$ 72,964,160</u>	<u>\$ 70,032,592</u>

The City's total revenues amounted to \$42,292,896 for the year ending June 30, 2021, an increase of \$1,867,787 or 4.6%. The main drivers of the increase were increases in charges for service of \$1,146,828, or 6.4% and property taxes of \$668,685 or 9.2%, offset by decreases in capital grants of \$656,614 or 20.3%. The increase in charges for services was due to the strong local economy, while the increase in property tax revenue was driven by an increase in the direct tax rate. The decrease in capital grants and contributions is due to decreases in revenue's related to the FEMA repurchase program, offset by American Rescue Plan and other COVID- grant revenues.

The total cost of all programs and services was \$39,361,328, increasing by \$382,130, or 1.0%, over the previous year. The governmental activities increased due to employee compensation, COVID-19 and growth. The Water and Sewer fund experienced increases in repairs and depreciation costs.

Governmental Activities

The City's net position from governmental activities increased \$2,089,809. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, was \$(2,666,476) at June 30, 2021. The decrease from the prior year arises from increases in net investment in capital assets and restricted fund balances.

The City's programs for governmental activities include general government, public safety, street, solid waste, intergovernmental maintenance, beautification, parks and recreation, and interest & fiscal charges.

The cost of all governmental activities for fiscal year 2021 was \$27,204,098. However, as shown in the statement of activities on pages 12 and 13, the amount that taxpayers ultimately financed for these activities was only \$17,578,711 as some of the costs were paid by those who directly benefited from the programs (\$6,734,564), or by other governments and organizations which subsidized certain programs with grants and contributions (\$2,890,822). Overall, the City's governmental program revenues were \$9,625,386. The City paid for the remaining "public benefit" portion of governmental activities with general revenues, some of which could only be used for certain programs, totaling \$17,578,712.

Business-Type Activities

The City's net position from business-type activities increased \$841,759. The City's programs for business-type activities are comprised of waterworks and sewer activities. Revenues of the City's business-type activities were \$13,743,889, a 7.1% increase that arose from an increase in charges for service and capital contributions. Expenses of the City's business-type activities were \$12,157,230, a 1.8% increase due to personnel costs, materials and supplies expenses, and increased depreciation expense.

The cost of all business-type activities, \$12,157,230, for fiscal year 2021 as shown in the statement of activities which begins on page 12, were funded from payments by users in the amount \$12,256,232, and from operating and capital contributions in the amount of \$1,455,019. Unrestricted investment earnings were \$30,412, restricted investment earnings were \$2,226 and transfers out totaled \$744,900, which are included in the cost of all business-type activities.

The City's Funds

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

Governmental Funds

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

As of the end of fiscal year 2021, the City's governmental funds reported combined ending fund balances of \$24,088,691, an increase of \$2,492,404.

Unassigned fund balance of the governmental funds is \$16,653,697 which is available for spending at the City's discretion. The remainder of fund balance is reserved for amounts (1) that are not available for spending, (2) are legally restricted for a specific purpose, or (3) are assigned by the City for a specific purpose.

The General Fund is the primary operating fund of the City. At the end of fiscal year 2021, the fund balance of the General Fund was \$17,717,509, of which \$16,761,640 was unassigned. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 69.3% of total General Fund expenditures, while total fund balance represents a very healthy 73.3% of that same amount.

In the Hospitality Fund, fund balance increased \$1,085,783 at June 30, 2021. This was primarily due to a shifting of fiscal responsibility from Horry County to the City related to hospitality taxes increases fees, combined with decreasing capital outlay.

Fund balance in the Stormwater Management Fund increased by \$120,501 at June 30, 2021. This was primarily due to an increase in fees combined with a decrease in capital outlay.

In the Community Development Fund, fund balance neither increased or decreased at June 30, 2021. This was primarily due to a decrease in capital outlay expenditures.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the governmental-wide financial statements, but in more detail. Those factors discussed previously relating the City's business-type activities are also relevant to the City's proprietary fund. There are no variances.

General Fund Budgetary Highlights

The original General Fund budget, as presented in this report, includes the original appropriations authorized by City Council prior to the start of the fiscal year. No supplemental appropriations required authorization by Council for the general fund during the year.

Total general fund revenues were less than budgetary estimates for the year by \$119,470. Following is the more noteworthy variance from revenue estimates:

- Property tax revenues exceeded budget by \$206,859.
- Licenses and permits exceeded budget by \$677,093 primarily due to an increase in residential building permits and business license collections.
- Intergovernmental revenues were less than budget by \$958,652 primarily due to not receiving Project Worksheet approval for FEMA related Hurricane Florence grants.
- Actual expenditures incurred were \$2,615,172 less than appropriations due to expenditures in public safety and capital outlay being under budget.

Capital Asset and Debt Administration

The City's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2021 was \$65,235,144. This represents a net decrease of \$781,304, or 1.2% from the prior year. The change in the City's investment in capital assets related to governmental activities for the current fiscal year was a decrease of \$245,711 or 0.5%, for governmental activities and a decrease of \$535,593, or 2.9%, for business-type activities. The increase in governmental activities is mainly due to the City investing \$581,607 in vehicles and other equipment, \$1,926,837 for infrastructure and other improvements and \$631,689 for disaster mitigation land related to the FEMA grant program. These expenditures were offset by depreciation expense of \$3,140,133. The decrease for business-type activities is mainly due to depreciation of \$1,783,380 offsetting the City investing \$1,247,787 in vehicles, equipment, and other improvements.

Capital Assets (Net) June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 13,572,638	\$ 12,135,452	\$ 126,912	\$ 126,912	\$ 13,699,550	\$ 12,262,364
Land Improvements	1,607,842	1,686,966			1,607,842	1,686,966
Buildings and Improvements	12,530,297	12,862,881	2,348,298	2,436,819	14,878,595	15,299,700
Other Improvements	1,590,417	1,796,705			1,590,417	1,796,705
Distributions System			13,113,829	14,103,854	13,113,829	14,103,854
Vehicles and Equipment	5,707,439	6,433,717	2,592,620	2,049,667	8,300,059	8,483,384
Infrastructure	11,685,742	12,024,365			11,685,742	12,024,365
Construction in Progress	359,110	359,110			359,110	359,110
Total	<u>\$ 47,053,485</u>	<u>\$ 47,299,196</u>	<u>\$ 18,181,659</u>	<u>\$ 18,717,252</u>	<u>\$ 65,235,144</u>	<u>\$ 66,016,448</u>

Debt Administration

At June 30, 2021, the City had \$3,972,575 in bonds and capital lease obligations outstanding. This is a decrease of \$1,448,916 or 26.7% from the prior year. The decrease is due to total principal payments of \$1,448,916. More detailed information about the City's debt obligations and future debt service requirements can be found in Note 11 to the financial statements.

Outstanding Debt June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 371,466	\$ 459,772	\$	\$	\$ 371,466	\$ 459,772
Tax increment bonds	268,746	532,462			268,746	532,462
Revenue bonds	1,149,989	1,421,846	834,489	1,101,142	1,984,478	2,522,988
Capital lease obligations	<u>1,347,885</u>	<u>1,906,269</u>			<u>1,347,885</u>	<u>1,906,269</u>
Total Liabilities	<u>\$ 3,138,086</u>	<u>\$ 4,320,349</u>	<u>\$ 834,489</u>	<u>\$ 1,101,142</u>	<u>\$ 3,972,575</u>	<u>\$ 5,421,491</u>

Under current state statutes, the City can issue general obligation debt without referendum whenever the new debt and outstanding balances of existing debt in total do not exceed 8% of taxable assessed values on property located within the city limits. As of June 30, 2021, the amount of new general obligation debt that can be issued without referendum was \$7,565,963.

The City's elected and appointed officials considered many factors when setting the fiscal year 2022 budget, tax rates and fees that will be charged for the business-type activities. Some of those factors are the economy, the population growth rate and inflation rates.

Economic Factors and Next Year's Budgets and Rate

The indicators mentioned above were taken into account when adopting the General Fund budget for fiscal year 2022. Amounts available for appropriation in the General Fund budget are \$27,460,671, an increase of 2.5% over the final fiscal year 2021 budget of \$26,788,575. Budgeted expenditures are expected to increase 2.5% to \$27,460,671 from \$26,788,574 in fiscal year 2021. The City has added no major new programs to the fiscal year 2022 budget. If these estimates are realized, the City's budgetary General Fund balance is not expected to change in fiscal year 2022.

As for the City's business-type activities, the anticipated revenues and expenses for Waterworks and Sewer System will decrease by less than 1% for fiscal year 2022.

Requests for Information

This financial report is designed to provide a general overview of the City of Conway's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director at City of Conway, Post Office Drawer 1075, Conway, South Carolina 29528-1075.

BASIC FINANCIAL STATEMENTS

CITY OF CONWAY, SOUTH CAROLINA

STATEMENT OF NET POSITION

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Temporary Investments	\$ 22,489,843	\$ 7,166,971	\$ 29,656,814
Receivables (Net)	5,226,041	1,505,151	6,731,192
Inventories	194,497	716,460	910,957
Restricted Cash and Temporary Investments	444,153	4,295,988	4,740,141
Land and Construction In Progress	13,931,748	126,912	14,058,660
Other Capital Assets (Net)	<u>33,121,737</u>	<u>18,054,747</u>	<u>51,176,484</u>
Total Assets	\$ <u>75,408,019</u>	\$ <u>31,866,229</u>	\$ <u>107,274,248</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pension Plans	\$ 5,182,621	\$ 788,741	\$ 5,971,362
Related to OPEB	368,925	54,591	423,516
Total Deferred Outflows of Resources	\$ <u>5,551,546</u>	\$ <u>843,332</u>	\$ <u>6,394,878</u>
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 2,204,682	\$ 1,014,242	\$ 3,218,924
Liabilities Payable from Restricted Assets	96,313	1,559,859	1,656,172
Unearned Revenue	1,811,720	605,200	2,416,920
Noncurrent Liabilities:			
Due Within One Year	1,864,065	266,855	2,130,920
Due in More Than One Year	<u>26,218,758</u>	<u>4,360,294</u>	<u>30,579,052</u>
Total Liabilities	\$ <u>32,195,538</u>	\$ <u>7,806,450</u>	\$ <u>40,001,988</u>
DEFERRED INFLOWS OF RESOURCES			
Related to Pension Plans	\$ 677,640	\$ 13,285	\$ 690,925
Related to OPEB	10,499	1,554	12,053
Total Deferred Inflows of Resources	\$ <u>688,139</u>	\$ <u>14,839</u>	\$ <u>702,978</u>
NET POSITION			
Net Investment in Capital Assets	\$ 43,915,398	\$ 17,347,169	\$ 61,262,567
Restricted for:			
Community Development	2,963,740		2,963,740
Public Safety Programs	173,021		173,021
Tourism	2,555,820		2,555,820
Tax Increment	1,134,385		1,134,385
Capital Projects		4,295,988	4,295,988
Unrestricted	<u>(2,666,476)</u>	<u>3,245,115</u>	<u>578,639</u>
Total Net Position	\$ <u><u>48,075,888</u></u>	\$ <u><u>24,888,272</u></u>	\$ <u><u>72,964,160</u></u>

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

CITY OF CONWAY, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
Year Ended June 30, 2021**

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 3,546,100	\$ 92,170	\$ 553,010	\$
Public Safety	12,129,647	1,163,396	101,767	306,369
Street	3,316,380	1,292,831	1,106,171	
Sanitation	2,352,004	3,347,385		
Intragovernmental Maintenance	345,619			96,935
Beautification	1,252,689		5,000	
Culture and Recreation	4,178,358	838,782		721,570
Interest and Fiscal Charges	83,301			
Total Governmental Activities	<u>\$ 27,204,098</u>	<u>\$ 6,734,564</u>	<u>\$ 1,765,948</u>	<u>\$ 1,124,874</u>
Business-Type Activities:				
Water & Sewer	<u>\$ 12,157,230</u>	<u>\$ 12,256,232</u>	<u>\$</u>	<u>\$ 1,455,019</u>
Total	<u>\$ 39,361,328</u>	<u>\$ 18,990,796</u>	<u>\$ 1,765,948</u>	<u>\$ 2,579,893</u>

General Revenues:

Property Taxes
In Lieu of Property Taxes
Franchise Fee Taxes
Hospitality Fee Taxes
Local Accommodations Tax
Business License Taxes
Grants and Contributions not Restricted to Specific Programs
Unrestricted Investment Earnings
Restricted Investment Earnings
Gain on Disposal of Capital Assets

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (2,900,920)	\$	\$ (2,900,920)
(10,558,115)		(10,558,115)
(917,378)		(917,378)
995,381		995,381
(248,684)		(248,684)
(1,247,689)		(1,247,689)
(2,618,006)		(2,618,006)
(83,301)		(83,301)
<u>\$ (17,578,712)</u>	<u>\$</u>	<u>\$ (17,578,712)</u>
<u>\$</u>	<u>\$ 1,554,021</u>	<u>\$ 1,554,021</u>
<u>\$ (17,578,712)</u>	<u>\$ 1,554,021</u>	<u>\$ (16,024,691)</u>
\$ 7,974,233	\$	\$ 7,974,233
95,145		95,145
1,489,610		1,489,610
1,933,106		1,933,106
98,930		98,930
6,681,585		6,681,585
472,500		472,500
108,014	30,412	138,426
1,590	2,226	3,816
68,908		68,908
744,900	(744,900)	
<u>\$ 19,668,521</u>	<u>\$ (712,262)</u>	<u>\$ 18,956,259</u>
<u>\$ 2,089,809</u>	<u>\$ 841,759</u>	<u>\$ 2,931,568</u>
<u>\$ 45,986,079</u>	<u>\$ 24,046,513</u>	<u>\$ 70,032,592</u>
<u>\$ 48,075,888</u>	<u>\$ 24,888,272</u>	<u>\$ 72,964,160</u>

CITY OF CONWAY, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021**

	General Fund	Hospitality Fund	Stormwater Management Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
ASSETS			
Cash and Temporary Investments	\$ 16,325,964	\$ 2,134,414	\$ 923,222
Receivables (Net):			
Property Taxes	492,784		
Franchise Fees	379,621		
Business Licenses	1,191,354		
Local Accommodations Tax			
Hospitality Fees		183,004	
Intergovernmental	2,635,264		
Other	123,714		
Due From Other Funds	107,943		
Inventories	194,497		
Restricted Cash and Temporary Investments	<u>444,153</u>		
Total Assets	\$ <u>21,895,294</u>	\$ <u>2,317,418</u>	\$ <u>923,222</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable and Accrued Expenditures	\$ 2,078,146	\$ 7,281	\$ 27,880
Due to Other Fund			
Payable From Restricted Assets:			
Performance Bonds	943		
Court Bonds	6,832		
Narcotics Funds on Hand	88,538		
Unearned Revenue	<u>1,811,720</u>		
Total Liabilities	\$ <u>3,986,179</u>	\$ <u>7,281</u>	\$ <u>27,880</u>
Deferred Inflows of Resources			
Unavailable Revenue	\$ <u>191,606</u>		
Fund Balances:			
Nonspendable			
Inventories	\$ 194,498		
Restricted			
Accommodations			
Hospitality		2,310,137	
Lakeside Cemetery	174,819		
Narcotics Law Enforcement	17,107		
Street and Drainage Project			
Stormwater			895,342
Tax Increment			
Victims Assistance	155,914		
Assigned			
Beautification			
Recreation Center	403,542		
Public Safety	4,527		
Sanitation Department	55		
Sculpture Trail	5,407		
Unassigned	<u>16,761,640</u>		
Total Fund Balances	\$ <u>17,717,509</u>	\$ <u>2,310,137</u>	\$ <u>895,342</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>21,895,294</u>	\$ <u>2,317,418</u>	\$ <u>923,222</u>

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

Community Development Fund	Other Governmental Funds	Total Governmental Funds
\$	\$ 3,106,243	\$ 22,489,843
	12,188	504,972
		379,621
		1,191,354
	18,207	18,207
		183,004
	189,905	2,825,169
		123,714
		107,943
		194,497
		444,153
\$	\$ 3,326,543	\$ 28,462,477
\$	\$ 45,564	\$ 2,158,871
107,943		107,943
		943
		6,832
		88,538
		1,811,720
\$ 107,943	\$ 45,564	\$ 4,174,847
\$	\$ 7,333	\$ 198,939
\$	\$	\$ 194,498
	245,682	245,682
		2,310,137
		174,819
		17,107
	1,893,579	1,893,579
		895,342
	1,134,385	1,134,385
		155,914
		403,542
		4,527
		55
		5,407
(107,943)		16,653,697
\$ (107,943)	\$ 3,273,646	\$ 24,088,691
\$	\$ 3,326,543	\$ 28,462,477

CITY OF CONWAY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021

Total Fund Balances - Total Governmental Funds	\$ 24,088,691
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	47,053,485
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	5,750,485
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(28,816,773)</u>
Net Position of Governmental Activities	\$ <u><u>48,075,888</u></u>

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

CITY OF CONWAY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2021**

	General Fund	Hospitality Fund	Stormwater Management Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
REVENUES			
Property Taxes	\$ 7,426,859	\$	\$
Franchise Fees	1,489,610		
Hospitality Fees		1,933,106	
Local Accommodations Tax			
Stormwater Fees			1,292,831
Licenses and Permits	7,588,393		
Fines and Forfeitures	103,077		
Interest	107,150	909	542
Intergovernmental	2,185,446		
Charges for Services	3,291,659		
Recreation Center	494,589		
Other	894,645		16,429
Total Revenues	\$ <u>23,581,428</u>	\$ <u>1,934,015</u>	\$ <u>1,309,802</u>
EXPENDITURES			
Current:			
General Government	\$ 3,911,399	\$	\$
Public Safety	10,617,634		
Street	929,096		1,003,478
Sanitation	2,291,825		
Intragovernmental Maintenance	315,275		
Beautification	1,142,826		
Culture and Recreation	2,467,953	256,872	
Capital Outlay	1,788,523	75,061	185,823
Debt Service			
Principal	646,689	271,857	
Interest and Fiscal Charges	62,183	31,992	
Total Expenditures	\$ <u>24,173,403</u>	\$ <u>635,782</u>	\$ <u>1,189,301</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>(591,975)</u>	\$ <u>1,298,233</u>	\$ <u>120,501</u>
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	\$ 68,908	\$	\$
Proceeds from Insurance Recoveries	215,963		
Transfers In	984,362		
Transfers Out		(212,450)	
Total Other Financing Sources (Uses)	\$ <u>1,269,233</u>	\$ <u>(212,450)</u>	\$ <u></u>
Net Change in Fund Balances	\$ <u>677,258</u>	\$ <u>1,085,783</u>	\$ <u>120,501</u>
Fund Balances - Beginning	\$ <u>17,040,251</u>	\$ <u>1,224,354</u>	\$ <u>774,841</u>
Fund Balances - Ending	\$ <u><u>17,717,509</u></u>	\$ <u><u>2,310,137</u></u>	\$ <u><u>895,342</u></u>

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

Community Development Fund	Other Governmental Funds	Total Governmental Funds
\$	\$ 448,769	\$ 7,875,628
		1,489,610
		1,933,106
	98,930	98,930
		1,292,831
		7,588,393
		103,077
	1,003	109,604
96,935	1,007,547	3,289,928
		3,291,659
		494,589
0		911,074
\$ <u>96,935</u>	\$ <u>1,556,249</u>	\$ <u>28,478,429</u>
\$ 96,935	\$ 59,350	\$ 4,067,684
		10,617,634
	16,250	1,948,824
		2,291,825
		315,275
		1,142,826
		2,724,825
	571,436	2,620,843
	263,716	1,182,262
	9,623	103,798
\$ <u>96,935</u>	\$ <u>920,375</u>	\$ <u>27,015,796</u>
\$	\$ <u>635,874</u>	\$ <u>1,462,633</u>
\$	\$	\$ 68,908
		215,963
		984,362
	(27,012)	(239,462)
\$ <u></u>	\$ <u>(27,012)</u>	\$ <u>1,029,771</u>
\$ <u></u>	\$ <u>608,862</u>	\$ <u>2,492,404</u>
\$ <u>(107,943)</u>	\$ <u>2,664,784</u>	\$ <u>21,596,287</u>
\$ <u><u>(107,943)</u></u>	\$ <u><u>3,273,646</u></u>	\$ <u><u>24,088,691</u></u>

CITY OF CONWAY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 2,492,404
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 costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$2,894,422) were less than depreciation (\$3,140,133) in the current period.	(245,711)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	98,605
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 governmental funds. Neither transaction has an effect on net assets.	1,182,263
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(1,437,752)</u>
Net Position of Governmental Activities	\$ <u>2,089,809</u>

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

CITY OF CONWAY, SOUTH CAROLINA

Page 1 of 2

**STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
June 30, 2021**

	<u>Enterprise Fund</u>
	<u>Waterworks and Sewer Fund</u>
ASSETS	
Current Assets:	
Cash in Banks and Temporary Investments	\$ 7,166,971
Receivables (Net):	
Accounts	1,362,144
Interest - Unrestricted	1,124
Interest - Restricted	2,263
Other	139,620
Inventories	716,460
Total Current Assets	\$ <u>9,388,582</u>
Noncurrent Assets:	
Restricted Cash and Temporary Investments	\$ 4,295,988
Land and Construction in Process	126,912
Other Capital Assets (Net)	18,054,747
Total Noncurrent Assets	\$ <u>22,477,647</u>
Total Assets	\$ <u>31,866,229</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Related to Pension Plan	\$ 788,741
Related to OPEB	54,591
Total Deferred Outflows of Resources	\$ <u>843,332</u>
 LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Expenses	\$ 1,014,242
Due to Other Fund	
Revenue Bonds	266,855
Unearned Revenue	605,200
Current Liabilities Payable From Restricted Assets:	
Customer Deposits	1,559,859
Total Current Liabilities	\$ <u>3,446,156</u>

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

CITY OF CONWAY, SOUTH CAROLINA

Page 2 of 2

**STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
June 30, 2021**

	<u>Enterprise Fund</u>
	<u>Waterworks and Sewer Fund</u>
Noncurrent Liabilities:	
Revenue Bonds (Net)	\$ 567,634
Net Pension Liability	3,513,225
Net OPEB Liability	279,435
Total Noncurrent Liabilities	\$ <u>4,360,294</u>
Total Liabilities	\$ <u>7,806,450</u>
 DEFERRED INFLOWS OF RESOURCES	
Related to Pension Plan	\$ 13,285
Related to OPEB	1,554
Total Deferred Inflows of Resources	\$ <u>14,839</u>
 NET POSITION	
Net Investment in Capital Assets	\$ 17,347,169
Restricted for Capital Projects	4,295,988
Unrestricted	3,245,115
Total Net Position	\$ <u><u>24,888,272</u></u>

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

CITY OF CONWAY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2021**

	<u>Enterprise Fund</u>
	<u>Waterworks and Sewer Fund</u>
OPERATING REVENUES	
Water Usage, Tap Fees and Penalties	\$ 8,749,173
Sewer Usage, Tap Fees and Penalties	3,253,094
Miscellaneous	253,965
Total Operating Revenues	\$ <u>12,256,232</u>
OPERATING EXPENSES	
Maintenance	\$ 2,427,521
Operations	1,306,983
Construction	1,045,474
Non-Departmental	5,570,656
Depreciation and Amortization	1,783,381
Total Operating Expenses	\$ <u>12,134,015</u>
Operating Income	\$ <u>122,217</u>
NONOPERATING REVENUES (EXPENSES)	
Unrestricted Interest Earned	\$ 30,412
Restricted Interest Earned	2,226
Interest Expense	(23,215)
Total Nonoperating Revenues (Expenses)	\$ <u>9,423</u>
Income Before Contributions and Transfers	\$ <u>131,640</u>
CONTRIBUTIONS AND TRANSFERS	
Capital Contributions	\$ 1,455,019
Transfer Out	(744,900)
Total Contributions and Transfers	\$ <u>710,119</u>
Change in Net Position	\$ <u>841,759</u>
Total Net Position - Beginning	\$ <u>24,046,513</u>
Total Net Position - Ending	\$ <u><u>24,888,272</u></u>

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

CITY OF CONWAY, SOUTH CAROLINA

Page 1 of 2

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2021**

	<u>Enterprise Fund</u>
	<u>Waterworks and Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers	\$ 12,240,837
Payments to Suppliers	(7,710,297)
Payments to Employees	(2,332,823)
Other Receipts	243,112
Net Cash and Cash Equivalents Provided by Operating Activities	\$ <u>2,440,829</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer Out	\$ (744,900)
Proceeds from Interfund Loans	(5,453)
Net Cash and Cash Equivalents Used by Noncapital Financing Activities	\$ <u>(750,353)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Payments on Revenue Bonds	\$ (266,653)
Interest Paid on Revenue Bonds	(23,215)
Capital Contributions	1,455,019
Purchases of Capital Assets	(1,247,787)
Net Cash and Cash Equivalents Used by Capital and Related Financing Activities	\$ <u>(82,636)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Maturities	\$ 1,826,407
Investment Purchases	(1,852,172)
Interest Received	32,638
Net Cash and Cash Equivalents Provided by Investing Activities	\$ <u>6,873</u>
Net Increase in Cash and Cash Equivalents	\$ 1,614,713
Cash and Cash Equivalents - Beginning	<u>5,984,513</u>
Cash and Cash Equivalents - Ending	\$ <u><u>7,599,226</u></u>

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

CITY OF CONWAY, SOUTH CAROLINA

Page 2 of 2

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2021**

	<u>Enterprise Fund</u>
	<u>Waterworks and Sewer Fund</u>
 <u>Reconciliation of Operating Income to Net Cash and Cash Equivalents Provided by Operating Activities</u>	
Operating Loss	\$ 122,217
Adjustments to Reconcile Operating Income to Net Cash and Cash Equivalents Provided by Operating Activities:	
Depreciation and Amortization	1,783,381
Decrease in Accounts Receivable	(62,952)
(Increase) in Other Receivable	(10,853)
Decrease in Inventories	(247,930)
(Decrease) in Accounts Payable and Accrued Expenses	286,720
(Decrease) in Unearned Revenue	222,900
Increase in Customer Deposits Payable	78,622
Increase in Compensated Absences	(17,736)
Increase in Pension Liability	288,603
(Decrease) in OPEB Liability	(2,143)
Net Cash and Cash Equivalents Provided by Operating Activities	\$ <u><u>2,440,829</u></u>

Reconciliation of Cash and Cash Equivalents

Unrestricted Cash and Temporary Investments	\$ 7,166,971
Restricted Cash and Temporary Investments	<u>4,295,988</u>
	\$ 11,462,959
Temporary Investments With Original Maturity Dates of Greater Than Three Months	<u>(3,863,733)</u>
Cash and Cash Equivalents	\$ <u><u>7,599,226</u></u>

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

CITY OF CONWAY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
June 30, 2021

ASSETS

Cash and Temporary Investments	\$ <u>54,506</u>
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LIABILITIES

Accounts Payable	\$ <u>5,523</u>
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NET POSITION

Restricted for Firemen's Association	\$ <u>48,983</u>
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The accompanying notes are an integral part of the financial statements.

CITY OF CONWAY, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
Year Ended June 30, 2021

ADDITIONS

Insurance Receipts	\$ <u>85,680</u>
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DEDUCTIONS

Retirement Plan	\$ 72,329
Materials and Supplies	<u>83,083</u>
Total Deductions	<u><u>\$ 155,412</u></u>

Change in Net Position	\$ (69,732)
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Net Position - Beginning	\$ <u>118,715</u>
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Net Position - Ending	<u><u>\$ 48,983</u></u>
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The accompanying notes are an integral part of the financial statements.

CITY OF CONWAY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government and Operations

The City of Conway is a municipal corporation of the State of South Carolina, located in the coastal region of South Carolina in Horry County, and as such possesses all the general powers granted by the Constitution and laws of South Carolina to municipal corporations.

The City operates under the Council-Administrator form of government. The City Council is composed of six members and the Mayor, who serves as presiding officer. The Council is the legislative body of the City and has the major responsibility of determining the policies and direction of the municipal government.

The City Administrator is appointed by Council and serves as the chief administrative officer of the City. As such, he administers the daily operations of the City through appointed department heads.

The City's financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City applies all relevant GASB pronouncements.

The more significant accounting policies of the City are described below.

Reporting Entity

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units; potential component units are legally separate organizations for which the elected officials of the City of Conway might be considered to be financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, based on Statement No. 39 of the Governmental Accounting Standards Board. The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents; it follows that an accountability perspective should provide the basis for defining the financial reporting entity. In accordance with that concept, the City of Conway financial reporting entity consists only of all of the departments and funds of the City of Conway, the primary government; no other separate entities have been included in the reporting entity (and these financial statements) because the City of Conway is not financially accountable for any other separate organizations, and there are no other organizations for which the nature and significance of their relationship with the City of Conway is such that exclusion would cause the financial statements to be misleading or incomplete.

Government-Wide Financial Statements

The City's government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

The government-wide financial statement focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

CITY OF CONWAY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and demonstrate legal compliance. Separate fund financial statements are presented for governmental, proprietary, and fiduciary activities (even though the latter are excluded from the government-wide financial statements). The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Each major fund, determined in accordance with criteria established by the Governmental Accounting Standards Board, is presented in a separate column on the fund financial statements. All nonmajor funds are aggregated and reported in a single column on each of the fund statements.

The City's fiduciary fund is presented in the fiduciary fund financial statement by type (private purpose and agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

Governmental Funds

The focus of the governmental funds' measurement, in the fund statements, is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the City's governmental funds:

- i. The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is reported as a major governmental fund.
- ii. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City uses the following special revenue funds: 1) accommodations tax fund, 2) hospitality fee, 3) stormwater management, 4) street and drainage project, and 5) tax increment revenue. The hospitality fee fund, which is a major fund, is used to account for a 1% fee imposed on accommodations, paid places of amusement and food and beverages served by a food facility for the purpose of tourism related expenditures. The stormwater management fund, which is also a major fund, is used to account for revenue generated from user fees assessed to residents and businesses within the City on a monthly basis in order to provide for the planning, operation, and maintenance of the stormwater system of the City. All the other special revenue funds are nonmajor funds.
- iii. The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

The City uses the following capital projects fund, which is classified as a major fund: 1) community development.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the City's proprietary fund:

- i. The Enterprise fund is required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City reports one major proprietary fund: The waterworks and sewer fund is an enterprise fund that is used to account for the provision of water and sewer services to the residents of the City and surrounding areas.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position are reported using accounting principles similar to proprietary funds. The City utilizes one fiduciary fund: The firemen's custodial fund is used to account for insurance premium rebates remitted by the State Treasurer to be expended for the collective benefit and enjoyment of the City firefighters.

CITY OF CONWAY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Measurement Focus and Basis of Accounting

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

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

The City considers property taxes, business licenses, hospitality fees, storm water fees, intergovernmental revenues and charges for services to be susceptible to accrual. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include, permits and fines and forfeitures.

Cash and Temporary Investments

The City pools the cash of all funds into a central depository bank account except where legal restrictions prohibit the commingling of funds or when alternative deposit or investment accounts are better able to meet particular City needs. Temporary investments are then made from the account in collaborative form in order to maximize the return on invested funds. Each individual fund's equity in the pooled cash and temporary investments is shown in that fund. Allocation of the interest earned is made to each fund based on pro rata equity. Due to the nature of the contractual agreements surrounding the various repurchase agreements, which include complete access to the funds and lack of withdrawal penalty, said agreements will be treated, for liquidity purposes, as cash.

For purposes of the statement of cash flows, as presented for the City's proprietary funds, cash equivalents include demand deposits and short-term investments, including restricted amounts, with original maturity dates of three months or less.

Investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

State statutes authorize the City to invest in obligations of the U.S. Treasury and agencies thereof, obligations of the State of South Carolina or any of its political units, savings and loan associations to the extent secured by the Federal Deposit Insurance Corporation, and certificates of deposit and repurchase agreements where the certificates or agreements are collaterally secured by obligations of the United States and agencies thereof or by obligations of the State of South Carolina or any of its political units.

Receivables

Receivables are presented in the financial statements net of allowances for doubtful accounts. Allowances for doubtful accounts are based upon historical trends and the periodic aging of receivables.

Inventories

Inventories are valued at cost, primarily on an average cost basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

Restricted assets include cash and temporary investments that are legally restricted as to their use. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF CONWAY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Interfund Balances and Activity

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund activity is classified as either loans, services provided, reimbursements or transfers. Loans are referred to as either due to/from other funds or advances to/from other funds. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., streets, lighting systems, drainage systems and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Purchased capital assets are recorded at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The costs of normal maintenance and repairs, which neither materially add to the value of an asset nor prolong its life, are charged to expense as incurred. Interest incurred during the construction of capital assets for business-type activities is reflected in the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	10 - 30 years
Buildings and Improvements	7 - 30 years
Distribution System	40 years
Infrastructure	10 - 15 years
Vehicles and Equipment	5 - 10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has two types of deferred outflows of resources: (1) The City reports deferred pension charges in its Statement of Net Position in connection with the City Pension Plan and its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The City reports deferred other postemployment benefit ("OPEB") charges in its Statement of Net Position in connection with the City's OPEB Plan. The deferred pension and OPEB charges are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has three types of deferred inflows of resources: (1) The City reports unavailable revenue (property taxes and note receivables) only in the governmental funds Balance Sheet; these items are deferred and recognized as an inflow of resources in the period the amounts become available. (2) The City also reports deferred pension credits in its Statements of Net Position in connection with the City Pension Plan and its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (3) The City reports deferred OPEB credits in its Statement of Net Position in connection with the City OPEB Plan. The deferred pension and OPEB credits are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay. There is no liability for unpaid accumulated sick pay since the City does not have to pay any amounts if an employee separates from service. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is not reported in the governmental funds. The compensated absences liability for governmental activities is funded by the General Fund.

CITY OF CONWAY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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Long-Term Obligations

In the government-wide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary funds statement of net position.

In the fund financial statements, governmental fund types recognize bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs are reported as debt service expenditures.

Pensions and OPEB

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

Equity Classifications

In the government-wide and proprietary funds financial statements, equity is classified as net position and is displayed in the following components:

Net Investment in Capital Assets - Consists of capital assets net of accumulated depreciation reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position - Consists of net position with constraints placed on their use by (a) third parties such as creditors, grantors, contributors or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that do not meet the definition of restricted or invested in capital assets, net of related debt.

In the governmental fund financial statements, equity is classified as fund balance. Fund balance is reserved for amounts that are not available for appropriation or are legally restricted for a specific purpose. The governmental fund balances are displayed in the following components:

Nonspendable - Consists of amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Consists of amounts with constraints placed on their use by (a) third parties such as creditors, grantors, contributors or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

Committed - Consists of amounts that can be used only for specific purposes determined by a formal action by City Council ordinance.

Assigned - Consists of amounts that the City intends to use for specific purposes. Amounts may be assigned by the City Manager pursuant to authorization established by City Council resolution.

Unassigned - Consists of all amounts not included in other spendable classifications. The City only reports positive unassigned fund balance in the General Fund.

CITY OF CONWAY, SOUTH CAROLINA
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When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. Additionally, the City first uses committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Revenues and Expenses

Real property and all personal property other than vehicles are assessed for property tax purposes as of January 1st of each year. All taxable property is assessed in proportion to its value on that date. The basis for value of taxable property within the City is taken from the records of the Horry County Auditor. Taxes are payable between October 1st and January 15th following their levy on October 1st. The lien date is January 15th and unpaid amounts after this date are considered to be delinquent and are subject to penalties for late payment.

New vehicle property taxes are assessed and levied within 120 days of the registration date of the vehicle and payment is due upon receipt of the property tax notice. Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Highway Department and payment is due before the end of the month of the scheduled renewal.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

In accordance with GASB Statement No. 33, the City recognizes grant revenues and receivables when the applicable eligibility requirements, including time requirements, are met. Resources received before the eligibility requirements are met are reported as unearned revenue.

In proprietary fund financial statements, capital contributions, which consist of contributed capital assets and grant revenues restricted to capital purposes, are reported as nonoperating revenues based on GASB Statement No. 33.

Fund Balance Policy

The City of Conway has adopted a policy to maintain a minimum level of unassigned fund balance in the General Fund of \$5,200,000. The City is currently in compliance with this policy.

Note 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between total fund balances - total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. The details of the element in the reconciliation that relates to long-term liabilities follows:

Bonds Payable, Net	\$ 1,790,201
Capital Lease Obligations	1,347,886
Net Pension Liability and Related Amounts	22,913,378
Compensated Absences	820,587
Net OPEB Liability and Related Amounts	1,898,910
Accrued Interest Payable	<u>45,811</u>
	<u>\$ 28,816,773</u>

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. The element of the reconciliation that relates to expenses is comprised of the following:

Compensated Absences	\$ (61,898)
Net Pension Liability	(1,423,304)
Net OPEB Liability	26,953
Accrued Interest	<u>20,497</u>
	<u>\$ (1,437,752)</u>

CITY OF CONWAY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Note 3 - STEWARDSHIP AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations

The legal level of budget control is at the fund level. Thus, expenditures may not legally exceed appropriations, including supplemental appropriations, for an individual fund. For the year ended June 30, 2021, expenditures did not exceed appropriations for any of the City's individual funds.

Deficit Fund Equity

June 30, 2021, the Community Development Fund, a nonmajor governmental fund, had an equity deficit of \$(107,943).

Note 4 - CASH AND TEMPORARY INVESTMENTS

Deposits

At June 30, 2021, the carrying amount of the City's deposits in financial institutions was \$4,730,328 and the financial institutions' balances totaled \$5,021,822, including certificates of deposit. Of that balance, \$357,467 was covered by federal depository insurance and \$4,664,355 was collateralized with securities held by the pledging financial institutions' trust department in the City's name. Cash on hand held by various departments of the City totaled \$1,770 at June 30, 2021.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires all deposits in excess of federal depository insurance to be collateralized with securities held by the pledging financial institution's trust department in the City's name.

Temporary Investments

At June 30, 2021 the City's investments consisted of repurchase agreements totaling \$29,664,939 which were not rated by Standard and Poor's and had weighted average maturities of approximately 274 days. These investments were classified as level 1 investments in fair value hierarchy.

The City's investment policy does not address custodial credit risk, credit risk, or concentration of credit risk as these pertain to their investment portfolio.

Note 5 - RECEIVABLES (NET)

Receivables at June 30, 2021, including the applicable allowances for doubtful accounts, are as follows:

	General Fund	Hospitality Fund	Waterworks and Sewer Fund	Nonmajor and Other Funds	Totals
Property Taxes	\$1,075,656	\$	\$	\$ 12,574	\$ 1,088,230
Franchise Fees	379,621				379,621
Business Licenses	1,191,354				1,191,354
Local Accommodations					
Tax				18,207	18,207
Hospitality Fees		183,004			183,004
Customer Accounts			1,435,322		1,435,322
Interest			3,387		3,387
Intergovernmental	2,635,264			189,905	2,825,169
Other	<u>123,714</u>		<u>139,620</u>		<u>263,334</u>
	\$5,405,609	\$ 183,004	\$ 1,578,329	\$ 220,686	\$ 7,387,628
Allowances for					
Doubtful Accounts	<u>(582,872)</u>		<u>(73,178)</u>	<u>(386)</u>	<u>(656,436)</u>
	<u>\$4,822,737</u>	<u>\$ 183,004</u>	<u>\$ 1,505,151</u>	<u>\$ 220,300</u>	<u>\$ 6,731,192</u>

CITY OF CONWAY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Note 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2021, amounts due to/from other funds were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 107,943	\$
Community Development Fund		107,943
Waterworks and Sewer Fund		
	<u>\$ 107,943</u>	<u>\$ 107,943</u>

	<u>Purpose</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund		\$ 984,362	\$
Special Revenue Fund			
Hospitality Fund	Subsidy		212,450
Accommodations Tax Fund	Subsidy		27,012
Enterprise Fund			
Waterworks and Sewer Fund	Subsidy		744,900
		<u>\$ 984,362</u>	<u>\$ 984,362</u>

Transfers are used to (a) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them and (b) move revenues from the funds collecting them to other funds to finance various programs, project costs and administrative costs in accordance with budgetary authorizations.

Note 7 - RESTRICTED CASH AND TEMPORARY INVESTMENTS

The City's restricted cash and temporary investments consisted of the following at June 30, 2021:

Governmental Activities:

General Fund	
Public Safety Programs	\$ 268,391
Lakeside Cemetery Fund	174,819
Performance Bonds	943
Total Governmental Activities:	<u>\$ 444,153</u>

Business-Type Activities:

Waterworks and Sewer Fund:	
Customer Deposits	\$ 1,559,859
Renewal and Replacement Accounts	2,736,129
Total Business-Type Activities:	<u>\$ 4,295,988</u>

Note 8 - CAPITAL ASSETS (NET)

The City's capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 12,135,452	\$ 1,437,186	\$	\$ 13,572,638
Construction in Progress	359,110			359,110
	<u>\$ 12,494,562</u>	<u>\$ 1,437,186</u>	<u>\$</u>	<u>\$ 13,931,748</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 3,700,597	\$ 101,016	\$	\$ 3,801,613
Buildings and Improvements	19,325,194	218,587		19,543,781
Vehicles and Equipment	18,781,487	581,607	271,938	19,091,156
Other Improvements	6,657,512			6,657,512
Infrastructure	31,654,601	556,026		32,210,627
	<u>\$ 80,119,391</u>	<u>\$ 1,457,236</u>	<u>\$ 271,938</u>	<u>\$ 81,304,689</u>

CITY OF CONWAY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Accumulated Depreciation for:				
Land Improvements	\$ (2,013,631)	\$ (180,140)	\$	\$ (2,193,771)
Buildings and Improvements	(6,462,313)	(551,171)		(7,013,484)
Vehicles and Equipment	(12,347,770)	(1,307,885)	271,938	(13,383,717)
Other Improvements	(4,860,807)	(206,288)		(5,067,095)
Infrastructure	(19,630,236)	(894,649)		(20,524,885)
	<u>\$ (45,314,757)</u>	<u>\$ (3,140,133)</u>	<u>\$ 271,938</u>	<u>\$ (48,182,952)</u>
Capital Assets (Net)	<u>\$ 47,299,196</u>	<u>\$ (245,711)</u>	<u>\$</u>	<u>\$ 47,053,485</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business-Type Activities:</i>				
Capital Assets not Being Depreciated:				
Land	<u>\$ 126,912</u>	<u>\$</u>	<u>\$</u>	<u>\$ 126,912</u>
	<u>\$ 126,912</u>	<u>\$</u>	<u>\$</u>	<u>\$ 126,912</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 3,550,207	\$	\$	\$ 3,550,207
Distribution System	35,021,556	87,585		35,109,141
Vehicles and Equipment	6,693,275	1,160,202		7,853,477
Intangible Assets	<u>1,025,362</u>	<u>\$</u>	<u>\$</u>	<u>1,025,362</u>
	<u>\$ 46,290,400</u>	<u>\$ 1,247,787</u>	<u>\$</u>	<u>\$ 47,538,187</u>
Accumulated Depreciation for:				
Buildings and Improvements	\$ (1,113,388)	\$ (88,521)	\$	\$ (1,201,909)
Distribution System	(20,917,702)	(1,077,610)		(21,995,312)
Vehicles and Equipment	(4,643,608)	(617,249)		(5,260,857)
Intangible Assets	<u>(1,025,362)</u>	<u>\$</u>	<u>\$</u>	<u>(1,025,362)</u>
	<u>\$ (27,700,060)</u>	<u>\$ (1,783,380)</u>	<u>\$</u>	<u>\$ (29,483,440)</u>
Capital Assets (Net)	<u>\$ 18,717,252</u>	<u>\$ (535,593)</u>	<u>\$</u>	<u>\$ 18,181,659</u>

Depreciation and amortization expense was charged to functions / programs of the City as follows:

Governmental Activities:	
General Government	\$ 241,084
Public Safety	632,374
Street	1,185,902
Sanitation	184,619
Intergovernmental Maintenance	77,461
Beautification	109,854
Culture and Recreation	<u>708,839</u>
	<u>\$ 3,140,133</u>
Business-Type Activities:	
Waterworks and Sewer	<u>\$ 1,783,380</u>

Note 9 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES / EXPENDITURES

Accounts payable and accrued expenses / expenditures consisted of the following at June 30, 2021:

	General Fund	Hospitality Fund	Stormwater Management Fund	Waterworks and Sewer Fund	Nonmajor and Other Funds	Totals
Accounts Payable	\$1,408,562	\$ 7,281	\$ 27,880	\$ 847,103	\$ 45,564	\$ 2,336,390
Accrued Compensation	669,584			92,486		762,070
Interest Payable				8,489		8,489
Compensated Absences				66,164		66,164
	<u>\$2,078,146</u>	<u>\$ 7,281</u>	<u>\$ 27,880</u>	<u>\$ 1,014,242</u>	<u>\$ 45,564</u>	<u>\$ 3,173,113</u>

CITY OF CONWAY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Reconciliation to the Government-Wide Statement of Net Position:

Accrued Interest Payable	45,811
	<u>\$ 3,218,924</u>

Note 10 – UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES

At June 30, 2021, unearned revenue was comprised of the following:

	General Fund	Waterworks and Sewer Fund	Total
Grant Revenue	\$ 1,811,720	\$	\$ 1,811,720
Tap Fees		157,400	157,400
Capital Contributions		447,800	447,800
	<u>\$ 1,811,720</u>	<u>\$ 605,200</u>	<u>\$ 2,416,920</u>

At June 30, 2021, deferred inflows of resources were comprised of the following:

	General Fund	Tax Increment Fund	Total
Unavailable Property Taxes	\$ 191,606	\$ 7,333	\$ 198,939

Note 11 - LONG-TERM LIABILITIES

Governmental Activities

At June 30, 2021, long-term debt of the City's governmental activities was as follows:

	Date of Issue	Date of Maturity	Interest Rate	Amount Outstanding
General Obligation Bonds				
Municipal Improvements	05/12/14	05/01/25	2.00%	\$ 371,466
Revenue Bonds				
Municipal Improvements	01/22/13	01/21/24	2.25%	1,149,989
Tax Increment Bonds				
Municipal Improvements	05/14/14	05/01/22	1.80%	268,746
Lease/Purchase Obligation				
Sanitation Trucks	09/18/19	09/18/24	2.05%	1,018,105
Fire Truck	08/08/18	08/08/21	4.20%	329,781
				<u>\$ 3,138,087</u>

The City's long-term liability activity for governmental activities for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	\$ 459,772	\$	\$ (88,306)	\$ 371,466	\$ 90,142
Revenue Bond	1,421,846		(271,857)	1,149,989	277,974
Tax Increment Bond	532,462		(263,716)	268,746	268,746
Capital Lease Obligations	1,906,269		(558,383)	1,347,886	576,633
Compensated Absences	758,689	650,570	(588,672)	820,587	650,570
	<u>\$ 5,079,038</u>	<u>\$ 650,570</u>	<u>\$ (1,770,934)</u>	\$ 3,958,674	\$ 1,864,065

Reconciliation to the Government-Wide Statement of Net Position:

Net OPEB Liability	1,888,411
Net Pension Liability	22,235,738
	<u>\$ 28,082,823</u>
	<u>\$ 1,864,065</u>

CITY OF CONWAY, SOUTH CAROLINA
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General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The general obligation bonds are to be repaid with property tax revenues. Annual debt service requirements to maturity for the general obligation bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2022	\$ 90,142	\$ 7,537	\$ 97,679
2023	91,970	5,709	97,679
2024	93,824	3,855	97,679
2025	95,530	2,220	97,750
	<u>\$ 371,466</u>	<u>\$ 19,321</u>	<u>\$ 390,787</u>

Revenue Bonds

Revenue bonds were issued to provide funds to finance the cost of certain capital improvements within the City's center city redevelopment area. Revenue bonds are to be repaid by hospitality fees and stormwater management fees. Annual debt service requirements to maturity for the tax increment revenue bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2022	\$ 277,974	\$ 25,875	\$ 303,849
2023	284,229	19,620	303,849
2024	290,624	13,225	303,849
2025	297,162	6,686	303,848
	<u>\$ 1,149,989</u>	<u>\$ 65,406</u>	<u>\$ 1,215,395</u>

Tax Increment Revenue Bond

Tax increment revenue bonds were issued to provide funds to finance the cost of the City's recreation center. The tax increment revenue bonds are to be repaid by the property taxes generated from increased assessed values of property within city limits. Annual debt service requirements to maturity for the tax increment revenue bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2022	\$ 268,746	\$ 4,905	\$ 273,651
	<u>\$ 268,746</u>	<u>\$ 4,905</u>	<u>\$ 273,651</u>

Capital Lease Obligations

Capital leases were incurred in conjunction with the purchase of fire equipment and sanitation trucks. The capital leases are to be repaid by property tax revenues. At June 30, 2021, the gross amount of equipment recorded under capital leases totaled \$2,210,000. The minimum future lease payments due under the capital leases as of June 30, 2021 are as follows:

Year Ending June 30, 2022	\$ 611,357
2023	267,725
2024	267,725
2025	267,725
Total Minimum Lease Payments	\$ 1,414,532
Amount Representing Interest	(66,646)
Present Value of Minimum Lease Payments	<u>\$ 1,347,886</u>

CITY OF CONWAY, SOUTH CAROLINA
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Business-Type Activities

Long-term debt of the City's business-type activities consisted of the following at June 30, 2021:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
Revenue Bonds				
Waterworks and Sewer System				
Improvement Revenue Bonds 2014	05/16/14	03/10/24	2.10%	\$ <u>834,489</u>

The City's long-term liability activity for business-type activities for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable:					
Revenue Bonds	\$ 1,101,142	\$	\$ (266,653)	\$ 834,489	\$ 266,855
Compensated Absences	<u>66,164</u>	<u>84,287</u>	<u>(76,250)</u>	<u>60,191</u>	<u>60,191</u>
	<u>\$ 1,167,306</u>	<u>\$ 84,287</u>	<u>\$ (342,903)</u>	<u>\$ 894,680</u>	<u>\$ 327,046</u>

Reconciliation to the Government-Wide Statement of Net Position:

Compensated Absences Included in Accounts Payable and Accrued Expenses	(60,191)	(60,191)
Net OPEB Liability	279,435	
Net Pension Liability	<u>3,513,225</u>	
	<u>\$ 4,627,149</u>	<u>\$ 266,855</u>

Revenue Bonds

Revenue bonds pledge income derived from acquired or constructed assets to pay debt service. The revenue bonds were issued to finance water and sewer expansion and construction projects. Annual debt service requirements to maturity for the revenue bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2022	\$ 272,536	\$ 17,781	\$ 290,317
2023	278,339	11,978	290,317
2024	<u>283,614</u>	<u>6,630</u>	<u>290,244</u>
	<u>\$ 834,489</u>	<u>\$ 36,389</u>	<u>\$ 870,878</u>

Note 12 – PENSION PLANS

A. Plan Description

The South Carolina Retirement System (SCRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the South Carolina Public Employee Benefit Authority (PEBA). The SCRS was established pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the State, its public school districts and political subdivisions.

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

PEBA issues a publicly available comprehensive annual financial report that can be obtained at www.peba.sc.gov or by writing to PEBA, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

B. Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements for the SCRS and the PORS is presented below.

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SCRS - Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment. This plan covers general employees, 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 with an effective date of membership on or after July 1, 2012 is a Class Three member.

PORS - To be eligible for PORS membership, an employee must be required by the terms of employment, by election or appointment to preserve public order, protect life and property and detect crimes in the State; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in the PORS. Magistrates are required to participate in the PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee member with an effective date of membership on or after July 1, 2012 is a Class Three member.

C. Benefits Provided

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 summary of benefit terms is presented below.

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

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

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

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

D. Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in State statute. 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% for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with State statute.

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However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in State statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year period from thirty years beginning fiscal year 2018 to twenty 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 eighty-five percent. If the most recent annual actuarial valuation of the SCRS and PORS for funding purposes shows a ratio of the actuarial value of assets to the actuarial accrued liability (the funded ratio) that is equal to or greater than eighty-five 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 eighty-five percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation shows a funded ratio of less than eighty-five 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 shows a funded ratio that is equal to or greater than eighty-five percent.

Required employee contributions rates, as a percentage of earnable compensation, are currently as follows:

	<u>SCRS</u>	<u>PORS</u>
Class Two Member	9.00%	9.75%
Class Three Member	9.00	9.75

Required employer contributions rates, as a percentage of earnable compensation, are currently as follows:

	<u>SCRS</u>	<u>PORS</u>
Class Two Member	15.41%	17.84%
Class Three Member	15.41	17.84
Incidental Death Benefit	0.15	0.20
Accidental Death Benefit	N/A	0.20

The City's contributions to the SCRS and the PORS for the fiscal year ended June 30, 2021 were \$1,225,724 and \$806,546, respectively. The contributions made by the City were equal to the required contributions for the year.

E. Net Pension Liability and Pension Expense

SCRS - At June 30, 2021, the City reported a liability of \$16,898,629 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the SCRS relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was 0.066135%, which is an increase of 0.000431% from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the City recognized SCRS pension expense of \$2,614,487.

PORS - At June 30, 2021, the City reported a liability of \$8,850,335 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the PORS relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was 0.266881%, which is a decrease of 0.027301% from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the City recognized PORS pension expense of \$1,129,882.

The City recognized total pension expense of \$3,744,369 for the year ended June 30, 2021

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F. Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plan

At June 30, 2021, the City reported deferred outflows of resources related to pension plans from the following sources:

	SCRS	PORS	Total
Difference Between Expected and Actual Pension Liability Experience	\$ 194,988	\$ 188,088	\$ 383,076
Changes of Assumptions	20,704	108,003	128,707
Differences Between Projected and Actual Earnings on Plan Investments	1,243,035	906,254	2,149,289
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	1,109,398	168,622	1,278,020
City Contributions Subsequent to the Measurement Date	<u>1,225,724</u>	<u>806,546</u>	<u>2,032,270</u>
	<u>\$ 3,793,849</u>	<u>\$ 2,177,513</u>	<u>\$ 5,971,362</u>

At June 30, 2021, the City reported deferred inflows of resources related to pension plans from the following sources:

	SCRS	PORS	Total
Differences Between Expected and Actual Pension Liability Experience	\$ 63,901	\$ 38,957	\$ 170,090
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions		<u>588,068</u>	<u>588,068</u>
	<u>\$ 63,901</u>	<u>\$ 627,025</u>	<u>\$ 690,926</u>

The \$2,032,270 amount reported as deferred outflows of resources related to pension plans resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension plans will be recognized in pension expense as follows:

	SCRS	PORS	Total
Year Ended June 30, 2021	\$ 851,901	\$ 223,200	\$ 1,075,101
2022	867,423	185,742	1,053,165
2023	467,703	131,749	599,452
2024	317,197	203,251	520,448
	<u>\$ 2,504,224</u>	<u>\$ 743,942</u>	<u>\$ 3,248,166</u>

G. Actuarial Assumptions

The total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	SCRS	PORS
Inflation	2.25%	2.25%
Salary Increases	3.00-12.50	3.50-9.50
Investment Rate of Return	7.25	7.25

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

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

The expected returns, along with the expected inflation rate, form the basis for the revised target asset allocation adopted at the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. For actuarial purposes, the 7.25% assumed

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annual investment rate of return used in the calculation of the total pension liability includes a 5.00% real rate of return and a 2.25% percent inflation component.

The target assets allocation and best estimates of arithmetic real rates of return for each major asset class are as follows:

	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>
Global Equity		
Global Public Equity	35.0%	7.81%
Private Equity	9.0	8.91
Equity Options Strategies	7.0	5.09
Real Assets		
Real Estate (Private)	8.0	5.55
Real Estate (REITs)	1.0	7.78
Infrastructure (Private)	2.0	4.88
Infrastructure (Public)	1.0	7.05
Opportunistic		
Global Tactical Asset Allocation	7.0	3.56
Other Opportunistic Strategies	1.0	4.41
Credit		
High Yield Bonds/Bank Loans	4.0	4.21
Emerging Markets Debt	4.0	3.44
Private Debt	7.0	5.79
Rate Sensitive		
Core Fixed Income	13.0	1.60
Cash and Short Duration (Net)	1.0	0.56
	<u>100.0%</u>	

H. Discount Rate

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

I. Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	<u>SCRS</u>		
	<u>1.0% Decrease (6.25%)</u>	<u>Current Rate (7.25%)</u>	<u>1.0% Increase (8.25%)</u>
City's Proportionate Share of the Net Pension Liability	\$ <u>20,943,779</u>	\$ <u>16,898,629</u>	\$ <u>13,520,881</u>
	<u>PORS</u>		
	<u>1.0% Decrease (6.25%)</u>	<u>Current Rate (7.25%)</u>	<u>1.0% Increase (8.25%)</u>
City's Proportionate Share of the Net Pension Liability	\$ <u>11,716,354</u>	\$ <u>8,850,335</u>	\$ <u>6,549,106</u>

J. SCRS and PORS Fiduciary Net Position

Detailed information about the SCRS's and the PORS's fiduciary net position is available in the separately issued comprehensive annual financial report.

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Note 13 – POSTEMPLOYMENT BENEFIT PLAN

A. Plan Description

The City provides postemployment medical benefits for eligible retirees in the City of Conway Defined Benefit Retiree Healthcare Plan (“OPEB Plan”), an agent multiple-employer plan administered by the City. The OPEB Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust (“SC ORBET”), and thus is considered an agent multiple-employer plan, whose OPEB Plan assets are administered by the Municipal Association of South Carolina (“MASC”). SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the OPEB Plan. A copy of the report may be obtained by writing to: Chief Financial Officer for Risk Management Services, Municipal Association of South Carolina, P.O. Box 12109, Columbia, South Carolina 29211.

The OPEB Plan consists of a Trust Agreement and Plan Document. An agent multiple-employer irrevocable trust was established for these purposes. The Trust’s Board of Trustees has fiduciary responsibility for the investment of monies and administration of the OPEB Plan pursuant to the Trust Agreement and Bylaws. As of 2020 and 2019, the Trust had 47 participating employers. Of those participating employers, 31 and 36 of those made contributions to the Trust by December 31, 2020 and 2019, respectively.

The OPEB Plan provides for payment of health and welfare benefits for qualified recipients. The plan covers retired employees and eligible dependents as determined by each participating local employer. The benefit provisions, such as the benefit provided and the policies for receiving such benefits are determined by each participating employer.

The Board consists of seven members with staggered two-year terms. A chair and vice-chair are elected annually. The Board consists of at least five Trustees from municipal participating employers. The remaining two Trustees may be from non-municipal participating employers. The Director of Risk Management Services serves as the Secretary/Treasurer with no voting rights. The Trustees of the Board may serve no more than two full terms in succession.

B. Investment Policies

The SC ORBET Board of Trustees is responsible for the development and implementation of the SC ORBET investment policy. The Board of Trustees delegates the management of the investment program to Risk Management Services staff of MASC. No single issue should comprise more than five percent of the portfolio nor should any issuer comprise more than ten percent of the portfolio except for treasury and agency issues.

For the year ended December 31, 2020, the annual money weighted rate of return on the plan investments was 6.10%. The money weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan Investments is based upon 35 year capital market assumptions, as well as current consensus expectations and market based inputs. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach and are presented net of investment fees. There are no municipal bond rate assumptions used in deriving the discount rate, and the discount rate forecast period extends for 50 years. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation for the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table:

<u>Allocation/Exposure</u>	<u>Policy Target Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
U.S. Government Fixed Income:			
U.S. Government Agency	57.50%	4.50%	2.59%
U.S. Government			
MBS/CMO/CMBS	40.00%	5.25%	2.10%
Cash and Short Duration (Net):	<u>2.50%</u>	2.50%	<u>0.06%</u>
Total	<u>100.0%</u>		<u>4.75%</u>

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The membership of the Plan consisted of the following at December 31, 2018, the date of the latest actuarial valuation:

Inactive Employees or and beneficiaries currently receiving benefits	26
Active employees	<u>253</u>
Total	<u><u>279</u></u>

C. Eligibility for Allowance

Full time employees and elected officials who retire under the South Carolina Retirement System (SCRS) or the Police Officers Retirement System (PORS) with at least 10 years of service with the City are eligible to remain on the City's health, dental and vision plans offered through participation in the State health plan, administered by the Public Employee Benefit Authority (PEBA).

Disabled retirees must meet the same eligibility conditions as non-disabled retirees.

The City will pay a portion of the retiree only, standard plan medical premium and the dental premium based on service with the City. The table below displays the portion paid by the City.

<u>Years of Service</u>	<u>City Paid Portion</u>
10-19 Years	0.00%
<hr/>	
SCRS with 20 – 27 years or PORS with 20 – 24 years	50.00%
<hr/>	
SCRS with at least 28 years or PORS with at least 25 years or PORS Duty Disabled	100.00%
<hr/>	

For those who retire after October 27, 2008, the City pays the portion (same as above) of the benefit cap rather than the premium once the retiree becomes Medicare eligible. The benefit cap is \$365.15/month and is not anticipated to increase in the future. Retirees, including disabled retirees, must pay the remaining premiums. The dental plus and vision plans are available to retirees and their dependents; however, the retiree must pay the full premium for these plans.

D. Other Post Employment Benefits

Health care, dental and vision insurance are offered in the City's Other Post-Employment Benefits Plan for the lifetime of the retiree. Once the retiree becomes Medicare eligible, coverage is moved to the PEBA Medicare Supplemental plan.

E. Dependent Coverage

Retirees may continue dependent coverage (and pay the full premium for this coverage) if enrolled in dependent coverage at the time of retirement. Spouses may continue coverage after the death of the retiree but must continue to pay the full premium.

F. Representative Monthly Amounts of Retiree Premiums

The following table displays the January 1, 2019 PEBA monthly premium rates for the medical plan. The amounts do not include the \$3.00/month administrative fee or the 1.01 experience load that was reported for the 2019 plan year.

<u>Tier</u>	<u>Standard Plan/ Medicare Supplement</u>
Retiree Only	\$500.38
Retiree and Spouse	1,051.04

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The following table displays the January 1, 2019 PEBA monthly premium rates for the dental and dental plus plans:

<u>Tier</u>	<u>Dental</u>
Retiree Only	\$13.48
Retiree and Spouse	21.12

G. Contributions

The annual contribution amounts are determined by an actuary pursuant to an arrangement between an actuary and the Trust program administrator, or by an actuary chosen by a participating employer. Each participating employer is responsible for determining the appropriate amount of contributions to remit to the Trust. A record is maintained of the net asset balances of each participating employer within the Trust. The total annual contributions and benefit payments made by each participating employer are recognized in the Trust. Contributions received in advance are reported as deferred revenue. Employee contributions are not permitted.

Administrative fees, which are calculated as a percentage of the participating employers' investment balances, are deducted from each participating members' portfolio value in the Trust on a quarterly basis.

H. Other Actuarial Assumptions

The TOL was determined by an actuarial valuation as of January 1, 2017, using the following key actuarial assumptions and other inputs:

Inflation	2.25%
Real wage growth	
SCRS	0.75%
PORS	1.25%
Wage Inflation	
SCRS	3.00%
PORS	3.50%
Salary increases, including wage inflation	
SCRS	3.00% - 7.00%
PORS	3.50% - 9.50%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.75%
Municipal Bond Index Rate	
Prior Measurement Date	2.74%
Measurement Date	2.12%
Year FNP is projected to be depleted	
Prior Measurement Date	N/A
Measurement Date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	4.75%
Measurement Date	4.75%
Health Care Cost Rates	
Pre-Medicare	7.25% for 2019 decreasing to an ultimate Rate of 4.75% by 2029
Medicare	5.38% for 2019 decreasing to an ultimate rate of 4.75% by 2023

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I. Other Information

The discount rate used to measure the TOL was based upon the long-term expected rate of return. Mortality rates were based on the RP-2014 Mortality Table for Employees with a 95% multiplier to better reflect anticipated experience and provide a margin for future improvements.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the January 1, 2018 valuation were based on the results of an actuarial experience study adopted by SCRS and PORS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the January 1, 2018 valuation were based on a review of recent plan experience done concurrently with the January 1, 2018 valuation.

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

The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. As of the most recent adoption of the current long-term rate of return by the Plan, the target asset allocation for each major asset class, as provided by the Plan, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
US Government Agency	57.50%
US Govt MBS/CMO/CMBS	40.00%
Cash and Short Duration (Net)	2.50%
Total	100.0%

J. Discount Rate

The discount rate used to measure the TOL as of the Measurement Date was 4.75%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of December 31, 2018.

In addition to the actuarial methods and assumptions of the December 31, 2018 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

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

The FNP projections are based upon the Plan's financial status on the Valuation Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

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K. Health Care Cost Trend Rate Sensitivity Analysis

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

	<u>Health Care Cost Trend Rate Sensitivity</u>		
	1% Decrease	Current	1% Increase
Net OPEB Liability	\$1,406,969	\$2,167,846	\$3,164,608

L. Discount Rate Sensitivity Analysis

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

	<u>Discount Rate Sensitivity</u>		
	1% Decrease (3.75%)	Current (4.75%)	1% Increase (5.75%)
Net OPEB Liability	\$3,167,803	\$2,167,846	\$1,344,477

M. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The TOL is based upon an actuarial valuation performed as of the Valuation Date, December 31, 2018. An expected TOL is determined as of December 31, 2020 using standard roll forward techniques. The roll forward calculation begins with the TOL, as of December 31, 2019, subtracts the actual benefit payments and refunds for the year, applies interest at the discount rate for the year, and then adds the annual normal cost (also called the Service Cost). The procedure used to determine the TOL, as of December 1, 2020, is shown in the following table:

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of December 31, 2018	\$ 5,821,293	\$ 3,561,497	\$ 2,259,796
Changes for the year:			
Service Cost as the end of the year*	250,116		250,116
Interest on TOL and Cash Flows	272,840		272,840
Difference between expected and actual experience	(3,902)		(3,902)
Contributions – Employer		401,742	(401,742)
Net Investment Income		210,262	(210,262)
Benefit payments and implicit subsidy credit**	(156,387)	(156,387)	
Plan administrative expenses***		(1,000)	1,000
Net Changes	\$ 362,667	\$ 454,617	\$ (91,950)
Balance as of December 31, 2019	\$ 6,183,960	\$ 4,016,114	\$ 2,167,846

* The service cost includes interest for the year.

** Benefit payments are net of participant contributions and include a payment of \$32,900 for the implicit subsidy. Benefit payments include \$123,487 paid outside the trust.

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

The employer has no special funding situations.

The actuarial has assumed no significant changes, other than the change in the Municipal Bond Index Rate, has occurred between the Valuation Date and the Measurement Date. If a significant change, other than the change in the Municipal Bond Index Rate, has occurred between the Valuation Date and the Measurement Date, an updated valuation may need to be performed.

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There are no changes in benefit terms since the Prior Measurement Date, and no benefit payments are attributable to the purchase of allocated insurance contracts.

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

The following table provides a summary of the Deferred Outflows of Resources and Deferred Inflows of Resources as of December 31, 2020:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 27,866	\$ 12,053
Changes of assumptions or other inputs	120,175	
Net difference between projected and actual earnings on plan investments	14,661	
City Contributions Subsequent to the measurement date	<u>260,814</u>	
Total	\$ <u>423,516</u>	\$ <u>12,053</u>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Measurement Period Ended December 31:</u>	
2021	39,055
2022	28,631
2023	8,703
2024	11,148
2025	18,219
Thereafter	44,893

Note 14 – COMMITMENTS

In accordance with a water and wastewater service agreement dated June 30, 2006, the City is purchasing wholesale water and wastewater treatment service from Grand Strand Water and Sewer Authority. The agreement requires the City to pay a monthly volumetric service charge. During the year ended June 30, 2021, water and wastewater treatment service charges totaled \$4,771,793.

Note 15 – CONTINGENCIES

The City is a defendant in various lawsuits. The outcome of the lawsuits is not presently determinable. It is expected that any potential liability arising from these lawsuits would be covered by insurance, and therefore will not have an adverse effect on the financial position of the City.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CONWAY, SOUTH CAROLINA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE SCRS NET PENSION LIABILITY
Last Eight Fiscal Years

<u>Fiscal Year</u>	<u>City's Proportion of the Net Pension Liability (NPL)</u>	<u>City's Proportionate Share of the NPL</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the NPL as a % of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
6/30/21	0.066135 % \$	16,898,629 \$	7,374,487	229.15 %	50.70 %
6/30/20	0.065704	15,002,976	6,928,951	216.53	54.40
6/30/19	0.057356	12,851,724	5,942,254	216.28	54.10
6/30/18	0.054890	12,347,392	5,534,072	223.12	53.34
6/30/17	0.052116	11,131,901	4,929,246	225.83	52.91
6/30/16	0.051381	9,744,654	5,046,710	193.09	56.99
6/30/15	0.048607	8,368,514	4,419,409	189.36	59.92
6/30/14	0.048607	8,718,362	4,402,155	198.05	56.99

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF CONWAY, SOUTH CAROLINA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE PORS NET PENSION LIABILITY
Last Eight Fiscal Years

<u>Fiscal Year</u>	<u>City's Proportion of the Net Pension Liability (NPL)</u>	<u>City's Proportionate Share of the NPL</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the NPL as a % of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
6/30/21	0.266881 % \$	8,850,335 \$	4,421,855	200.15 %	58.80 %
6/30/20	0.294182	8,431,091	4,266,996	197.59	62.70
6/30/19	0.282570	8,006,748	3,912,650	204.64	61.73
6/30/18	0.280340	7,680,057	3,775,256	203.43	60.94
6/30/17	0.292170	7,410,717	4,104,409	180.56	60.44
6/30/16	0.289840	6,317,139	3,727,407	169.48	64.57
6/30/15	0.273710	5,239,979	3,486,123	150.31	67.55
6/30/14	0.273710	5,673,933	3,233,436	175.48	62.98

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF CONWAY, SOUTH CAROLINA
SCHEDULE OF CITY CONTRIBUTIONS TO THE SCRS
Last Eight Fiscal Years

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
6/30/21	\$ 1,225,725	\$ 1,225,725	\$	\$ 7,877,407	15.56 %
6/30/20	1,147,470	1,147,470		7,374,487	15.56
6/30/19	1,008,855	1,008,855		6,928,951	14.56
6/30/18	805,770	805,770		5,942,254	13.56
6/30/17	639,739	639,739		5,534,072	11.56
6/30/16	558,166	558,166		4,929,246	11.32
6/30/15	525,114	525,114		4,419,409	11.88
6/30/14	468,457	468,457		4,402,155	10.64

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF CONWAY, SOUTH CAROLINA
SCHEDULE OF CITY CONTRIBUTIONS TO THE PORS
Last Eight Fiscal Years

<u>Fiscal Year</u>		<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
6/30/21	\$	806,546	\$ 806,546	\$	\$ 4,421,855	18.24 %
6/30/20		735,761	735,761		4,033,777	18.24
6/30/19		735,630	735,630		4,266,996	17.24
6/30/18		635,414	635,414		3,912,650	16.24
6/30/17		537,596	537,596		3,775,256	14.24
6/30/16		512,146	512,146		4,104,409	12.48
6/30/15		481,521	481,521		3,486,123	13.81
6/30/14		421,938	421,938		3,233,436	13.05

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF CONWAY, SOUTH CAROLINA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
LAST FOUR FISCAL YEARS
As of June 30, 2021

Fiscal Year Ending December 31,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service Cost at end of year	\$ 250,116	\$ 213,457	\$ 206,690	\$ 200,141
Interest on the Total OPEB Liability	272,840	251,814	237,215	222,847
Difference Between Expected and Actual Experience	(3,902)	140,034	23,526	19,580
Benefit Payment*	<u>(156,387)</u>	<u>(168,770)</u>	<u>(151,586)</u>	<u>(128,831)</u>
Net Change in Total OPEB Liability	<u>362,667</u>	<u>436,535</u>	<u>315,845</u>	<u>313,737</u>
Total OPEB Liability - Beginning	\$ 5,821,293	\$ 5,384,758	\$ 5,068,913	\$ 4,755,176
Total OPEB Liability - Ending (a)	<u>\$ 6,183,960</u>	<u>\$ 5,821,293</u>	<u>\$ 5,384,758</u>	<u>\$ 5,068,913</u>
Plan Fiduciary Net Position				
Contributions - Employer**	\$ 401,742	\$ 498,539	\$ 474,696	\$ 397,063
Net Investment Income	210,262	165,740	36,733	67,459
Benefits Payments*	(156,387)	(168,770)	(151,586)	(128,831)
Administrative Expense	<u>(1,000)</u>	<u>(5,485)</u>		<u>(17,487)</u>
Net Change in Plan Fiduciary Net Position	<u>\$ 454,617</u>	<u>\$ 490,024</u>	<u>\$ 359,843</u>	<u>\$ 318,204</u>
Plan Fiduciary Net Position - Beginning	\$ 3,561,497	\$ 3,071,473	\$ 2,711,630	\$ 2,393,426
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,016,114</u>	<u>\$ 3,561,497</u>	<u>\$ 3,071,473</u>	<u>\$ 2,711,630</u>
Plan's Net OPEB Liability - Ending - (a) - (b)	\$ 2,167,846	\$ 2,259,796	\$ 2,313,285	\$ 2,357,283

Notes to Schedule

* Benefit payments are net of participant contributions and include an amount for the implicit subsidy, if applicable, as well as benefit paid outside the Trust, if applicable.

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

Presentation of 10 Year Trend. The schedule is intended to illustrate various trends over a ten year period, however, data prior to 2017 is unavailable.

CITY OF CONWAY, SOUTH CAROLINA
SCHEDULE OF THE NET OPEB LIABILITY
LAST FOUR FISCAL YEARS
As of June 30, 2021

Fiscal Year Ending December 31,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability	\$ 6,183,960	\$ 5,821,293	\$ 5,384,758	\$ 5,068,913
Plan Fiduciary Net Position	<u>4,016,114</u>	<u>3,561,497</u>	<u>3,071,473</u>	<u>2,711,630</u>
Net OPEB Liability	\$ 2,167,846	\$ 2,259,796	\$ 2,313,285	\$ 2,357,283
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	64.94%	61.18%	57.04%	53.50%
Covered-Employee Payroll*	\$ 10,051,718	\$ 10,051,718	\$ 8,525,938	\$ 8,525,938
Net OPEB Liability as a percentage of Covered-Employee Payroll	21.57%	22.48%	27.13%	27.65%

Notes to Schedule

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

Presentation of 10 Year Trend. The schedule is intended to illustrate various trends over a ten year period, however, data prior to 2017 is unavailable.

CITY OF CONWAY, SOUTH CAROLINA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST FOUR FISCAL YEARS
As of June 30, 2021

Fiscal Year Ending June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Employer Contribution (ADEC)	\$ 379,587	\$ 352,518	\$ 326,440	\$ 295,671
Contributions in relation to ADEC	<u>401,742</u>	<u>498,539</u>	<u>474,696</u>	<u>397,063</u>
Annual contribution deficiency (excess)	\$ <u>(22,155)</u>	\$ <u>(146,021)</u>	\$ <u>(148,256)</u>	\$ <u>(101,392)</u>
Covered-Employee Payroll	\$ 12,299,262	\$ 11,408,264	\$ 11,195,947	\$ 9,854,904
Actual contributions as a percentage of Covered-Employee Payroll	3.27%	4.37%	4.24%	4.03%

Notes to Schedule

If the employer's fiscal year end does not align with the Trust's fiscal year end, contributions have been adjusted on a prorata basis to reflect the portion of each employer's contribution applicable to the Trust's fiscal year in accordance with Implementation Guide 2017.2, question 4.90

Presentation of 10 Year Trend. The schedule is intended to illustrate various trends over a ten year period, however, data prior to 2018 is unavailable.

CITY OF CONWAY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021**

	Original and Final Budget	Actual Amounts	Variance With Budget- Positive (Negative)
REVENUES			
Property Taxes	\$ 7,220,000	\$ 7,426,859	\$ 206,859
Franchise Fee	1,537,700	1,489,610	(48,090)
Licenses and Permits	6,911,300	7,588,393	677,093
Fines and Forfeitures	175,000	103,077	(71,923)
Interest	151,500	107,150	(44,350)
Intergovernmental	3,144,098	2,185,446	(958,652)
Charges for Services	3,200,000	3,291,659	91,659
Recreation Center	722,100	494,589	(227,511)
Other	639,200	894,645	255,445
Total Revenues	<u>\$ 23,700,898</u>	<u>\$ 23,581,428</u>	<u>\$ (119,470)</u>
EXPENDITURES			
Current:			
General Government	\$ 3,715,396	\$ 3,911,399	\$ (196,003)
Public Safety	11,661,642	10,617,634	1,044,008
Street	966,204	929,096	37,108
Sanitation	2,583,148	2,291,825	291,323
Intragovernmental Maintenance	360,885	315,275	45,610
Beautification	1,236,382	1,142,826	93,556
Culture and Recreation	2,609,883	2,467,953	141,930
Capital Outlay	2,946,000	1,788,523	1,157,477
Debt Service			
Principal	646,662	646,689	(27)
Interest and Fiscal Charges	62,373	62,183	190
Total Expenditures	<u>\$ 26,788,575</u>	<u>\$ 24,173,403</u>	<u>\$ 2,615,172</u>
Excess (Deficiency) of Revenues Over(Under) Expenditures	<u>\$ (3,087,677)</u>	<u>\$ (591,975)</u>	<u>\$ 2,495,702</u>
OTHER FINANCING SOURCES			
Sale of Capital Assets	\$ 20,000	\$ 68,908	\$ 48,908
Proceeds from Insurance Recoveries	10,000	215,963	205,963
Capital Lease Obligations			
Transfers In	3,057,677	984,362	(2,073,315)
	<u>\$ 3,087,677</u>	<u>\$ 1,269,233</u>	<u>\$ (1,818,444)</u>
Net Change in Fund Balances	\$	\$ 677,258	\$ 677,258
Fund Balances - Beginning	<u>\$ 17,040,251</u>	<u>\$ 17,040,251</u>	<u>\$</u>
Fund Balances - Ending	<u>\$ 17,040,251</u>	<u>\$ 17,717,509</u>	<u>\$ 677,258</u>

CITY OF CONWAY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
HOSPITALITY FUND
Year Ended June 30, 2021**

	Original and Final Budget	Actual Amounts	Variance With Budget- Positive (Negative)
REVENUES			
Hospitality Fees	\$ 1,600,000	\$ 1,933,106	\$ 333,106
Interest	1,325	909	(416)
Intergovernmental			
Total Revenues	<u>\$ 1,601,325</u>	<u>\$ 1,934,015</u>	<u>\$ 332,690</u>
EXPENDITURES			
Current			
Culture and Recreation	\$ 227,525	\$ 256,872	\$ (29,347)
Capital Outlay	845,051	75,061	769,990
Debt Service			
Principal	271,857	271,857	
Interest and Fiscal Charges	31,992	31,992	
Total Expenditures	<u>\$ 1,376,425</u>	<u>\$ 635,782</u>	<u>\$ 740,643</u>
Excess of Revenues Over Expenditures	\$ 224,900	\$ 1,298,233	\$ 1,073,333
OTHER FINANCING USES			
Transfer Out	<u>\$ (224,900)</u>	<u>\$ (212,450)</u>	<u>\$ (12,450)</u>
Net Change in Fund Balances	\$	\$ 1,085,783	\$ 1,060,883
Fund Balance - Beginning	<u>\$ 1,224,354</u>	<u>\$ 1,224,354</u>	<u>\$</u>
Fund Balance - Ending	<u><u>\$ 1,224,354</u></u>	<u><u>\$ 2,310,137</u></u>	<u><u>\$ 1,060,883</u></u>

CITY OF CONWAY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
STORMWATER MANAGEMENT FUND
Year Ended June 30, 2021**

	Original and Final Budget	Actual Amounts	Variance With Budget- Positive (Negative)
REVENUES			
Stormwater Fees	\$ 1,250,000	\$ 1,292,831	\$ 42,831
Interest	1,000	542	(458)
Intergovernmental			
Other		16,429	16,429
Total Revenues	<u>\$ 1,251,000</u>	<u>\$ 1,309,802</u>	<u>\$ 58,802</u>
EXPENDITURES			
Current			
Street	\$ 1,127,063	\$ 1,003,478	\$ 123,585
Capital Outlay	594,000	185,823	408,177
Total Expenditures	<u>\$ 1,721,063</u>	<u>\$ 1,189,301</u>	<u>\$ 531,762</u>
OTHER FINANCING SOURCES			
Operating Transfer In			
From General Fund	<u>\$ 470,063</u>	<u>\$</u>	<u>\$ (470,063)</u>
Net Change in Fund Balances	<u>\$</u>	<u>\$ 120,501</u>	<u>\$ 120,501</u>
Fund Balances - Beginning	<u>\$ 774,841</u>	<u>\$ 774,841</u>	<u>\$</u>
Fund Balance - Ending	<u><u>\$ 774,841</u></u>	<u><u>\$ 895,342</u></u>	<u><u>\$ 120,501.00</u></u>

CITY OF CONWAY, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

Note 1 – BUDGETS AND BUDGETARY ACCOUNTING

The City Council utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to May 1, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comment.
- (3) Prior to June 30, the budget is legally enacted through passage of an ordinance.
- (4) City Council is provided with monthly financial reports which include budget comparisons and variances.
- (5) The City Administrator is legally authorized by ordinance to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Thus, the legal level of control is at the fund level.
- (6) The City employs formal budgetary integration as a management control device during the year and legally adopted an annual appropriated budget for all funds except for the fiduciary fund types. The budgets are adopted on a basis consistent with generally accepted accounting principles.
- (7) Appropriations lapse at the end of each fiscal year.
- (8) Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not used by the City of Conway, and, accordingly, is not a part of budgetary integration.

Note 2 - SUPPLEMENTAL APPROPRIATIONS

The legal level of budget control is at the fund level. Thus, expenditures may not legally exceed appropriations, including supplemental appropriations, for an individual fund. For the year ended June 30, 2021, expenditures did not exceed appropriations for any of the City's individual funds. There were no supplemental funds appropriated for expenditures during the year ended June 30, 2021.

The Community Development Fund is a capital projects fund and is therefore not included in the required supplementary information section. Instead, it is included in the other supplementary information.

The budgetary information for all nonmajor governmental funds, the Accommodations Tax, Street and Drainage, and Tax Increment Fund, are included in the nonmajor governmental funds section of the financial statements.

OTHER SUPPLEMENTARY INFORMATION

CITY OF CONWAY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
COMMUNITY DEVELOPMENT FUND
Year Ended June 30, 2021**

	Original and Final Budget	Actual Amounts	Variance With Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 334,240	\$ 96,935	\$ (237,305)
Other			
Total Revenues	<u>\$ 334,240</u>	<u>\$ 96,935</u>	<u>\$ (237,305)</u>
EXPENDITURES			
Current			
General Government	\$ 334,240	\$ 96,935	\$ 237,305
Street			
Culture and Recreation			
Capital Outlay			
Total Expenditures	<u>\$ 334,240</u>	<u>\$ 96,935</u>	<u>\$ 237,305</u>
Net Change in Fund Balance	\$	\$	\$
Fund Balance - Beginning	<u>(107,943)</u>	<u>(107,943)</u>	<u></u>
Fund Balance - Ending	<u><u>\$ (107,943)</u></u>	<u><u>\$ (107,943)</u></u>	<u><u>\$</u></u>

CITY OF CONWAY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - BUDGET AND ACTUAL
PROPRIETARY FUND
ENTERPRISE FUND
WATERWORKS AND SEWER SYSTEM FUND
Year Ended June 30, 2021**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	Variance With Final Budget- Positive (Negative)
OPERATING REVENUES			
Water Usage, Tap Fees & Penalties	\$ 8,048,000	\$ 8,749,173	\$ 701,173
Sewer Usage, Tap Fees & Penalties	2,840,000	3,253,094	413,094
Miscellaneous Revenues	329,000	253,965	(75,035)
Total Operating Revenues	<u>\$ 11,217,000</u>	<u>\$ 12,256,232</u>	<u>\$ 1,039,232</u>
OPERATING EXPENSES			
Maintenance	\$ 7,306,490	\$ 2,427,521	\$ 4,878,969
Operations	1,075,868	1,306,983	(231,115)
Construction	850,000	1,045,474	(195,474)
Non-Departmental	6,050,900	5,570,656	480,244
Depreciation and Amortization		1,783,381	(1,783,381)
Total Operating Expenses	<u>\$ 15,283,258</u>	<u>\$ 12,134,015</u>	<u>\$ 3,149,243</u>
Operating Loss	<u>\$ (4,066,258)</u>	<u>\$ 122,217</u>	<u>\$ 4,188,475</u>
NONOPERATING REVENUES (EXPENSES)			
Unrestricted Interest Earned	\$ 30,000	\$ 30,412	\$ 412
Restricted Interest Earned	10,000	2,226	(7,774)
Insurance Recoveries			
Interest Expense	<u>(23,463)</u>	<u>(23,215)</u>	<u>248</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 16,537</u>	<u>\$ 9,423</u>	<u>\$ (7,114)</u>
Loss before Contributions and Transfers	<u>\$ (4,049,721)</u>	<u>\$ 131,640</u>	<u>\$ 4,181,361</u>
CONTRIBUTIONS AND TRANSFERS			
Capital Contributions	\$ 900,000	\$ 1,455,019	\$ 555,019
Transfer Out	<u>(744,900)</u>	<u>(744,900)</u>	
Total Contributions and Transfers	<u>\$ 155,100</u>	<u>\$ 710,119</u>	<u>\$ 555,019</u>
Change in Net Position	<u>\$ (3,894,621)</u>	<u>\$ 841,759</u>	<u>\$ 4,736,380</u>
Total Net Position - Beginning	<u>\$ 24,046,513</u>	<u>\$ 24,046,513</u>	
Total Net Position - Ending	<u><u>\$ 20,151,892</u></u>	<u><u>\$ 24,888,272</u></u>	<u><u>\$ 4,736,380</u></u>

CITY OF CONWAY, SOUTH CAROLINA

SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES

As of June 30, 2021

Court Fines

Court Fines Collected	\$ 80,191
Court Fines Retained by City	<u>(80,191)</u>
Court Fines Remitted to State Treasurer	<u>\$</u>

Court Assessments

Court Assessments Collected	\$ 127,415
Court Assessments Retained by City	<u>(10,008)</u>
Court Assessments Remitted to State Treasurer	<u>\$ 117,407</u>

Court Surcharges

Court Surcharges Collected	\$ 6,934
Court Surcharges Retained by City	<u>(6,934)</u>
Court Surcharges Remitted to State Treasurer	<u>\$</u>

Victim Services

Court Assessments Allocated to Victim Services	\$ 10,008
Court Surcharges Allocated to Victim Services	6,934
Investment Income	<u>25</u>
Total Funds Allocated to Victim Services	<u>\$ 16,967</u>
Victim Services Expenditures	<u>(29,588)</u>
Funds Available for Carryforward From Year Ended June 30, 2021	<u>\$ (12,621)</u>
Funds Carried Forward From Year Ended June 30, 2020	<u>168,535</u>
Funds Available for Carryforward at June 30, 2021	<u>\$ 155,914</u>

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF CONWAY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021**

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Accommodations Tax	Street & Drainage	Tax Increment Revenue	
ASSETS				
Cash and Temporary Investments	\$ 209,519	\$ 1,733,704	\$ 1,163,020	\$ 3,106,243
Receivables (Net):				
Property Taxes			12,188	12,188
Local Accommodations Tax	18,207			18,207
Intergovernmental	<u>30,030</u>	<u>159,875</u>		<u>189,905</u>
Total Assets	\$ <u>257,756</u>	\$ <u>1,893,579</u>	\$ <u>1,175,208</u>	\$ <u>3,326,543</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Expenditures	\$ <u>12,074</u>	\$ <u></u>	\$ <u>33,490</u>	\$ <u>45,564</u>
Deferred Inflows of Resources				
Unavailable Revenue	\$ <u></u>	\$ <u></u>	\$ <u>7,333</u>	\$ <u>7,333</u>
Fund Balances				
Accommodations	\$ 245,682	\$	\$	\$ 245,682
Street and Drainage Project		1,893,579		1,893,579
Tax Increment			1,134,385	1,134,385
Total Fund Balances	\$ <u>245,682</u>	\$ <u>1,893,579</u>	\$ <u>1,134,385</u>	\$ <u>3,273,646</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>257,756</u>	\$ <u>1,893,579</u>	\$ <u>1,175,208</u>	\$ <u>3,326,543</u>

CITY OF CONWAY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2021**

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Accommodations Tax	Street & Drainage	Tax Increment Revenue	
REVENUES				
Property Taxes	\$	\$	\$ 448,769	\$ 448,769
Local Accommodations Tax	98,930			98,930
Interest	104	879	20	1,003
Intergovernmental	65,247	942,300		1,007,547
Total Revenues	<u>\$ 164,281</u>	<u>\$ 943,179</u>	<u>\$ 448,789</u>	<u>\$ 1,556,249</u>
EXPENDITURES				
Current:				
General Government	\$ 59,350	\$	\$	\$ 59,350
Street		16,250		16,250
Capital Outlay		571,436		571,436
Debt Service				
Principal			263,716	263,716
Interest and Fiscal Charges			9,623	9,623
Total Expenditures	<u>\$ 59,350</u>	<u>\$ 587,686</u>	<u>\$ 273,339</u>	<u>\$ 920,375</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 104,931	\$ 355,493	\$ 175,450	\$ 635,874
OTHER FINANCING (USES)				
Transfer In				
Transfer Out	<u>(27,012)</u>			<u>(27,012)</u>
Net Change in Fund Balances	\$ 77,919	\$ 355,493	\$ 175,450	\$ 608,862
Fund Balances - Beginning	<u>167,763</u>	<u>1,538,086</u>	<u>958,935</u>	<u>2,664,784</u>
Fund Balances - Ending	<u><u>\$ 245,682</u></u>	<u><u>\$ 1,893,579</u></u>	<u><u>\$ 1,134,385</u></u>	<u><u>\$ 3,273,646</u></u>

CITY OF CONWAY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
ACCOMMODATIONS TAX FUND
Year Ended June 30, 2021**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES			
Local Accommodations Tax	\$ 60,000	\$ 98,930	\$ 38,930
Interest		104	104
Intergovernmental	60,000	65,247	5,247
Total Revenues	\$ <u>120,000</u>	\$ <u>164,281</u>	\$ <u>44,281</u>
EXPENDITURES			
Current			
General Government	\$ <u>93,250</u>	\$ <u>59,350</u>	\$ <u>33,900</u>
Excess of Revenues Over Expenditures	\$ 26,750	\$ 104,931	\$ 78,181
OTHER FINANCING USES			
Operating Transfer Out To General Fund	<u>(26,750)</u>	<u>(27,012)</u>	<u>(262)</u>
Net Change in Fund Balance	\$	\$ 77,919	\$ 77,919
Fund Balance - Beginning	<u>167,763</u>	<u>167,763</u>	
Fund Balance - Ending	\$ <u><u>167,763</u></u>	\$ <u><u>245,682</u></u>	\$ <u><u>77,919</u></u>

CITY OF CONWAY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
STREET AND DRAINAGE FUND
Year Ended June 30, 2021**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	Variance With Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,284,500	\$ 942,300	\$ (342,200)
Interest		879	879
Total Revenues	\$ <u>1,284,500</u>	\$ <u>943,179</u>	\$ <u>(341,321)</u>
EXPENDITURES			
Current			
Street	\$	\$ 16,250	\$ (16,250)
Capital Outlay	<u>1,589,000</u>	<u>571,436</u>	<u>1,017,564</u>
Total Expenditures	\$ <u>1,589,000</u>	\$ <u>587,686</u>	\$ <u>1,001,314</u>
Excess of Revenues Over Expenditures	(304,500)	355,493	(1,342,635)
OTHER FINANCING SOURCES			
Operating Transfer In From General Fund	<u>304,500</u>		<u>(304,500)</u>
Net Change in Fund Balance	\$	\$ 354,614	\$ 354,614
Fund Balance - Beginning	<u>1,538,086</u>	<u>1,538,086</u>	
Fund Balance - Ending	\$ <u><u>1,538,086</u></u>	\$ <u><u>1,892,700</u></u>	\$ <u><u>354,614</u></u>

CITY OF CONWAY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
TAX INCREMENT REVENUE FUND
Year Ended June 30, 2021**

	Original and Final Budget	Actual Amounts	Variance With Budget- Positive (Negative)
REVENUES			
Property Taxes	\$ 154,600	\$ 448,769	\$ 294,169
Interest	50	20	(30)
Total Revenues	<u>\$ 154,650</u>	<u>\$ 448,789</u>	<u>\$ 294,139</u>
EXPENDITURES			
Debt Service			
Principal	\$ 263,930	\$ 263,716	\$ 214
Interest and Fiscal Charges	9,721	9,623	98
Total Expenditures	<u>\$ 273,651</u>	<u>\$ 273,339</u>	<u>\$ 312</u>
Excess of Revenues Over Expenditures	(119,001)	175,450	293,827
OTHER FINANCING USES			
Operating Transfer In To General Fund	<u>119,001</u>		<u>(119,001)</u>
Net Change in Fund Balance	\$	\$ 175,450	\$ 174,826
Fund Balance - Beginning	<u>958,935</u>	<u>958,935</u>	
Fund Balance - Ending	<u>\$ 958,935</u>	<u>\$ 1,134,385</u>	<u>\$ 174,826</u>

STATISTICAL SECTION (Unaudited)

STATISTICAL SECTION (Unaudited)
FINANCIAL TREND INFORMATION

Schedules 1 through 4 contain financial trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Schedule 1

CITY OF CONWAY, SOUTH CAROLINA

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net Investment in capital assets	\$ 26,701,380	\$ 25,955,505	\$ 26,898,544	\$ 32,179,639	\$ 32,593,574	\$ 33,787,630	\$ 33,582,669	\$ 39,639,462	\$ 42,978,847	\$ 43,915,398
Restricted	1,853,937	3,040,281	1,814,392	2,168,440	2,575,415	3,152,741	4,267,170	3,717,706	4,873,426	6,826,966
Unrestricted	9,653,369	11,234,435	14,427,399	(745,546)	592,646	1,235,367	299,306	1,324,901	(1,866,194)	(2,666,476)
Total governmental activities net position	<u>\$ 38,208,686</u>	<u>\$ 40,230,221</u>	<u>\$ 43,140,335</u>	<u>\$ 33,602,533</u>	<u>\$ 35,761,635</u>	<u>\$ 38,175,738</u>	<u>\$ 38,149,145</u>	<u>\$ 44,682,069</u>	<u>\$ 45,986,079</u>	<u>\$ 48,075,888</u>
Business-type activities										
Net Investment in capital assets	\$ 16,169,298	\$ 16,000,016	\$ 16,407,936	\$ 16,715,310	\$ 17,388,343	\$ 17,076,154	\$ 17,816,547	\$ 17,582,874	\$ 17,616,110	\$ 17,347,169
Restricted	2,413,909	2,519,210	2,383,205	2,341,304	2,204,128	3,094,439	2,922,485	3,181,516	4,712,288	4,295,988
Unrestricted	3,216,958	3,926,214	4,672,563	3,763,895	3,613,404	4,094,868	3,992,839	3,140,222	1,718,115	3,245,115
Total business-type activities net position	<u>\$ 21,800,165</u>	<u>\$ 22,445,440</u>	<u>\$ 23,463,704</u>	<u>\$ 22,820,509</u>	<u>\$ 23,205,875</u>	<u>\$ 24,265,461</u>	<u>\$ 24,731,871</u>	<u>\$ 23,904,612</u>	<u>\$ 24,046,513</u>	<u>\$ 24,888,272</u>
Primary government										
Net Investment in capital assets	\$ 42,870,678	\$ 41,955,521	\$ 43,306,480	\$ 48,894,949	\$ 49,981,917	\$ 50,863,784	\$ 51,399,216	\$ 57,222,336	\$ 60,594,957	\$ 61,262,567
Restricted	4,267,846	5,559,491	4,197,597	4,509,744	4,779,543	6,247,180	7,189,655	6,899,222	9,585,714	11,122,954
Unrestricted	12,870,327	15,160,649	19,099,962	3,018,349	4,206,050	5,330,235	4,292,145	4,465,123	(148,079)	578,639
Total primary government net position	<u>\$ 60,008,851</u>	<u>\$ 62,675,661</u>	<u>\$ 66,604,039</u>	<u>\$ 56,423,042</u>	<u>\$ 58,967,510</u>	<u>\$ 62,441,199</u>	<u>\$ 62,881,016</u>	<u>\$ 68,586,681</u>	<u>\$ 70,032,592</u>	<u>\$ 72,964,160</u>

UNAUDITED

Schedule 2

CITY OF CONWAY, SOUTH CAROLINA

Page 1 of 2

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
General government	\$ 1,952,913	\$ 1,871,106	\$ 2,127,473	\$ 2,333,648	\$ 2,545,962	\$ 3,744,947	\$ 3,494,840	\$ 4,336,784	\$ 4,693,713	\$ 3,546,100
Public safety	6,746,726	6,938,419	6,984,545	7,615,337	8,231,817	8,950,310	9,650,708	10,614,205	11,432,955	12,129,647
Street	2,832,133	2,851,842	3,082,746	2,748,466	2,499,654	2,588,314	2,606,364	2,585,570	2,702,481	3,316,380
Sanitation	1,905,030	1,939,382	1,835,091	1,881,025	2,047,894	2,300,834	2,425,701	2,837,668	3,120,766	2,352,004
Intragovernmental maintenance	330,890	341,054	307,012	292,595	294,974	270,256	306,286	419,004	399,792	345,619
Beautification	463,221	501,383	535,069	661,098	739,171	861,007	969,893	1,151,728	1,279,660	1,252,689
Culture and recreation	2,011,693	2,263,037	2,354,040	2,489,723	2,628,841	2,851,644	3,062,113	3,156,844	3,289,509	4,178,358
Interest and fiscal charges	343,363	263,688	344,833	156,731	136,733	108,681	96,454	111,811	114,882	83,301
Total governmental activities expenses	<u>16,585,969</u>	<u>16,969,911</u>	<u>17,570,809</u>	<u>18,178,623</u>	<u>19,125,046</u>	<u>21,675,993</u>	<u>22,612,359</u>	<u>25,213,614</u>	<u>27,033,758</u>	<u>27,204,098</u>
Business-type activities										
Water & sewer	<u>7,376,188</u>	<u>7,794,295</u>	<u>8,279,224</u>	<u>8,255,290</u>	<u>9,177,338</u>	<u>9,184,436</u>	<u>10,355,387</u>	<u>11,698,026</u>	<u>11,945,440</u>	<u>12,157,230</u>
Total primary government expenses	<u>\$ 23,962,157</u>	<u>\$ 24,764,206</u>	<u>\$ 25,850,033</u>	<u>\$ 26,433,913</u>	<u>\$ 28,302,384</u>	<u>\$ 30,860,429</u>	<u>\$ 32,967,746</u>	<u>\$ 36,911,640</u>	<u>\$ 38,979,198</u>	<u>\$ 39,361,328</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 14,837	\$ 28,885	\$ 11,146	\$ 7,836	\$ 32,588	\$ 42,184	\$ 122,218	\$ 118,631	\$ 86,899	\$ 92,170
Public safety	921,717	664,354	876,139	883,480	1,049,155	1,210,927	1,336,185	1,046,933	845,176	1,163,396
Street	957,644	1,002,704	1,027,742	1,045,648	1,068,730	1,094,090	1,153,938	1,227,570	1,257,608	1,292,831
Sanitation	2,296,687	2,368,424	2,435,199	2,510,044	2,589,202	2,711,119	2,953,021	3,131,107	3,202,458	3,347,385
Beautification										
Culture and recreation	1,066,483	1,239,555	1,216,316	1,072,280	1,155,562	1,264,691	1,285,088	998,692	900,221	838,782
Operating grants and contributions	444,039	284,655	1,087,010	395,523	380,981	2,738,021	1,163,180	2,165,294	1,625,468	1,765,948
Capital grants and contributions	<u>1,213,899</u>	<u>357,641</u>	<u>8,891</u>	<u>86,885</u>	<u>64,424</u>	<u>259,878</u>	<u>599,292</u>	<u>6,244,464</u>	<u>2,039,820</u>	<u>1,124,874</u>
Total governmental activities program revenues	<u>\$ 6,915,306</u>	<u>\$ 5,946,218</u>	<u>\$ 6,662,443</u>	<u>\$ 6,001,696</u>	<u>\$ 6,340,642</u>	<u>\$ 9,320,910</u>	<u>\$ 8,612,922</u>	<u>\$ 14,932,691</u>	<u>\$ 9,957,650</u>	<u>\$ 9,625,386</u>
Business-type activities										
Charges for services										
Water & sewer	\$ 8,388,764	\$ 8,561,701	\$ 9,034,201	\$ 8,945,450	\$ 9,491,456	\$ 9,792,030	\$ 10,595,036	\$ 10,842,510	\$ 11,551,606	\$ 12,256,232
Capital grants and contributions	<u>593,762</u>	<u>527,314</u>	<u>947,797</u>	<u>1,092,907</u>	<u>791,900</u>	<u>1,174,800</u>	<u>1,240,150</u>	<u>816,720</u>	<u>1,196,687</u>	<u>1,455,019</u>
Total business-type activities program revenues	<u>\$ 8,982,526</u>	<u>\$ 9,089,015</u>	<u>\$ 9,981,998</u>	<u>\$ 10,038,357</u>	<u>\$ 10,283,356</u>	<u>\$ 10,966,830</u>	<u>\$ 11,835,186</u>	<u>\$ 11,659,230</u>	<u>\$ 12,748,293</u>	<u>\$ 13,711,251</u>

Schedule 2 (continued)
CITY OF CONWAY, SOUTH CAROLINA

Page 2 of 2

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total primary government program revenues	\$ 15,897,832	\$ 15,035,233	\$ 16,644,441	\$ 16,040,053	\$ 16,623,998	\$ 20,287,740	\$ 20,448,108	\$ 26,591,921	\$ 22,705,943	\$ 23,336,637
Net (expense)/revenue										
Governmental activities	\$ (9,670,663)	\$ (11,023,693)	\$ (10,908,366)	\$ (12,176,927)	\$ (12,784,404)	\$ (12,355,083)	\$ (13,999,437)	\$ (10,280,923)	\$ (17,076,108)	\$ (17,578,712)
Business-type activities	1,606,338	1,294,720	1,702,774	1,783,067	1,106,018	1,782,394	1,479,799	(38,796)	802,853	1,554,021
Total primary government net expense	\$ (8,064,325)	\$ (9,728,973)	\$ (9,205,592)	\$ (10,393,860)	\$ (11,678,386)	\$ (10,572,689)	\$ (12,519,638)	\$ (10,319,719)	\$ (16,273,255)	\$ (16,024,691)
General revenues and other changes in net assets										
Governmental activities										
Property taxes	\$ 5,206,764	\$ 5,205,526	\$ 5,503,048	\$ 5,513,255	\$ 5,773,639	\$ 5,919,814	\$ 6,517,874	\$ 6,962,831	\$ 7,305,548	\$ 7,974,233
In lieu of property taxes	32,181	30,613	32,995	36,543	54,436	69,156	76,584	76,770	70,987	95,145
Franchise fee taxes	993,489	995,245	1,111,491	1,168,553	1,187,017	1,365,652	1,502,834	1,542,428	1,477,434	1,489,610
Hospitality fee taxes	618,718	614,475	669,236	722,318	768,850	825,313	854,848	817,917	1,668,320	1,933,106
Local accommodations taxes	12,950	13,637	16,155	23,706	16,471	15,868	14,385	14,609	72,197	98,930
Business license taxes	3,626,193	4,554,816	4,285,765	4,821,157	4,979,368	5,366,340	5,980,255	6,283,188	6,174,620	6,681,585
Grants and contributions not restricted to specific programs	458,965	759,044	1,448,104	1,268,130	1,268,265	424,289	424,760	436,308	448,703	472,500
Investment earnings	44,269	42,838	36,284	36,107	31,455	37,854	39,556	137,707	408,416	109,604
Gain on disposal of capital assets	10,003	134,134	20,502	93,869	119,105				8,993	68,908
Transfers	615,800	694,900	694,900	694,900	744,900	744,900	744,900	744,900	744,900	744,900
Extraordinary Item	666,989									
Total governmental activities	\$ 12,286,321	\$ 13,045,228	\$ 13,818,480	\$ 14,378,538	\$ 14,943,506	\$ 14,769,186	\$ 16,155,996	\$ 17,016,658	\$ 18,380,118	\$ 19,668,521
Business-type activities										
Investment earnings	\$ 8,468	\$ 10,153	\$ 10,760	\$ 12,226	\$ 24,248	\$ 22,092	\$ 24,132	\$ 40,288	\$ 83,948	\$ 32,638
Gain (Loss) on sale of capital assets		35,302	(370)	15,392						
Transfers	(615,800)	(694,900)	(694,900)	(694,900)	(744,900)	(744,900)	(744,900)	(744,900)	(744,900)	(744,900)
Total business-type activities	\$ (607,332)	\$ (649,445)	\$ (684,510)	\$ (667,282)	\$ (720,652)	\$ (722,808)	\$ (720,768)	\$ (704,612)	\$ (660,952)	\$ (712,262)
Total primary government	\$ 11,678,989	\$ 12,395,783	\$ 13,133,970	\$ 13,711,256	\$ 14,222,854	\$ 14,046,378	\$ 15,435,228	\$ 16,312,046	\$ 17,719,166	\$ 18,956,259
Changes in net assets										
Governmental activities	\$ 2,615,658	\$ 2,021,535	\$ 2,910,114	\$ 2,201,611	\$ 2,159,102	\$ 2,414,103	\$ 2,156,559	\$ 6,735,735	\$ 1,304,010	\$ 2,089,809
Business-type activities	999,006	645,275	1,018,264	1,115,785	385,366	1,059,586	759,031	(743,408)	141,901	841,759
Total primary government	\$ 3,614,664	\$ 2,666,810	\$ 3,928,378	\$ 3,317,396	\$ 2,544,468	\$ 3,473,689	\$ 2,915,590	\$ 5,992,327	\$ 1,445,911	\$ 2,931,568

Schedule 3

CITY OF CONWAY, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

		Fiscal Year									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund											
Unspendable	\$	136,012	\$ 139,247	\$ 144,783	\$ 99,614	\$ 109,195	\$ 118,074	\$ 118,960	\$ 125,022	\$ 176,436	\$ 194,498
Restricted		168,366	179,446	204,013	202,165	243,392	233,539	233,539	232,272	436,193	347,840
Assigned		639,426	867,894	1,059,399	969,119	1,121,710	1,122,218	1,153,951	944,110	444,477	413,531
Unassigned		9,214,984	11,476,697	12,335,204	10,380,605	11,176,025	12,380,204	15,029,486	16,525,156	15,983,145	16,761,640
Total general fund	\$	<u>10,158,788</u>	<u>12,663,284</u>	<u>13,743,399</u>	<u>11,651,503</u>	<u>12,650,322</u>	<u>13,854,035</u>	<u>16,535,936</u>	<u>17,826,560</u>	<u>17,040,251</u>	<u>17,717,509</u>
All other governmental funds											
Unspendable	\$		\$ 197,000	\$ 197,000	\$	\$	\$	\$	\$	\$	\$
Restricted		1,679,867	2,916,674	1,610,379	1,966,275	2,793,561	3,480,892	4,033,631	3,982,083	4,663,979	6,479,125
Unassigned		(81,010)	(81,014)	(83,290)	(200,392)	(105,068)	(104,143)	(103,492)	(154,161)	(107,943)	(107,943)
Total all other governmental funds	\$	<u>1,598,857</u>	<u>3,032,660</u>	<u>1,724,089</u>	<u>1,765,883</u>	<u>2,688,493</u>	<u>3,376,749</u>	<u>3,930,139</u>	<u>3,827,922</u>	<u>4,556,036</u>	<u>6,371,182</u>

Schedule 4

CITY OF CONWAY, SOUTH CAROLINA

Page 1 of 2

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property taxes	\$ 5,064,658	\$ 5,248,997	\$ 5,503,103	\$ 5,508,266	\$ 5,786,435	\$ 6,208,352	\$ 6,536,096	\$ 6,969,167	\$ 7,490,240	\$ 7,875,628
Franchise fees	993,489	995,245	1,111,491	1,168,553	1,187,017	1,365,652	1,502,834	1,542,428	1,477,434	1,489,610
Hospitality fees	618,718	614,475	669,236	722,318	768,850	825,313	854,848	817,917	1,668,320	1,933,106
Local Accommodations Tax	12,950	13,637	16,155	23,706	16,471	15,868	14,385	14,609	72,197	98,930
Stormwater fees	950,908	984,198	1,012,802	1,038,509	1,051,870	1,094,090	1,153,938	1,227,570	1,257,608	1,292,831
Licenses and permits	4,071,092	4,765,398	4,739,976	5,229,838	5,511,853	6,070,115	6,891,765	6,967,537	6,763,357	7,588,393
Fines and forfeitures	315,583	286,899	249,165	292,622	330,664	273,874	212,530	184,216	120,417	103,077
Interest	44,269	42,838	36,284	36,107	31,455	37,854	39,556	137,707	408,416	109,604
Intergovernmental	2,015,097	1,380,870	2,371,077	1,612,484	1,683,084	3,438,679	2,168,038	5,545,949	4,077,488	3,289,928
Charges for services	2,285,523	2,353,477	2,417,954	2,483,555	2,554,849	2,658,160	2,909,991	3,089,855	3,161,127	3,291,659
Recreation center	849,073	1,001,303	953,243	774,313	832,209	871,911	874,638	699,807	584,922	494,589
Other	561,324	518,546	685,090	696,205	678,182	773,866	883,621	752,130	687,041	911,074
Total revenues	<u>\$ 17,782,684</u>	<u>\$ 18,205,883</u>	<u>\$ 19,765,576</u>	<u>\$ 19,586,476</u>	<u>\$ 20,432,939</u>	<u>\$ 23,633,734</u>	<u>\$ 24,042,240</u>	<u>\$ 27,948,892</u>	<u>\$ 27,768,567</u>	<u>\$ 28,478,429</u>
Expenditures										
General government	\$ 1,918,121	\$ 1,777,922	\$ 2,065,830	\$ 2,296,125	\$ 2,464,832	\$ 3,246,928	\$ 3,050,310	\$ 6,100,672	\$ 3,653,348	\$ 4,067,684
Public safety	6,449,875	6,587,410	6,643,629	7,134,356	7,515,565	7,989,465	8,400,628	9,492,235	9,944,751	10,617,634
Street	1,479,430	1,551,891	1,913,945	1,577,328	1,374,765	1,517,039	1,551,231	1,744,018	1,817,368	1,948,824
Sanitation	1,595,304	1,693,377	1,660,425	1,668,440	1,663,271	1,877,688	1,996,301	2,475,500	2,435,958	2,291,825
Intergovernmental maintenance	185,047	196,982	193,398	202,577	207,005	195,075	219,048	330,998	312,721	315,275
Beautification	456,778	492,105	525,290	640,228	691,434	795,950	866,920	1,027,004	1,154,413	1,142,826
Culture and recreation	1,503,761	1,767,750	1,838,998	1,925,220	2,012,154	2,228,751	2,411,101	2,497,720	2,582,364	2,724,825
Capital outlay	2,867,083	1,077,962	5,455,543	5,686,947	2,191,776	3,424,658	1,887,243	5,304,030	6,792,532	2,620,843
Debt service										
Principal	886,589	979,525	848,218	1,142,555	1,155,442	1,174,778	1,194,511	944,455	1,091,783	1,182,262
Interest	304,638	309,497	371,948	154,695	141,808	122,472	102,815	82,998	105,414	103,798
Financing fees		11,250	23,146							
Total expenditures	<u>\$ 17,646,626</u>	<u>\$ 16,445,671</u>	<u>\$ 21,540,370</u>	<u>\$ 22,428,471</u>	<u>\$ 19,418,052</u>	<u>\$ 22,572,804</u>	<u>\$ 21,680,108</u>	<u>\$ 29,999,630</u>	<u>\$ 29,890,652</u>	<u>\$ 27,015,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 136,058</u>	<u>\$ 1,760,212</u>	<u>\$ (1,774,794)</u>	<u>\$ (2,841,995)</u>	<u>\$ 1,014,887</u>	<u>\$ 1,060,930</u>	<u>\$ 2,362,132</u>	<u>\$ (2,050,738)</u>	<u>\$ (2,122,085)</u>	<u>\$ 1,462,633</u>

UNAUDITED

Schedule 4 (continued)

CITY OF CONWAY, SOUTH CAROLINA

Page 2 of 2

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other financing sources (uses)										
General obligation bonds issued	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Refunding bonds issued		3,175,000	5,022,000							
Tax increment bonds issued										
Capital lease issued			855,000						1,260,000	
Proceeds from sale of capital assets	10,003	134,134	20,502	93,869	122,268	55,483	80,816	9,237	8,993	68,908
Proceeds from insurance recoveries	24,120	31,333	31,775	3,124	39,374	30,656	47,443	194,758	49,997	215,963
Payments on Refunded Bonds		(1,912,939)	(5,022,000)							
Transfers in	732,239	743,966	825,188	823,958	884,074	884,404	884,085	884,150	885,686	984,362
Transfers out	(116,439)	(49,066)	(130,288)	(129,058)	(139,174)	(139,504)	(139,185)	(139,250)	(140,786)	(239,462)
Total other financing sources (uses)	\$ 649,923	\$ 2,122,428	\$ 1,602,177	\$ 791,893	\$ 906,542	\$ 831,039	\$ 873,159	\$ 948,895	\$ 2,063,890	\$ 1,029,771
Extraordinary item										
Proceeds from dissolution of health insurance pool	\$ 666,989	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net change in fund balances	\$ 1,452,970	\$ 3,882,640	\$ (172,617)	\$ (2,050,102)	\$ 1,921,429	\$ 1,891,969	\$ 3,235,291	\$ (1,101,843)	\$ (58,195)	\$ 2,492,404
Debt service as a percentage of noncapital expenditures	8.00%	8.50%	7.59%	7.75%	7.53%	6.77%	6.55%	4.16%	5.18%	5.27%

UNAUDITED

Schedule 5

CITY OF CONWAY, SOUTH CAROLINA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(Stated in Thousands of Dollars)

Fiscal Year	Assessed Value			Total Direct Tax Rate	Estimated Actual Value	Total Assessed Value as a Percentage of Estimated Actual Value
	Real Property	Personal Property	Total			
2012	56,747	5,299	62,046	79.30	1,063,806	6.0
2013	57,290	5,519	62,809	79.30	1,075,598	6.0
2014	57,230	5,040	62,270	79.30	1,154,526	5.0
2015	58,221	5,725	63,946	82.40	1,278,920	5.0
2016	58,148	6,187	64,335	82.40	1,286,700	5.0
2017	62,309	6,667	68,976	82.40	1,379,520	5.0
2018	65,121	4,699	69,820	82.40	1,382,436	5.0
2019	69,910	6,588	76,498	76.00	1,508,000	5.0
2020	86,940	9,608	96,548	76.00	1,911,650	5.0
2021	85,021	11,377	96,398	77.30	1,911,250	5.0

Source: Horry County Assessor's Office

Note: Tax rates are per \$1,000 of assessed value.

UNAUDITED

Schedule 6

CITY OF CONWAY, SOUTH CAROLINA

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years**

Fiscal Year Ended	City of Conway	Horry County				Horry County School District			Maximum Combined Rate
		Operating Millage	Debt Service Millage	Higher Education	Total Millage	Operating Millage	Debt Service Millage	Total Millage	
2012	79.3	39.5	5.0	0.7	45.2	120.2	10.0	130.2	254.7
2013	79.3	39.5	5.0	0.7	45.2	120.2	10.0	130.2	254.7
2014	79.3	39.5	5.0	0.7	45.2	123.1	10.0	133.1	257.6
2015	82.4	46.7	5.0	0.7	52.4	123.1	10.0	133.1	267.9
2016	82.4	46.7	5.0	0.7	52.4	123.1	10.0	133.1	267.9
2017	82.4	46.7	5.0	0.7	52.4	123.1	10.0	133.1	267.9
2018	82.4	46.7	5.0	0.7	52.4	123.1	10.0	133.1	267.9
2019	76.0	45.3	4.7	0.7	50.7	118.1	10.0	128.1	254.8
2020	76.0	45.3	4.7	0.7	50.7	118.1	10.0	128.1	254.8
2021	77.3	48.3	4.2	0.7	53.2	118.1	10.0	128.1	258.6

Note: Each mill represents .1% per \$1,000 of assessed valuation

City Tax Data: Tax Rate Limits: None

Taxes Due: Vehicles - Before the end of the month of tag renewal
by the S.C. State Highway Department

All Personal Other Than Vehicles and Real - January 15

Data for overlapping jurisdictions was provided by the Horry County Treasurer.

UNAUDITED

Schedule 7

CITY OF CONWAY, SOUTH CAROLINA

**PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago**

Taxpayer	Type of Business	Assessed Valuation	2021		Tax Levy
			Percentage of Total Adjusted Assessed Valuation		
Coastal Club Borrower	Real Estate	\$ 2,113,990	2.19 %	\$	546,678
Breckenridge Group Conway SC, LLC	Real Estate	1,892,290	1.96		489,346
Comm 2013-CCRE12 Hwy 544 LLC	Real Estate	1,566,360	1.62		405,131
Coastal Carolina Student Housing Partner	Real Estate	1,560,000	1.62		403,416
Aptitude CCU LLC	Real Estate	1,540,370	1.60		398,340
Dominion Energy South Carolina	Utilities	1,010,820	1.05		261,398
Founders Wild Wing, LLC	Retail	955,340	0.99		247,051
Wal-Mart Real Estate Business Trust	Retail	903,290	0.94		233,590
Gator Coastal Shopping Centre LLC	Real Estate	849,100	0.88		219,577
Orion CCU, LLC	Real Estate	823,470	0.85		212,949
		<u>\$ 13,215,030</u>	<u>13.71 %</u>	<u>\$</u>	<u>3,417,476</u>

Taxpayer	Type of Business	Assessed Valuation	2012		Tax Levy
			Percentage of Total Adjusted Assessed Valuation		
Wild Wing Company, LLC	Real Estate	\$ 1,136,545	1.83 %	\$	90,128
Wal-Mart	Retail	984,376	1.59		78,061
Gator Coastal Shopping Centre, LLC	Real Estate	667,856	1.08		52,961
Fowler 501 Properties	Automobile	577,881	0.93		45,826
Burroughs & Chapin Company, Inc.	Real Estate	545,637	0.88		43,269
GMS Properties	Real Estate	507,201	0.82		40,221
Conway National Bank	Financial Services	474,817	0.77		37,653
University Suites at Coastal	Real Estate	403,733	0.65		32,016
University Shops Holding	Real Estate	361,917	0.58		28,700
Litchfield Investments	Real Estate	283,304	0.47		22,466
		<u>\$ 5,943,266</u>	<u>9.60 %</u>	<u>\$</u>	<u>471,301</u>

Source: Horry County Assessor's Office

UNAUDITED

Schedule 8

**CITY OF CONWAY, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	4,859,889	4,524,634	93.10%	274,644	4,799,278	98.75%
2013	5,082,071	4,622,469	90.96%	392,383	5,014,852	98.68%
2014	5,287,053	4,853,929	91.81%	361,425	5,215,354	98.64%
2015	5,436,612	4,935,223	90.78%	408,752	5,343,975	98.30%
2016	5,725,434	5,294,641	92.48%	122,683	5,417,324	94.62%
2017	5,859,388	5,554,995	94.81%	160,288	5,715,283	97.54%
2018	6,103,529	5,649,554	92.56%	219,968	5,869,522	96.17%
2019	6,565,773	5,947,381	90.58%	167,076	6,114,457	93.13%
2020	7,305,548	6,784,995	92.87%	153,460	6,938,455	94.98%
2021	7,974,233	7,418,297	93.03%		7,418,297	93.03%

UNAUDITED

Schedule 9

CITY OF CONWAY, SOUTH CAROLINA

**WATER AND SEWER GALLONS AND NUMBER OF CUSTOMERS
Last Ten Fiscal Years**

Fiscal Year	Water and Sewer Gallons Billed	Number of Customers	Total Direct Rate			
			Water		Sewer	
			Base Rate	Usage Rate	Base Rate	Usage Rate
2012	994,119	13,429	9.50	1.79	4.96	3.01
2013	966,212	13,543	9.50	1.79	4.96	3.01
2014	985,361	13,970	9.50	1.79	4.96	3.01
2015	998,811	14,240	9.50	1.79	4.96	3.01
2016	1,056,415	14,905	9.50	1.79	4.96	3.01
2017	1,116,749	15,431	9.50	1.79	4.96	3.01
2018	1,124,808	15,705	9.88	1.87	5.16	3.13
2019	1,184,420	16,569	10.27	1.94	5.36	3.26
2020	1,207,868	16,821	10.27	1.94	5.36	3.26
2021	1,375,320	17,680	10.27	1.94	5.36	3.26

Source: City Water and Sewer Department

Notes: Gallons are presented in thousands.

The water and sewer usage rates are per 1,000 gallons inside the City limits. See Schedule 10 for other rates.

UNAUDITED

Schedule 10

CITY OF CONWAY, SOUTH CAROLINA

WATER AND SEWER RATES

Last Ten Fiscal Years

Fiscal Year	Water Rates				Sewer Rates			
	Base Rate Inside City Limits	Usage Rate Inside City Limits	Base Rate Outside City Limits	Usage Rate Outside City Limits	Base Rate Inside City Limits	Usage Rate Inside City Limits	Base Rate Outside City Limits	Usage Rate Outside City Limits
2012	9.50	1.79	19.00	3.58	4.96	3.01	9.92	6.02
2013	9.50	1.79	19.00	3.58	4.96	3.01	9.92	6.02
2014	9.50	1.79	19.00	3.58	4.96	3.01	9.92	6.02
2015	9.50	1.79	19.00	3.58	4.96	3.01	9.92	6.02
2016	9.50	1.79	19.00	3.58	4.96	3.01	9.92	6.02
2017	9.50	1.79	19.00	3.58	4.96	3.01	9.92	6.02
2018	9.88	1.87	19.76	3.74	5.16	3.13	10.32	6.26
2019	10.27	1.94	20.54	3.88	5.36	3.26	10.72	6.52
2020	10.27	1.94	20.54	3.88	5.36	3.26	10.72	6.52
2021	10.27	1.94	20.54	3.88	5.36	3.26	10.72	6.52

Source: City Water and Sewer Department

UNAUDITED

Schedule 11

CITY OF CONWAY, SOUTH CAROLINA

PRINCIPAL WATER CUSTOMERS

Current Year and Nine Years Ago

Customer	Fiscal Year 2021	
	Water Revenue	
	Amount	Percentage of Total Water Revenue
Coastal Carolina University	\$ 271,394	3.56 %
Horry County School District	187,266	2.46
Horry County Jail	174,039	2.28
Monarch 544	146,979	1.93
Conway Housing Authority	145,568	1.91
Conway Manor	81,316	1.07
The Cove	77,898	1.02
Bellamy Coastal Apartments	69,438	0.91
Walmart	49,450	0.65
Metglass	46,747	0.61
	<u>\$ 1,250,095</u>	<u>16.40 %</u>

Customer	Fiscal Year 2012	
	Water Revenue	
	Amount	Percentage of Total Water Revenue
Coastal Carolina University	\$ 196,600	3.41 %
Horry Country School District	123,400	2.14
Metglass	63,700	1.11
New South Industries	61,300	1.06
Conway Housing Authority	58,600	1.02
Horry County Jail	52,900	0.92
New South	42,150	0.73
WalMart	40,730	0.71
Carolina Pines	40,600	0.70
Conway Medical Center	32,500	0.56
	<u>\$ 712,480</u>	<u>12.36 %</u>

Source: City Water and Sewer Department

UNAUDITED

STATISTICAL SECTION (Unaudited)
SCHEDULES OF DEBT CAPACITY INFORMATION

Schedules 12 through 16 present debt capacity information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Schedule 12

CITY OF CONWAY, SOUTH CAROLINA

**RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-Type Activities	Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation Bonds	Hospitality Fee Revenue Bonds	Stormwater Management Revenue Bond	Tax Increment Revenue Bonds	Capital Lease Obligations	Water and Sewer Revenue Bonds			
2012	2,501,016	2,111,660	1,271,998	2,309,711	325,169	2,830,000	11,349,554	2.29	648
2013	2,241,114	3,175,000	1,133,997	2,131,037	120,942	2,700,000	11,502,090	2.21	643
2014	2,006,000	2,931,873	995,000	2,021,000	855,000	2,600,000	11,408,873	1.99	591
2015	1,666,437	2,693,991	834,026	1,782,744	689,120	2,354,709	10,021,027	1.55	497
2016	1,326,112	2,450,757	671,817	1,541,471	520,719	2,114,276	8,625,152	1.67	428
2017	981,050	2,202,049	507,350	1,295,891	349,758	1,868,723	7,204,821	1.10	317
2018	631,184	1,947,747	340,580	1,045,878	176,198	1,618,098	5,759,685	0.68	243
2019	546,370	1,687,722	171,462	791,578	950,000	1,362,371	5,509,503	0.57	225
2020	459,772	1,421,846		532,462	1,906,269	1,101,142	5,421,491	0.55	209
2021	371,466	1,149,989		268,746	1,347,885	834,489	3,972,575	0.37	143

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See Schedule 17 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

UNAUDITED

Schedule 13

CITY OF CONWAY, SOUTH CAROLINA

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years**

Fiscal Year Ended	Net General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of Property ⁽¹⁾	Net Bonded Debt - Per Capita ⁽²⁾
	General Obligation Bonds	Debt Service Funds Available	Net General Bonded Debt		
2012	2,501,016		2,501,016	0.24	143
2013	2,241,114		2,241,114	0.21	125
2014	2,006,000		2,006,000	0.17	104
2015	1,666,437		1,666,437	0.13	83
2016	1,326,112		1,326,112	0.10	58
2017	981,050		981,050	0.07	41
2018	631,184		631,184	0.05	26
2019	546,370		546,370	0.04	22
2020	459,772		459,772	0.02	18
2021	371,466		371,466	0.02	13

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See Schedule 5 for property value data.

⁽²⁾ See Schedule 17 for population data.

UNAUDITED

Schedule 14

CITY OF CONWAY, SOUTH CAROLINA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2021

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable⁽¹⁾</u>	<u>Amount Applicable to the City of Conway</u>
Overlapping Governmental Activities Debt			
Horry County			
General Obligation Bonds	\$ 56,898,625	3.5%	\$ 1,991,452
Horry County School District			
General Obligation Bonds	327,134,000	3.5%	<u>11,449,690</u>
			\$ 13,441,142
City Direct Governmental Activities Debt			<u>3,138,086</u>
			<u><u>\$ 16,579,228</u></u>

Source: Debt outstanding data provided by the Horry County Finance Department.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

⁽¹⁾ The percentage of overlapping debt applicable is based on the percentage of assessed valuation of property located in the City.

UNAUDITED

Schedule 15

CITY OF CONWAY, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 5,036,199	\$ 5,097,286	\$ 5,054,174	\$ 5,188,254	\$ 5,219,374	\$ 5,590,654	\$ 5,658,174	\$ 5,658,174	\$ 7,577,961	\$ 7,565,963
Total net debt applicable to limit	<u>2,501,016</u>	<u>2,241,114</u>	<u>2,006,000</u>	<u>1,666,437</u>	<u>1,326,112</u>	<u>981,050</u>	<u>631,184</u>	<u>546,370</u>	<u>459,772</u>	<u>371,466</u>
Legal debt margin	<u>\$ 2,535,183</u>	<u>\$ 2,856,172</u>	<u>\$ 3,048,174</u>	<u>\$ 3,521,817</u>	<u>\$ 3,893,262</u>	<u>\$ 4,609,604</u>	<u>\$ 5,026,990</u>	<u>\$ 5,111,804</u>	<u>\$ 7,118,189</u>	<u>\$ 7,194,497</u>
Total net debt applicable to the limit as a percentage of debt limit	49.66%	43.97%	39.69%	32.12%	25.41%	17.55%	11.16%	9.66%	6.07%	4.91%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value of Taxable Property	\$ 96,397,937
Assessed value of Property in TIF Districts	(2,730,570)
Exempt Merchants Inventory (1987 Valuation)	<u>907,171</u>
Adjusted Assessed Value of Taxable Property	<u>\$ 94,574,538</u>
 Debt limit (8.0% of Adjusted Assessed Value)	 \$ 7,565,963
 Debt Applicable to Limit:	
General Obligation Bonds	<u>(371,466)</u>
 Legal Debt Margin	 <u>\$ 7,194,497</u>

Note: Article Ten, Section Fourteen of the South Carolina Constitution of 1895 as amended provides that a City or Town shall incur general obligation debt over the eight percent limit when approved by a majority vote of the qualified electors of the political subdivision voting in a referendum authorized by law. There shall be no conditions or restrictions limiting the incurring of such indebtedness except:

- a. those restrictions and limitations imposed in the authorization to incur such indebtedness,
- b. the provisions of Article Ten, Section Fourteen and
- c. such general obligation debt shall be issued within five years of the date of such referendum and shall mature within forty years from the time such indebtedness shall be incurred.

UNAUDITED

Schedule 16

CITY OF CONWAY, SOUTH CAROLINA

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Water and Sewer Revenue Bonds ⁽¹⁾					
	Operating Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	8,388,764	6,152,580	2,236,184	125,000	110,998	9.48
2013	8,561,701	6,587,060	1,974,641	130,000	106,172	8.36
2014	9,034,201	7,076,862	1,957,339	100,000	123,230	8.77
2015	8,945,450	7,038,433	1,907,017	245,291	53,180	6.39
2016	9,491,456	7,890,510	1,600,946	240,433	49,650	5.52
2017	9,792,030	7,804,204	1,987,826	245,553	41,973	6.91
2018	10,595,036	8,954,030	1,641,006	250,625	37,606	5.69
2019	10,842,510	10,157,349	685,161	255,727	32,052	2.38
2020	11,551,606	10,222,908	1,328,698	261,229	28,640	4.58
2021	12,256,232	10,350,634	1,905,598	266,653	23,215	6.57

Fiscal Year	Hospitality Fee Revenue Bonds			
	Hospitality Fees	Debt Service		Coverage
		Principal	Interest	
2012	618,718	190,894	94,405	2.17
2013	614,475	198,721	94,421	2.10
2014	669,236	243,128	60,722	2.20
2015	722,318	237,882	65,967	2.38
2016	768,850	243,234	60,615	2.53
2017	825,323	248,707	55,142	2.72
2018	854,848	254,303	49,546	2.81
2019	817,917	260,025	43,824	2.69
2020	1,668,320	265,876	37,973	5.49
2021	1,933,106	271,857	31,992	6.36

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ Operating revenues do not include impact fee capital contributions and unrestricted interest earnings

⁽²⁾ Operating expenses do not include depreciation and transfers out.

UNAUDITED

Schedule 16 (continued)

CITY OF CONWAY, SOUTH CAROLINA

**PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years**

Fiscal Year	Tax Increment Revenue Bonds ⁽³⁾			
	Property Tax Increment	Debt Service		Coverage
		Principal	Interest	
2012	336,599	190,289	61,834	1.34
2013	335,431	178,674	73,449	1.33
2014	352,442	110,036	141,056	1.40
2015	359,125	238,257	35,082	1.31
2016	381,484	241,273	32,066	1.40
2017	373,446	245,580	27,759	1.37
2018	375,546	250,013	23,326	1.37
2019	390,405	254,300	19,039	1.43
2020	451,140	259,116	14,223	1.65
2021	448,769	263,716	9,623	1.64

Fiscal Year	Storm Water Revenue Bonds ⁽⁴⁾			
	Storm Water Fees	Debt Service		Coverage
		Principal	Interest	
2012	950,908	132,681	54,462	5.08
2013	984,198	138,001	49,142	5.26
2014	1,012,802	138,997	46,558	5.46
2015	1,038,509	160,974	12,899	5.97
2016	1,051,870	162,209	11,664	6.05
2017	1,094,090	164,468	9,405	6.29
2018	1,153,938	166,770	7,103	6.64
2019	1,227,570	169,118	4,755	7.06
2020	1,257,608	171,462	2,400	7.23
2021	1,292,831	0	0	N/M

STATISTICAL SECTION (Unaudited)
SCHEDULES OF DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedules 17 through 18 offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparison over time and with other governments.

Schedule 17

CITY OF CONWAY, SOUTH CAROLINA

**DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Population</u>	<u>Per Capita Personal Income⁽¹⁾</u>	<u>Personal Income (Thousands of Dollars)</u>	<u>Median Age⁽¹⁾</u>	<u>Unemployment Rate⁽¹⁾</u>
2011	17,513	28,265	495,005	38.3	10.20 %
2012	17,863	29,148	520,671	39.2	9.10
2013	19,300	29,742	574,021	40.2	8.50
2014	20,175	31,973	645,055	40.3	7.30
2015	20,175	25,575	515,976	44.6	5.20
2016	22,761	28,712	653,514	40.3	5.60
2017	23,714	35,520	842,321	41.0	5.10
2018	24,517	36,950	958,918	42.4	4.30
2019	25,956	37,740	979,579	43.7	4.00
2020	27,706	39,250	1,087,449	45.5	6.30

Sources: Myrtle Beach and South Carolina Grand Strand Demographic Profile, South Carolina Statistical Abstract, Places Rated Almanac, South Carolina Employment Security Commission, U.S. Department of Commerce Bureau of Economic Analysis, U.S. Department of Labor Statistics and the U.S. Census Bureau

⁽¹⁾ Data presented is Horry County statistics. Data not available for the City separately.

UNAUDITED

Schedule 18

CITY OF CONWAY, SOUTH CAROLINA

**PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago**

Employer	Type of Business	Calendar Year 2021	
		Employees	Percentage of Total County Employment
Horry County School District	Education	5,300	3.62 %
Wal-Mart	Retail Sales	3,000	2.05
Coastal Carolina University	Education	2,200	1.50
Horry County Government	County Government	2,200	1.50
Conway Medical Center	Hospital	2,000	1.37
McLeod Seacoast	Hospital	1,489	1.02
Grand Strand Regional Medical Center	Hospital	1,400	0.96
Food Lion	Retail Sales	1,000	0.68
City of Myrtle Beach	Municipal Government	977	0.67
Horry Telephone Cooperative	Telephone Utility	700	0.48
		<u>20,266</u>	<u>13.85 %</u>

Employer	Type of Business	Calendar Year 2012	
		Employees	Percentage of Total County Employment
Horry County School District	Education	4,870	3.69 %
Wal-Mart	Retail Sales	2,061	1.56
Horry County Government	County Government	2,024	1.53
Grand Strand Regional Medical Center	Hospital	1,200	0.91
Conway Hospital	Hospital	1,150	0.87
Coastal Carolina University	Education	1,057	0.80
Myrtle Beach National	Golf Courses and Accommodations	980	0.74
City of Myrtle Beach	Municipal Government	902	0.68
Loris Community Hospital	Hospital	900	0.68
Blue Cross/Blue Shield	Health Insurance	827	0.63
		<u>15,971</u>	<u>12.09 %</u>

Sources: Myrtle Beach Regional Economic Development Corporation, Myrtle Beach Area Chamber of Commerce, the South Carolina Industrial Directory, the South Carolina Employment Security Commission and Horry County Government

Note: This schedule presents the principal employers in Horry County, South Carolina. Information for the City of Conway was not available.

UNAUDITED

STATISTICAL SECTION (Unaudited)
SCHEDULES OF OPERATING INFORMATION

Schedules 19 through 21 contain operating information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Schedule 19

CITY OF CONWAY, SOUTH CAROLINA

**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Full-Time Equivalent Employees										
General Government	35	35	36	36	38	39	41	44	49	50
Public Safety	96	96	95	95	98	98	100	100	108	106
Street	16	16	16	16	16	16	16	16	18	22
Sanitation	17	17	17	17	18	18	20	21	21	21
Intragovernmental Maintenance	5	5	5	5	5	5	6	6	6	6
Beautification	9	9	12	12	14	15	19	19	17	18
Culture and Recreation	12	12	16	16	16	16	18	18	22	23
Water & Sewer	27	27	27	28	33	33	38	38	39	39
Total Full-Time Equivalent Employees	217	217	224	225	238	240	258	262	280	285

Source: City Finance Department

Notes: Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

UNAUDITED

Schedule 20

CITY OF CONWAY, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Fire Calls per Engine Company	917	833	1,022	1,075	1,100	1,200	1,350	1,425	1,370	1,583
Environmental Protection ⁽¹⁾										
Tons of Refuse Collected	19,500	19,446	21,402	23,205	16,760	26,853	20,708	24,070	22,127	23,167
Community and Economic Development										
Building Permits Issued	584	649	913	934	1,145	1,291	1,660	1,450	1,121	1,714
Culture and Recreation										
Admissions to Recreation Centers	92,050	117,538	110,450	115,275	117,563	119,563	121,004	123,580	110,370	108,370
Water										
Average Daily Consumption <i>(thousands of gallons)</i>	3,508	3,069	2,954	3,400	3,590	3,780	3,850	4,150	4,230	4,850

Sources: Various City departments.

UNAUDITED

Schedule 21

CITY OF CONWAY, SOUTH CAROLINA

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police Stations	2	2	2	2	2	2	2	2	2	2
Fire Stations	3	3	3	3	3	3	3	3	3	3
Streets										
Streets (<i>miles</i>)	213	214	214	214	214	214	214	214	214	214
Traffic Signals	36	38	38	38	38	38	38	38	38	38
Sanitation ⁽¹⁾										
Collection Trucks	20	20	20	20	20	20	20	20	25	25
Culture and Recreation										
Parks	8	8	8	8	8	8	8	8	8	8
Park Acreage	76	125	125	125	125	125	125	125	125	125
Recreation Centers	3	1	1	1	1	1	1	1	1	1
Cemeteries	2	2	2	2	2	2	2	2	2	2
Water										
Water Mains (<i>miles</i>)	377	399	399	399	399	399	399	399	399	399
Sewer										
Gravity Sewers (<i>miles</i>)	126	127	128	128	128	134	134	134	134	134

Sources: Various City departments.

Notes: No capital asset indicators are available for the general government, intragovernmental maintenance, or beautification functions.

UNAUDITED

SINGLE AUDIT SECTION

CITY OF CONWAY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security			
Passed Through the State Emergency Management Division:			
Disaster Grant - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4241-PA-SC	\$ 332,032
Disaster Grant - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4492-PA-SC	48,821
Hazard Mitigation Grant Program	97.039	FEMA-4286-DR-SC	473,767
Direct Program: FEMA			
Assistance to Firefighters Grant	97.044		83,908
Total U.S Department of Homeland Security			\$ <u>938,528</u>
U.S. Department of Housing and Urban Development			
Passed Through Horry County Government:			
Community Development Block Grant	14.218	B-18-UC-45-0006	\$ <u>96,935</u>
U.S. Department of the Treasury:			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund Grant	21.027		\$ 370,833
Passed Through the State Department of Administration:			
Coronavirus Relief Fund Grant	21.019	SA-0327	72,090
Total U.S Department of Homeland Security			\$ <u>442,923</u>
U.S. Department of Justice			
COVID-19 Coronavirus Emergency Supplemental Grant	16.304		\$ 34,984
Bulletproof Vest Partnership Grant	16.607		3,770
Edward Byrne Justice Assistance Grant Program FY 2020	16.738		10,568
Passed Through the State Department of Public Safety:			
Edward Byrne Justice Assistance (JAG) SCDPS		1G20017	51,055
Total U.S Department of Justice			\$ <u>100,377</u>
Total Expenditures of Federal Awards			\$ <u><u>1,578,763</u></u>

See accompanying notes to schedule of expenditures of federal awards

CITY OF CONWAY, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Conway, South Carolina (the City) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Pass-through entity identifying members are presented where available.

Note 3 - DISASTER GRANTS – PUBLIC ASSISTANCE

Prior to the year ending June 30, 2021, the City has incurred expenditures in conjunction with Hurricane Florence (FEMA-4286-PA-SC). As of June 30, 2021, the Federal Emergency Management Agency (FEMA) has not approved all of the project worksheets related to the disaster. In accordance with the instructions included in the *OMB Compliance Supplement*, the federal portion of the expenditures are reported on the Schedule in the year the project worksheets are approved by FEMA. These expenditures are anticipated to be approved and included on the Schedule during the year ending June 30, 2022.



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**Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
*Government Auditing Standards***

To the Mayor and City Council
City of Conway, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Conway, South Carolina as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Conway, South Carolina's basic financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Smith Sapp, PA

Smith Sapp Professional Association
Certified Public Accountants

Myrtle Beach, South Carolina
December 21, 2021



Certified Public Accountants & Consultants

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**Independent Auditors' Report On Compliance For Each Major Program And On Internal
Control Over Compliance Required By The Uniform Guidance**

To the Mayor and City Council
City of Conway, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the City of Conway, South Carolina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Conway, South Carolina's major federal programs for the year ended June 30, 2021. The City of Conway, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Conway, South Carolina's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Conway, South Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of the City of Conway, South Carolina's compliance.

Opinion of Major Federal Program

In our opinion, the City of Conway, South Carolina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City of Conway, South Carolina, is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Conway, South Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Conway, South Carolina's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirements of a federal program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Smith Sapp, PA

Smith Sapp Professional Association
Certified Public Accountants

Myrtle Beach, South Carolina
December 21, 2021

CITY OF CONWAY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

Section I - Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the City of Conway, South Carolina were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the City of Conway, South Carolina were noted during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award program are reported in the report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award program for the City of Conway, South Carolina expresses an unmodified opinion on the major federal programs.
6. There are no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this schedule.
7. The programs tested as a major programs were:
 - U.S. Department of Homeland Security – Hazard Grant Mitigation Program (HGMP) – CFDA No. 97.039
 - U.S. Department of the Treasury - Coronavirus State and Local Fiscal Recovery Fund Grant - CFDA No. 21.027
8. The threshold used for distinguishing between type A and B programs was \$750,000.
9. The City of Conway, South Carolina was not determined to be a low-risk auditee.

Section II - Findings - Financial Statement Audit

None

Section III - Findings and Questioned Costs - Major Federal Award Programs Audit

None