

**Town of Campobello, South Carolina**  
Financial Statements and Supplementary Information  
Year Ended September 30, 2020

## Town of Campobello, South Carolina

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**Town of Campobello, South Carolina**

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## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Town of Campobello, South Carolina** as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Campobello, South Carolina as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, the budgetary comparison information on pages 38 through 42, and the pension schedules on pages 43 through 44, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Campobello, South Carolina's basic financial statements. The combining nonmajor fund financial statements and the accompanying schedule of fines, assessments, and surcharges are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements and the accompanying schedule are the responsibility of management and were derived from and relates 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Gruitt & Pinsky, CP*

Spartanburg, South Carolina  
October 11, 2021

## Town of Campobello, South Carolina

### Management's Discussion and Analysis

As management of the Town of Campobello, South Carolina, we offer readers of the Town of Campobello, South Carolina's financial statements this narrative overview and analysis of the financial activities of the Town of Campobello, South Carolina for the fiscal year ended September 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

#### Financial Highlights

- The assets of the Town of Campobello, South Carolina exceeded its liabilities at the close of the fiscal year by \$671,747 (*net position*).
- The government's total net position decreased by \$150,973.
- As of the close of the current fiscal year, the Town of Campobello, South Carolina's governmental funds reported combined ending fund balances of \$504,462, a decrease of \$5,530 in comparison with the prior year. Approximately 86 percent of this total amount, or \$433,728, is available for spending at the government's discretion (*assigned and unassigned fund balance*).
- At the end of the current fiscal year, assigned and unassigned fund balances for the General Fund totaled \$265,997 or 36.0 percent of total general fund expenditures and other uses for the fiscal year.
- The Town's total long-term debt decreased by \$5,682 during the current fiscal year. A new lease of \$33,143 was entered into during the year. The Town paid principal of \$38,825 and interest of \$4,619 for total debt service cost of \$43,444.

#### Overview of the Financial Statements

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

#### Basic Financial Statements

The first two statements (pages 12 and 13) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the Town's financial status.

The next statements (pages 14 to 18) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide financial statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the fiduciary funds statement.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, required supplemental information is provided to show details about the Town's General Fund revenues and expenditures compared to budget, its Fire District Fund revenues and expenditures compared to budget, and its pension plan reporting. Other supplemental information provides information about the nonmajor governmental funds and schedule of fines, assessments, and surcharges.

## Town of Campobello, South Carolina

### Management's Discussion and Analysis

#### Government-Wide Financial Statements

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

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows and total liabilities and deferred inflows. Measuring net position is one way to gauge the Town's financial condition.

The government-wide financial statements consist of only governmental activities. The governmental activities include all of the basic services such as public safety, social and recreational, and general administration. Property taxes, business license taxes, intergovernmental revenues and franchise fee taxes finance most of these activities.

#### Fund Financial Statements

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

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

The Town of Campobello, South Carolina adopts an annual budget for its General Fund and its Fire District Fund, as required by State statutes. The budgets are legally adopted documents that incorporate input from the citizens of the Town, the management of the Town, and the decisions of the council about which services to provide and how to pay for them. They also authorize the Town to obtain funds from identified sources to finance these current period activities. The budgetary statements provided for the General Fund and the Fire District Fund demonstrate how well the Town complied with the budget ordinances and whether or not the Town succeeded in providing the services as planned when the budgets were adopted. The budgetary comparison statements use the budgetary basis of accounting and are presented using the same format, language, and classifications as the legal budget documents. The statements show four columns: 1) the original budgets as adopted by the council; 2) the final budgets as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund and the Fire District Fund; and 4) the difference or variance between the final budgets and the actual resources and charges.

**Fiduciary Funds** - The Town is an agent, or fiduciary, for the Campobello Fire Department 1% monies. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the Town's own programs. The Town's fiduciary activities are reported in a separate Statement of

**Town of Campobello, South Carolina**

Management's Discussion and Analysis

Fiduciary Net Position. Control over expenditures is exercised by the fire department officers and not by Town administration.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 19 to 37 of this report.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report includes certain supplementary information concerning the Town of Campobello, South Carolina's budgetary reporting, combining nonmajor governmental funds statements and other information. Supplementary information can be found beginning on page 38 of this report.

In addition, this report includes certain information concerning the Town of Campobello's progress in funding its obligation to provide pension benefits to its employees. This required supplementary information can be found on pages 43 and 44 of this report.

**Government-Wide Financial Analysis**

**The Town of Campobello, South Carolina's Net Position**

	Governmental Activities	
	2020	2019
Current and other assets	\$ 537,478	\$ 568,055
Capital assets, net	907,568	956,950
Deferred outflows of resources	291,759	186,519
Total assets and deferred outflows	<u>1,736,805</u>	<u>1,711,524</u>
Long-term liabilities outstanding	1,022,278	821,989
Other liabilities	22,546	46,581
Deferred inflows of resources	20,234	20,234
Total liabilities and deferred inflows	<u>1,065,058</u>	<u>888,804</u>
Net position		
Net invested in capital assets	734,132	781,820
Restricted	70,734	60,826
Unrestricted	(133,119)	(19,926)
Total net position	<u>\$ 671,747</u>	<u>\$ 822,720</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Campobello, South Carolina exceeded liabilities by \$671,747 as of September 30, 2020. The Town's net position decreased by \$150,973 for the fiscal year ended September 30, 2020. Of total net position, the largest portion (109%) reflects the investment in capital assets (buildings, equipment, and vehicles), less any debt still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position (10.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(133,119) is unrestricted.



## Town of Campobello, South Carolina

## Management's Discussion and Analysis

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

- General government expenses increased approximately \$75,000 due primarily to increases in professional fees and garbage service expenses over the prior year.
- Police expenses increased approximately \$55,000 primarily due to increases in salaries and related expenses.
- Fire department expenses increased approximately \$60,000 primarily due to increases in salaries and related expenses.

## The Town of Campobello, South Carolina Changes in Net Position

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 226,711	\$ 221,063
Operating grants and contributions	36,227	44,046
General revenues:		
Property taxes	585,739	576,195
Other taxes	170,695	162,565
Intergovernmental revenues	341	2,897
Sale of fixed assets	2,802	(2,524)
Investment earnings	10	24
Miscellaneous	1,195	14,214
Total revenues	<u>1,023,720</u>	<u>1,018,480</u>
Expenses:		
General government	180,638	94,899
Public safety	987,798	886,652
Recreation, tourism, health and social	3,970	8,455
Interest on long-term debt	2,287	9,939
Total expenses	<u>1,174,693</u>	<u>999,945</u>
Increase (decrease) in net position	(150,973)	18,535
Net position, October 1	<u>822,720</u>	<u>804,185</u>
Net position, September 30	<u>\$ 671,747</u>	<u>\$ 822,720</u>

**Governmental activities.** Governmental activities decreased the Town's net position by \$150,973, thereby accounting for 100% of the total increase in the net position of the Town of Campobello, South Carolina. Key elements of this decrease are:

- Operating expenses increased \$174,748 during the year due primarily to an increases in personnel costs and professional fees. Total operating expenses increased during the current year from \$999,945 to \$1,023,720.

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

- Total revenue increased from \$1,018,480 to \$1,023,720.
- Depreciation on capital assets which is a noncash expense totaled \$121,340 and is detailed by governmental activity in Note 4 to the financial statements.

**Financial Analysis of the Town's Funds**

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

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

The general fund is the chief operating fund of the Town of Campobello, South Carolina. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$265,997, while total fund balance was \$265,997. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and assigned fund balance to total fund expenditures. Unassigned and assigned fund balance represents 37.0 percent of total General Fund expenditures and other uses.

The Town considers the fire department to be a separate special revenue fund since the fire district has a separate tax levy and annual budget. The Fire District Fund's revenues and other sources exceeded its expenditures by \$21,606 for the year ended September 30, 2020.

At September 30, 2020, the governmental funds of the Town of Campobello, South Carolina reported a combined fund balance of \$504,462, a 1 percent increase from last year.

**General Fund Budgetary Highlights.** During the fiscal year, the Town and Fire District did not revise their budgets. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that were used to prepare the original budget ordinances once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenues and expenditures were consistently held in check to allow the Town of Campobello to comply with its budgetary requirements.

Revenues in the General Fund were less than budgeted amounts primarily because of a decrease in intergovernmental revenues and police fines. Revenues in the Fire District Fund were more than budgeted amounts with more intergovernmental, fees for services and property tax revenues. Expenditures in the General Fund were more than budgeted amounts due to increased personnel costs and professional fees. Expenditures were in excess of budgeted amounts for the Fire District Fund primarily due to increased capital outlays and increased personnel costs.

## Town of Campobello, South Carolina

## Management's Discussion and Analysis

**Capital Assets**

The Town of Campobello, South Carolina's investment in capital assets for its governmental activities as of September 30, 2020, totals \$907,568 (net of accumulated depreciation). These assets include land and land improvements, buildings and improvements, furniture and equipment, and vehicles.

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

2020 Chevrolet Tahoe	\$	33,143
Spreaders and Cutters	\$	40,335
2 Fans	\$	8,132
2012 Chevrolet Tahoe	\$	4,500
Lift Set	\$	3,850
Fire Department Computer	\$	2,596

**Town of Campobello, South Carolina's Capital Assets  
(Net of Depreciation)**

	Governmental Activities	
	2020	2019
Land	\$ 45,068	\$ 65,666
Buildings and improvements	224,648	236,303
Land improvements	2,755	3,807
Furniture and equipment	197,450	173,247
Vehicles	437,647	477,927
<b>Total</b>	<b>\$ 907,568</b>	<b>\$ 956,950</b>

Additional information on the Town's capital assets can be found in Note 4 of the basic financial statements.

**Debt Administration**

Long-term obligations consist of the following:

	Governmental Activities	
	2020	2019
Capitalized lease obligations	\$ 140,997	\$ 146,678
Compensated absences	32,439	28,452
Net pension liability	848,842	646,859
<b>Total</b>	<b>\$ 1,022,278</b>	<b>\$ 821,989</b>

At September 30, 2020, the Town had total long-term debt of \$140,997 consisting of one lease payable on a fire vehicle in the amount of \$18,192, a lease payable on a fire substation in the amount of \$71,052 and two leases on vehicles for the Police Department in the amounts of \$24,672 and \$27,081.

During the fiscal year, the Town of Campobello, South Carolina's total debt decreased by \$5,682. Interest paid on debt totaled \$4,619. Total debt service costs for the year was \$43,444.

**Town of Campobello, South Carolina****Management's Discussion and Analysis****Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the Town.

- Property tax revenues remained steady for the Town and Fire District.
- Franchise fees increased by approximately \$6,500 due to increases in insurance fees collected by the Municipal Association of South Carolina.

**Budget Highlights for the Fiscal Year Ending September 30, 2021**

**Governmental Activities:** Budgeted revenues and other sources of the General Fund are expected to increase by approximately \$65,000 primarily due to an increase in property taxes of \$53,000.

Budgeted revenues and other sources of the Fire District Fund are expected to increase approximately \$55,000 primarily due to an increase in property taxes.

Budgeted expenditures and other uses in the General Fund are expected to increase approximately \$195,000 primarily due to increased personnel costs within the police department.

Budgeted expenditures in the Fire District are expected to increase by \$40,000 due to minor increases in several categories.

**Requests for Information**

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Mayor, Town of Campobello, P.O. Box 9, Campobello, South Carolina 29322, telephone (864) 468-4545.

## Town of Campobello, South Carolina

Statement of Net Position  
September 30, 2020

	Primary Government	
	Governmental Activities	Total
<b>Assets</b>		
Cash and temporary investments	\$ 507,327	\$ 507,327
Receivables		
Intergovernmental	7,248	7,248
Taxes	22,903	22,903
Capital assets (net)	907,568	907,568
Total assets	<u>1,445,046</u>	<u>1,445,046</u>
<b>Deferred Outflows of Resources</b>	<u>291,759</u>	<u>291,759</u>
<b>Liabilities</b>		
Accounts payable	20,646	20,646
Accrued salaries and benefits	1,900	1,900
Long-term liabilities		
Due within one year	51,257	51,257
Due in more than one year	122,179	122,179
Net pension liability	848,842	848,842
Total liabilities	<u>1,044,824</u>	<u>1,044,824</u>
<b>Deferred Inflows of Resources</b>	<u>20,234</u>	<u>20,234</u>
<b>Net Position</b>		
Net investment in capital assets	734,132	734,132
Restricted for		
Tourism	54,363	54,363
Victims' assistance	11,877	11,877
Public safety	4,494	4,494
Unrestricted	(133,119)	(133,119)
Total net position	<u>\$ 671,747</u>	<u>\$ 671,747</u>

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

**Town of Campobello, South Carolina**

Statement of Activities  
Year Ended September 30, 2020

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental activities			
General government	\$ 180,638	\$	\$ 307
Public safety			
Police	549,473	140,341	
Fire	438,325	86,370	35,920
Recreation, tourism, health, and social	3,970		
Interest on long-term debt	2,287		
Total governmental activities	1,174,693	226,711	36,227
Total primary government	\$ 1,174,693	\$ 226,711	\$ 36,227

General revenues:

    Taxes

- Property taxes levied for general purposes
- Property taxes levied for fire district purposes
- Business license taxes
- Franchise fee taxes
- Hospitality taxes

    Intergovernmental revenues

    Miscellaneous

    Gain (loss) on property dispositions

    Investment earnings (losses)

        Total general revenues

Change in net position

Net Position, Beginning

Net Position, Ending

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

<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total Primary Government</u>
\$	\$ (180,331)	\$ (180,331)
	(409,132)	(409,132)
	(316,035)	(316,035)
	(3,970)	(3,970)
	(2,287)	(2,287)
	<u>(911,755)</u>	<u>(911,755)</u>
<u>\$</u>	<u>(911,755)</u>	<u>(911,755)</u>
	305,514	305,514
	280,225	280,225
	6,288	6,288
	144,784	144,784
	19,623	19,623
	341	341
	1,195	1,195
	2,802	2,802
	10	10
	<u>760,782</u>	<u>760,782</u>
	(150,973)	(150,973)
	<u>822,720</u>	<u>822,720</u>
<u>\$</u>	<u>671,747</u>	<u>\$ 671,747</u>

## Town of Campobello, South Carolina

Balance Sheet - Governmental Funds  
September 30, 2020

## ASSETS

	General	Fire District Fund	Other Governmental Funds	Total Governmental Funds
Cash and temporary investments	\$ 172,678	\$ 265,036	\$ 69,614	\$ 507,328
Receivables				
Taxes receivable	9,645	9,463		19,108
Accounts receivable	7,248		3,795	11,043
Due from other funds	<u>134,705</u>	<u>30,009</u>	<u>1,344</u>	<u>166,058</u>
Total assets	<u>\$ 324,276</u>	<u>\$ 304,508</u>	<u>\$ 74,753</u>	<u>\$ 703,537</u>

## LIABILITIES AND FUND BALANCES

Liabilities				
Accounts payable	\$ 20,646	\$	\$	\$ 20,646
Accrued salaries and benefits	1,389	511		1,900
Due to other funds	<u>30,999</u>	<u>131,040</u>	<u>4,019</u>	<u>166,058</u>
Total liabilities	<u>53,034</u>	<u>131,551</u>	<u>4,019</u>	<u>188,604</u>
Deferred Inflows of Resources				
Taxes and fees receivable	<u>5,245</u>	<u>5,226</u>		<u>10,471</u>
Fund Balances				
Restricted for:				
Victims' assistance			11,877	11,877
Tourism			54,363	54,363
Public safety			4,494	4,494
Unassigned	<u>265,997</u>	<u>167,731</u>		<u>433,728</u>
Total fund balances	<u>265,997</u>	<u>167,731</u>	<u>70,734</u>	<u>504,462</u>
Total liabilities and fund balances	<u>\$ 324,276</u>	<u>\$ 304,508</u>	<u>\$ 74,753</u>	<u>\$ 703,537</u>

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



**Town of Campobello, South Carolina**

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
September 30, 2020

Total Governmental Fund Balances	\$	504,462
Amounts reported in 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.		907,568
Other outflows of resources are not available to pay for current-period expenditures and therefore are deferred in the funds. These include property taxes of \$28,644.		10,471
Long-term liabilities for capital leases and notes payable are not due and payable in the current period and therefore are not reported in the funds.		(173,436)
Contributions to the pension plan subsequent to the measurement date are deferred outflow of resources in the statement of net position		19,001
Net pension liability		(848,842)
Pension related deferrals		252,523
Net Position of Governmental Activities	\$	671,747

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

## Town of Campobello, South Carolina

Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
Year Ended September 30, 2020

	General	Fire District Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 304,862	\$ 281,477	\$	\$ 586,339
Franchise fees	144,784			144,784
Intergovernmental revenues	341	34,485		34,826
Licenses	6,288			6,288
Grants and contributions	307	5,435		5,742
Contracts	97,948	82,370		180,318
Hospitality taxes			19,623	19,623
Fines and forfeitures	13,997		3,981	17,978
Rental revenue	1,000			1,000
Investment earnings	10	9		19
Miscellaneous revenue	188			188
	<u>569,725</u>	<u>403,776</u>	<u>23,604</u>	<u>997,105</u>
<b>Expenditures</b>				
Current				
General government	146,621			146,621
Public safety	465,586	304,436	2,565	772,587
Tourism related			3,970	3,970
Capital outlay	41,493	51,063		92,556
Debt service	16,773	26,671		43,444
	<u>670,473</u>	<u>382,170</u>	<u>6,535</u>	<u>1,059,178</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(100,748)</u>	<u>21,606</u>	<u>17,069</u>	<u>(62,073)</u>
<b>Other financing sources (uses)</b>				
Sale of assets	23,400			23,400
Loan proceeds	33,143			33,143
Transfers (to) from other funds	7,161		(7,161)	
Total other financing sources (uses)	<u>63,704</u>		<u>(7,161)</u>	<u>56,543</u>
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	(37,044)	21,606	9,908	(5,530)
Fund Balances, Beginning	<u>303,041</u>	<u>146,125</u>	<u>60,826</u>	<u>509,992</u>
Fund Balances, Ending	<u>\$ 265,997</u>	<u>\$ 167,731</u>	<u>\$ 70,734</u>	<u>\$ 504,462</u>

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

## Town of Campobello, South Carolina

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended September 30, 2020

Net Change in Governmental Fund Balances	\$	(5,530)
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Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$121,340 exceeded capital outlays of \$92,556 in the current period.		(28,784)
--	--	----------

Proceeds from the sale of fixed assets are reported in the fund financial statements while proceeds net of remaining basis are reported in the statement of net assets		(20,601)
--	--	----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Change in deferred outflows of resources for tax revenues of \$1,009.		(1,009)
--	--	---------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt. Proceeds from the issuance of long-term debt were \$33,143 and principal repayments totaled \$38,825 during the year.		5,682
--	--	-------

(Increases) decreases in liabilities for accrued vacation are considered long term and are not included in the statement of revenues, expenditures, and changes in		(3,988)
--	--	---------

Pension expense for changes in deferred outflows, deferred inflows and pension		(96,743)
--	--	----------

Change in Net Position of Governmental Activities	\$	<u>(150,973)</u>
---	----	------------------

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

## Town of Campobello, South Carolina

Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2020

	Fire Department 1% Monies	Total Agency Funds
ASSETS		
Cash and cash equivalents	<u>\$ 83,033</u>	<u>\$ 83,033</u>
Total assets	<u><u>\$ 83,033</u></u>	<u><u>\$ 83,033</u></u>
LIABILITIES		
Amounts held for others' benefit	<u>\$ 83,033</u>	<u>\$ 83,033</u>
Total liabilities	<u><u>\$ 83,033</u></u>	<u><u>\$ 83,033</u></u>

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

**Town of Campobello, South Carolina**

## Notes to Financial Statements

**Note 1 - Summary of Significant Accounting Policies**

## a. Reporting Entity

The Town of Campobello, South Carolina ("the Town") was incorporated and chartered February 1882. On July 6, 1976, in accordance with Section 47-26 of the 1962 S.C. Code of Laws, the Town adopted the council form of government. As required by generally accepted accounting principles, these financial statements present the Town.

## b. Basis of Presentation

*Government-wide Statements* - The statement of net position and the statement of activities report information about all of the nonfiduciary activities of the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through property taxes, licenses, intergovernmental revenues and other nonexchange transactions.

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

*Fund Financial Statements* - The fund financial statements provide information about the Town's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The Town does not have any enterprise funds (business-type activities).

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

The Town reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the Town. The General Fund is used to account for all financial resources of the Town except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, business licenses, franchise fees, intergovernmental revenues, and police fines. The primary expenditures are for public safety, recreation and tourism, and general administration.

**Fire District Fund** - The Fire District Fund is a special revenue fund used to account for the activity of the Campobello Fire Department whose geographic boundaries exceed the Town limits. Its primary sources of revenues are ad valorem taxes and grants.

## Town of Campobello, South Carolina

## Notes to Financial Statements

**Note 1 - (continued)**

The Town reports the following nonmajor governmental funds:

**Local Hospitality Tax Fund** - The Hospitality Tax Fund is a special revenue fund used to account for the proceeds of hospitality taxes collected under Article 7 of Title 6 of state law. These funds are required to be utilized for tourism-enhancing expenses.

**Victims Assistance Fund** - The Victims Assistance Fund is a special revenue fund used to account for required surcharges and assessments on police fines which must be used for the support of victims of crimes.

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

*Other Fund Types* - The Town also reports the following fund types:

**Agency Funds** - The Fire Department 1% Monies account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. The Town's agency funds are used to account for funds earmarked for the benefit of the fire department where control over expenditures is exercised by the fire officers.

c. Measurement Focus and Basis of Accounting

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

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

*Governmental Fund Financial Statements* - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the accounting period when they are both measurable and available to pay the liabilities of the current period. In addition, expenditures are recorded when the related fund liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The Town has recognized assets of nonexchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Nonexchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. State shared revenues, federal grants funding federal mandates, and donations are examples of nonexchange transactions. The Town considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

## Town of Campobello, South Carolina

## Notes to Financial Statements

**Note 1 - (continued)**

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

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

The Town's spending policy is to use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-town funds, and town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Town Council can deviate from this policy if it is in the best interest of the Town.

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

Special reporting treatments are also applied to governmental fund long-term receivables and prepaid expenses to indicate that they do not represent "available spendable resources", even though they are a component of net current assets. Such amounts are generally offset by fund balance nonspendable accounts.

d. Budgets and Budgetary Accounting

Normally, the budget is legally enacted through the passage of an ordinance prior to October 1. Annual budgets are adopted for the General Fund and Fire District Fund. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end. The Town Council may amend the legally adopted budget when unexpected modifications are required. The budgets were not amended during the year. The budgets were prepared using the modified accrual basis of accounting.

e. Assets, Liabilities, Deferred Inflows, and Net Position or Equity

1. Deposits and Investments

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

## Town of Campobello, South Carolina

## Notes to Financial Statements

**Note 1 - (continued)**

## 2. Allowance for Doubtful Accounts

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

## 3. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

## 4. Capital Assets

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

It is the policy of the Town to capitalize all capital assets costing more than \$1,000 with an estimated useful life of two or more years. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. As allowed by generally accepted accounting principles, the Town has elected not to report general infrastructure assets retroactively.

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

	<u>Years</u>
Buildings and improvements	15-40
Land improvements	20
Furniture and equipment	5-20
Vehicles	5-20

## 5. Compensated Absences

**Annual Leave** – Per the policy manual, employees receive 8 hours of annual leave for each month worked. After 5 years of service, employees accrue 10 hours of annual leave per month. After 10 years of service, employees accrue 12 hours per month. An employee may carry over a maximum of 240 hours annual leave per year.

**Sick Leave** - Sick leave is accumulated at 4 hours per month with a maximum accumulation of 720 hours. Upon termination of employment, all unused sick leave is lost. No liability has been accrued in these financial statements since it does not vest for payment purposes.



## Town of Campobello, South Carolina

## Notes to Financial Statements

**Note 1 - (continued)**

## 6. Encumbrance Accounting

All outstanding encumbrances lapse at year end and are rebudgeted in the following year.

## 7. Estimates

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

## 8. Net Position/Fund Balances

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

In the governmental fund financial statements, restricted fund balances represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Committed fund balances represent Council approved plans for the use of funds that are subject to change at Council's option.

The governmental fund type classifies fund balance as follows:

## Restricted

Restricted for Victims' Assistance Services - Portion of the fund balance available for providing victim services as required by state law Article 15 of Title 16 from assessments collected by the municipal court.

Restricted for Tourism - Portion of the fund balance available for tourism-enhancing expenses as required by state law Article 7 of Title 6 from Hospitality Taxes collected from local merchants on the sale of prepared foods and beverages.

Restricted for Public Safety - Portion of fund balance from confiscated drug money to be expended for public safety.

**Town of Campobello, South Carolina**

## Notes to Financial Statements

**Note 1 - (continued)**

## 9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS) and additions to/deductions from SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by the South Carolina Public Employee Benefit Authority (PEBA). For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town of Campobello has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 2 - Deposits**

At year end, the carrying amount of the Town's deposits was \$507,327 and the bank balance was \$513,845. Of the bank balances \$312,031 was covered by federal depository insurance. A third-party depository holds pledged governmental securities with a market value of \$395,579 in the Town's name as collateral for deposited funds in excess of federal depository insurance limits. The Town has no uncollateralized bank balances at September 30, 2020.

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

**Note 3 - Taxes Receivable**

Taxes receivable (current and delinquent) represent property and vehicle taxes which have been collected and remitted to Spartanburg County Treasurer's office for its distribution to the Town and taxes due but uncollected net of an allowance for uncollectible. In the governmental fund financial statements taxes receivable are accrued as revenue when they are considered to be both "measurable and available." If not considered available within 60 days of year end, they are recorded as deferred inflows of resources.

In the government-wide financial statements, property taxes receivable, net of an allowance, is shown in revenue of the current period regardless of when cash is received.

The Town's property taxes (except vehicles) are levied by the Spartanburg County Auditor each fall on the assessed valuation of the property located in the Town and the Fire District as of the preceding January 1. The tax books are open for collection September 1, with the first penalty of 3% applied to payments made after January 15, the due date. An additional penalty of 5% is charged for payments made after January 31. Uncollected property taxes attach as an enforceable lien on January 1. Uncollected property taxes as of March 15 are transferred to the Spartanburg County Delinquent Tax Collector at which time an additional 5% penalty is assessed. Spartanburg County bills and collects the Town's property taxes.

## Town of Campobello, South Carolina

## Notes to Financial Statements

## Note 3 - (continued)

At September 30, 2020, the Town's uncollected assessed taxes that have been transferred to the Spartanburg County Delinquent Tax Collector were \$11,595 and \$10,522 for the Town and the Fire District, respectively. These amounts net of allowances for doubtful accounts of \$(6,350) and \$(5,296), respectively and plus vehicle and delinquent taxes of \$4,400 and \$4,237, respectively are shown as taxes receivable in the accompanying statements.

Assessed values for real estate are established annually by the County Tax Assessor based on the assessment ratio applied to the appropriate class of property. Real and personal property, excluding merchant's inventory, in the Town's area for the 2019 tax levy was assessed at \$2,060,912 and \$11,724,334 for the Town and the Fire District, respectively. The Town's operating tax rate is currently 148.3 mills and 24.0 mills for the Town and Fire District, respectively.

## Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
Governmental activities				
Not being depreciated				
Land	\$ 65,666	\$	\$ 20,598	\$ 45,068
Total capital assets not being depreciated	65,666		20,598	45,068
Being depreciated				
Buildings and improvements	435,129			435,129
Land improvements	31,633			31,633
Furniture and equipment	394,900	54,913		449,813
Vehicles	1,612,221	37,643		1,649,864
Total capital assets being depreciated	2,473,883	92,556		2,566,439
Less accumulated depreciation				
Buildings and improvements	198,826	11,654		210,480
Land improvements	27,826	1,052		28,878
Furniture and equipment	221,653	30,709		252,362
Vehicles	1,134,294	77,925		1,212,219
Total accumulated depreciation	1,582,599	121,340		1,703,939
Total capital assets being depreciated, net	891,284	(28,784)		862,500
Total capital assets, net	\$ 956,950	\$ (28,784)	\$ 20,598	\$ 907,568

## Town of Campobello, South Carolina

## Notes to Financial Statements

## Note 4 - (continued)

Depreciation expense was charged to governmental functions as follows:

General government	\$ 6,529
Public safety	
Police	15,121
Fire	99,690
Total depreciation expense	<u>\$ 121,340</u>

## Note 5 - Interfund Receivables and Payables

At September 30, 2020, the following interfund receivables and payables are reflected in the governmental fund balance sheet (such amounts are removed in the statement of net assets):

<u>Receivable by</u>	<u>Payable by</u>	<u>Amount</u>
General Fund	Local Hospitality Tax Fund	\$ 3,664
General Fund	Fire District Fund	\$ 101,387
Fire District Fund	Local Hospitality Tax Fund	\$ 355
Victims' Assistance Fund	General Fund	\$ 1,344

## Note 6 - Long-term Obligations

The summary below details the changes in long-term obligations for the Town for the year.

	Balance October 1, 2019	Increases	Decreases	Balance September 30, 2020
Capitalized lease obligations	\$ 146,678	\$ 33,144	\$ 38,825	\$ 140,997
Compensated absences	28,452	3,987		32,439
Net pension liability	646,859	201,983		848,842
Total	<u>\$ 821,989</u>	<u>\$ 239,114</u>	<u>\$ 38,825</u>	<u>\$ 1,022,278</u>

## Town of Campobello, South Carolina

## Notes to Financial Statements

## Note 6 - (continued)

The following details the changes in capital lease obligations for the year:

	Payable at September 30, 2019	Additions	Reductions	Payable at September 30, 2020
Lease purchase of \$150,000 payable in annual installments of \$18,975 through May 2020, including interest at 4.52%, collateralized by 2010 Fire Truck - responder with a cost of \$227,399. (Current principal of \$18,276)	\$ 18,276	\$	\$ 18,276	\$
Lease purchase of \$33,143 payable in monthly installments of \$993 through February 2023, including interest at 5.29%, collateralized by 2020 Tahoe (Current principal of \$10,812)		33,143	6,062	27,081
Lease purchase of \$33,782 payable in monthly installments of \$654 through April 2023, including interest at 5.99%, collateralized by 2017 Chevrolet Silverado with a cost of \$33,782. (Current principal of \$6,918)	24,741		6,549	18,192
Lease purchase of \$34,422 payable in monthly installments of \$818 through June 2023, including interest at 6.49%, collateralized by 2017 Chevrolet Silverado with a cost of \$34,422. (Current principal of \$8,468)	32,609		7,937	24,672
Lease purchase of \$80,000 payable in annual installments of \$19,789 through October 2028 including interest at 3.75%, collateralized by a 4 Bay Fire Station with a cost of \$80,000. (Current principal of \$6,783)	71,052			71,052
Total lease obligations payable	\$ 146,678	\$ 33,143	\$ 38,824	\$ 140,997

**Town of Campobello, South Carolina**

Notes to Financial Statements

**Note 6 - (continued)**

The following is a summary of the Town's future annual debt service requirements:

Year Ended September 30,	Principal	Interest	Total
2021	\$ 32,980	\$ 5,806	\$ 38,786
2022	34,780	3,997	38,777
2023	23,306	2,220	25,526
2024	7,575	1,588	9,163
2025	7,859	1,294	9,153
2025-2027	34,497	1,998	36,495
Total	<u>\$ 140,997</u>	<u>\$ 16,903</u>	<u>\$ 157,900</u>

Interest expense on long-term debt totaled \$4,619 for the year ended September 30, 2020. The Town has utilized resources of the General Fund and Fire District Fund to pay debt service costs in the current year.

**Note 7 - Restricted Fund Balances**

Restrictions of fund equity show amounts that are not appropriate for expenditure or are legally restricted for specific purposes. Generally, the purpose for each is indicated by the account title on the face of the balance sheet.

**Note 8 - Defined Benefit Pension Plan**

The South Carolina Public Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

## Town of Campobello, South Carolina

## Notes to Financial Statements

**Note 8 - (continued)**

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

**a. Plan Description**

Eligible employees of the Town are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS).

SCRS - The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

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

**b. Membership**

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012 is a Class Three member.

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

## Town of Campobello, South Carolina

## Notes to Financial Statements

**Note 8 - (continued)**

## c. Benefits

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

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

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

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 or 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.



## Town of Campobello, South Carolina

## Notes to Financial Statements

## Note 8 - (continued)

## 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 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least eighty-five percent. If the most recent actuarial valuation of the Systems for funding purposes shows a ratio of actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective 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 of the systems shows a funded ration 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 of the systems shows a funded ratio that is equal to or greater than eighty-five percent.

Required contributions (100% funded) to the SCRS for the years ended September 30, 2020, 2019 and 2018 are as follows:

Year Ended June	Employee		Employer	
	Amount	Percent of	Amount	Percent of
2020	\$ 3,164	9.00%	\$ 5,417	15.41%
2019	\$ 1,969	9.00%	\$ 3,212	14.41/15.41%
2018	\$ 1,810	9.00%	\$ 2,749	13.41/14.41%

Required contributions (100% funded) to the PORS for the years ended September 30, 2020, 2019 and 2018 are as follows:

Year Ended June	Employee		Employer	
	Amount	Percent of	Amount	Percent of
2020	\$ 37,122	9.75%	\$ 67,924	17.84%
2019	\$ 31,863	9.75%	\$ 55,828	16.84/17.84%
2018	\$ 22,561	9.75%	\$ 37,302	15.84/16.84%

## Town of Campobello, South Carolina

## Notes to Financial Statements

## Note 8 - (continued)

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

At September 30, 2020, the Town reported liabilities of \$71,877 and \$776,965 for its proportionate share of the net pension liabilities for the SCRS and PORS plans, respectively. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by actuarial valuation as of July 1, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions.

The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating SCRS and PORS employers, actuarially determined. At June 30, 2020 the Town's SCRS proportion was .000281 percent, as compared to .000199 percent measured as of June 30, 2019. At June 30, 2020 the Town's PORS portion was .023429 percent, as compared to .02098 percent measured as of June 30, 2019.

For the year ended September 30, 2020, the Town recognized pension expense of \$170,101. At September 30, 2020 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Difference between expected and actual experience	\$ 829	\$ 272
Change in assumptions	88	
Net difference between projected and actual earnings on pension plan investments	5,287	
Change in proportionate share	14,764	3,767
Total SCRS	<u>\$ 20,968</u>	<u>\$ 4,039</u>
PORS		
Difference between expected and actual experience	\$ 16,512	\$ 3,420
Change in assumptions	9,482	
Net difference between projected and actual earnings on pension plan investments	79,560	
Change in proportionate share	134,175	732
Total PORS	<u>\$ 239,729</u>	<u>\$ 4,152</u>

## Town of Campobello, South Carolina

## Notes to Financial Statements

## Note 8 - (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will be recognized as pension expense as follows:

Year Ended September 30,	SCRS	PORS	Total
2021	\$ 2,705	\$ 85,362	\$ 88,067
2022	6,502	77,897	84,399
2023	6,374	49,008	55,382
2024	1,348	23,310	24,658
Total	<u>\$ 16,929</u>	<u>\$ 235,577</u>	<u>\$ 252,506</u>

## f. Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

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

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2019:

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5%	3.5% to 9.5%
Includes inflation at	2.25%	2.25%
Benefit adjustments annually	lesser of 1% or \$500	lesser of 1% or \$500

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

## Town of Campobello, South Carolina

## Notes to Financial Statements

**Note 8 - (continued)**

Assumptions used in the determination of the June 30, 2020 TPL for general employees job classification was the 2016 PRSC Males multiplied by 100% and the 2016 PRSC Females multiplied by 111% for males and females, respectively and for the public safety and firefighters job classification was the 2016 PRSC Males multiplied by 125% and the 2016 Females multiplied by 111% for males and females, respectively.

## g. Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents the particular System's total net pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2019 for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability
SCRS	\$51,844,187,763	\$26,292,418,682	\$25,551,769,081	50.7%
PORS	\$ 8,046,386,629	\$ 4,730,174,642	\$ 3,316,211,987	58.8%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

## h. Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rate of returns represent assumptions developed using the arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table following. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

## Town of Campobello, South Carolina

## Notes to Financial Statements

## Note 8 - (continued)

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
<b>Global Equity</b>	<b>51.0%</b>		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
<b>Opportunistic</b>	<b>8.0%</b>		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
<b>Credit</b>	<b>15.0%</b>		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
<b>Rate Sensitive</b>	<b>14.0%</b>		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Real Return	<u>100.0%</u>		<u>5.80%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>8.05%</u>

## i. Discount Rate

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

Notes to Financial Statements

**Note 8 - (continued)**

j. Sensitivity Analysis

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Town's proportionate share of the net pension liability - SCRS	<u>\$ 89,082</u>	<u>\$ 71,877</u>	<u>\$ 57,510</u>
Town's proportionate share of the net pension liability - PORS	<u>\$ 1,028,570</u>	<u>\$ 776,965</u>	<u>\$ 574,941</u>

**Note 9 - Contingent Liabilities**

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

**Note 10 - Interfund Transfers**

The Victims Assistance Fund transferred \$6,000 to the General Fund to assist with a vehicle purchase for the police department. The Police Seized Drug Fund transferred \$1,161 to the General Fund to aid with minor equipment acquisitions.

**Note 11 - Litigation**

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

**Town of Campobello, South Carolina**

## Notes to Financial Statements

**Note 12 - Risk Management**

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors or omissions, injuries to employees, and natural disasters. The Town contracted with South Carolina Municipal Insurance and Risk Financing Fund to cover risks of loss and pay claims for covered losses relating to auto comprehensive, collision and liability, buildings and personal property including bodily injury, general tort liability claims, public official liability and police professional liability. Fire department buildings, business auto and tort liability are provided through commercial carriers, and volunteer accident, life and health insurance are contracted through National Union Fire Insurance Company.

The Town also pays premiums to South Carolina Municipal Insurance Trust for workers' compensation insurance coverage up to the statutory limits.

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

**Note 13 - FEMA Grant**

The Town was notified that it had been awarded a \$225,611 grant by the U.S. Department of Homeland Security for a 2015 Staffing for Adequate Fire and Emergency Response program. The grant period is from December 7, 2016 to December 6, 2020. The award is to be used for firefighter personnel, benefits, and equipment. For the year ended September 30, 2020, \$34,485 was received or requested under the terms of the grant.

**Note 14 - Tax Abatements**

Spartanburg County utilizes an economic development program to attract businesses and industry to the County for purposes of expanding and diversifying the local economy and creating jobs. The two mechanisms that the County employs are Fee in Lieu of Tax agreements and Special Source Revenue Credits. For the 2019 tax assessment, abatements from Fee in Lieu of Tax agreements totaled \$143 for the Fire District and \$1,912 for the Town.

## Town of Campobello, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual - General Fund  
Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 261,591	\$ 261,591	\$ 285,880	\$ 24,289
Homestead exemption	14,872	14,872	18,982	4,110
Intergovernmental	12,350	12,350	341	(12,009)
Business licenses	8,762	8,762	6,288	(2,474)
Franchise fees	145,704	145,704	144,784	(920)
Police fines	44,209	44,209	13,997	(30,212)
Police contracts	95,000	95,000	97,948	2,948
Building permit fees			1,000	1,000
Grants and contributions			307	307
Interest income	12	12	10	(2)
Miscellaneous	750	750	188	(562)
Total revenues	<u>583,250</u>	<u>583,250</u>	<u>569,725</u>	<u>(13,525)</u>
<b>Expenditures</b>				
General government				
Salaries	19,212	19,212	33,338	(14,126)
Payroll taxes	2,804	2,804	5,082	(2,278)
Retirement			5,420	(5,420)
Worker's compensation	3,747	3,747		3,747
Health insurance			8,739	(8,739)
Office supplies	1,500	1,500	3,312	(1,812)
General insurance	200	200		200
Contract labor	755	755	3,116	(2,361)
Power - parks	317	317	1,064	(747)
Power - traffic lights	12,629	12,629	10,606	2,023
Power - Town Hall	8,055	8,055	5,928	2,127
Telephone			1,321	(1,321)
Training			305	(305)
Travel	250	250	389	(139)
Accounting and audit fees	13,000	13,000	29,286	(16,286)
Legal fees	500	500	180	320
Repairs and maintenance - land and buildings	29,000	29,000	28,163	837
Janitorial supplies	100	100	2,025	(1,925)
Dues	380	380	1,036	(656)
Miscellaneous	2,786	2,786	7,311	(4,525)
Total general government	<u>95,235</u>	<u>95,235</u>	<u>146,621</u>	<u>(51,386)</u>



## Town of Campobello, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - General Fund  
 Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Public safety				
Police department				
Salaries	290,126	290,126	242,900	47,226
Payroll taxes	11,572	11,572	19,735	(8,163)
Medical insurance	20,252	20,252	51,334	(31,082)
Retirement	17,194	17,194	44,297	(27,103)
Worker's compensation	6,700	6,700	4,040	2,660
Gas and oil	25,558	25,558	20,974	4,584
Supplies	1,200	1,200	11,274	(10,074)
Uniforms	3,000	3,000	2,404	596
Repairs and maintenance- autos and equipment	10,450	10,450	10,387	63
Communications	5,000	5,000	24,027	(19,027)
Computer maintenance			3,394	(3,394)
Conventions and seminars	1,600	1,600		1,600
Insurance	6,700	6,700	13,754	(7,054)
Contract labor	4,260	4,260	4,759	(499)
Police protection - schools			600	(600)
Office and operating	4,500	4,500	5,598	(1,098)
Other	400	400	6,109	(5,709)
Total police department	<u>408,512</u>	<u>408,512</u>	<u>465,586</u>	<u>(57,074)</u>
Total public safety	<u>408,512</u>	<u>408,512</u>	<u>465,586</u>	<u>(57,074)</u>
Capital outlay				
Police department	<u>15,500</u>	<u>15,500</u>	41,493	(25,993)
Total capital outlay	<u>15,500</u>	<u>15,500</u>	41,493	(25,993)
Debt service				
Police department	<u>12,224</u>	<u>12,224</u>	16,773	(4,549)
Total debt service	<u>12,224</u>	<u>12,224</u>	16,773	(4,549)
Total expenses	<u>531,471</u>	<u>531,471</u>	<u>670,473</u>	<u>(139,002)</u>
Excess of revenues over (under) expenses	<u>51,779</u>	<u>51,779</u>	<u>(100,748)</u>	<u>(152,527)</u>

## Town of Campobello, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - General Fund  
 Year Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Other financing sources (uses)				
Sale of assets			23,400	23,400
Loan proceeds			33,143	33,143
Transfers (out)			7,161	7,161
Total other financing sources - (uses)			<u>63,704</u>	<u>63,704</u>
Expenditures and other uses over revenues and other sources	<u>\$ 51,779</u>	<u>\$ 51,779</u>	(37,044)	<u>\$ (88,823)</u>
Fund balance, beginning			<u>303,041</u>	
Fund balance, ending			<u>\$ 265,997</u>	

## Town of Campobello, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual - Fire District Fund  
Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Property taxes	\$ 261,109	\$ 261,109	\$ 281,477	\$ 20,368
Intergovernmental			34,485	34,485
Donations			5,435	5,435
Fees for services			82,370	82,370
Interest income			9	9
Total revenues	<u>261,109</u>	<u>261,109</u>	<u>403,776</u>	<u>142,667</u>
<b>Expenditures</b>				
<b>Current</b>				
Salaries	88,340	88,340	133,417	(45,077)
Payroll taxes	4,500	4,500	10,925	(6,425)
Health insurance	13,700	13,700	17,525	(3,825)
Worker's compensation	4,200	4,200	5,712	(1,512)
Retirement	3,200	3,200	23,627	(20,427)
Advertising	600	600	919	(319)
Gas and oil	15,000	15,000	8,765	6,235
Supplies and office expense	6,555	6,555	13,411	(6,856)
Repairs and maintenance - autos and equipment	17,800	17,800	20,934	(3,134)
Repairs and maintenance - land and buildings	5,229	5,229	4,285	944
Minor equipment	4,000	4,000	5,635	(1,635)
Communications			1,262	(1,262)
Uniforms	1,500	1,500	1,687	(187)
Power	6,000	6,000	10,518	(4,518)
Fire prevention			13,375	(13,375)
Travel and training	4,500	4,500	217	4,283
Insurance	9,100	9,100	22,891	(13,791)
Immunizations and physicals	8,500	8,500	180	8,320
Professional dues	2,000	2,000	9,917	(7,917)
Internet expense	2,500	2,500	332	2,168
Office and operating	1,000	1,000	(3,005)	4,005
Telephone	825	825	1,671	(846)
Water	1,500	1,500	236	1,264
Audit and accounting fees	8,800	8,800		8,800
Capital outlay	11,000	11,000	51,063	(40,063)
Debt service	56,000	56,000	26,671	29,329
Total expenditures	<u>276,349</u>	<u>276,349</u>	<u>382,170</u>	<u>(105,821)</u>
Excess of revenues over (under) expenditures	<u>(15,240)</u>	<u>(15,240)</u>	<u>21,606</u>	<u>36,846</u>

## Town of Campobello, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - Fire District Fund  
 Year Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Other financing sources (uses)				
Loan proceeds				
Transfers in				
Total other financing sources (uses)				
Excess of Revenues and Other Sources Over Expenditures	<u>\$ (15,240)</u>	<u>\$ (15,240)</u>	21,606	<u>\$ 36,846</u>
Fund Balance, Beginning			<u>146,125</u>	
Fund Balance, Ending			<u>\$ 167,731</u>	

**Town of Campobello, South Carolina**

**Town of Campobello's Proportionate Share of Net Pension Liability  
Last Seven Fiscal Years\***

South Carolina Retirement System

	2020	2019	2018	2017	2016	2015	2014
Town of Campobello's proportion of the net pension liability (%)	0.000281%	0.000199%	0.000190%	0.000259%	0.000256%	0.000173%	
Town of Campobello's proportion of the net pension liability (\$)	\$ 71,877	\$ 45,505	\$ 42,463	\$ 58,303	\$ 54,681	\$ 32,810	
Town of Campobello's covered-employee payroll	\$ 21,881	\$ 21,263	\$ 19,858	\$ 26,490	\$ 25,116	\$ 22,218	
Town of Campobello's proportionate share of the net pension liability as a percentage of its covered-employee payroll	328.49%	214.01%	213.83%	220.09%	217.71%	147.67%	
Plan fiduciary net position as a percentage of total pension liability**	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%

South Carolina Police Officers' Retirement System

Town of Campobello's proportion of the net pension liability (%)	0.02343%	0.02098%	0.01501%	0.01422%	0.01449%	0.01653%	0.00157%
Town of Campobello's proportion of the net pension liability (\$)	\$ 776,965	\$ 601,354	\$ 425,308	\$ 389,483	\$ 367,484	\$ 360,293	\$ 300,623
Town of Campobello's covered-employee payroll	\$ 326,798	\$ 311,576	\$ 213,004	\$ 196,992	\$ 192,257	\$ 204,336	\$ 204,336
Town of Campobello's proportionate share of the net pension liability as a percentage of its covered-employee payroll	237.75%	193.00%	199.67%	197.72%	191.14%	176.32%	147.12%
Plan fiduciary net position as a percentage of total pension liability**	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\* This will be the same percentage for all participant employers in the SCRS/PORS plans.

**Town of Campobello, South Carolina**

Town of Campobello's Contributions  
Last Seven Fiscal Years

South Carolina Retirement System

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 5,417	\$ 3,212	\$ 2,749	\$ 3,035	\$ 2,769	\$ 2,398	
Contributions in relation to the contractually required contribution	5,417	3,212	2,749	3,035	2,769	2,398	
Contribution deficiency (excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Town of Campobello's covered-employee payroll	\$ 35,152	\$ 21,881	\$ 20,108	\$ 25,722	\$ 25,116	\$ 22,218	
Contributions as a percentage of covered-employee payroll	15.41%	14.68%	13.67%	11.80%	11.02%	10.79%	

South Carolina Police Officers' Retirement System

Contractually required contribution	\$ 67,924	\$ 55,828	\$ 37,302	\$ 28,310	\$ 25,872	\$ 26,726	\$ 26,301
Contributions in relation to the contractually required contribution	67,924	55,828	37,302	28,310	25,872	26,726	26,301
Contribution deficiency (excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Town of Campobello's covered-employee payroll	\$ 380,736	\$ 326,798	\$ 231,432	\$ 197,921	\$ 192,257	\$ 204,336	\$ 204,336
Contributions as a percentage of covered-employee payroll	17.84%	17.08%	16.12%	14.30%	13.46%	13.08%	12.87%

Town of Campobello, South Carolina

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2020

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Police Seized Drug Fund	Victims Assistance Fund	Local Hospitality Tax Fund	
Assets				
Cash	\$ 4,494	\$ 10,533	\$ 54,587	\$ 69,614
Accounts receivable			3,795	3,795
Due from other funds		1,344		1,344
Total assets	\$ 4,494	\$ 11,877	\$ 58,382	\$ 74,753
Liabilities and Fund Balances				
Liabilities				
Due to other funds	\$	\$	\$ 4,019	\$ 4,019
Total liabilities			4,019	4,019
Fund balances				
Restricted	4,494	11,877	54,363	70,734
Total fund balances	4,494	11,877	54,363	70,734
Total liabilities and fund balances	\$ 4,494	\$ 11,877	\$ 58,382	\$ 74,753

Town of Campobello, South Carolina

Combining Statement of Revenue, Expenditures,  
and Changes in Fund Balances - Nonmajor Governmental Funds  
Year Ended September 30, 2020

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Police Seized Drug Fund	Victims Assistance Fund	Local Hospitality Tax Fund	
Revenues				
Other taxes		\$	\$	\$
Assessments and surcharges		3,981	19,623	19,623
Total revenues		<u>3,981</u>	<u>19,623</u>	<u>23,604</u>
Expenditures				
Tourism related			3,970	3,970
Victim advocate services		2,565		2,565
Total expenditures		<u>2,565</u>	<u>3,970</u>	<u>6,535</u>
Excess of Revenues Over (Under) Expenditures		<u>1,416</u>	<u>15,653</u>	<u>17,069</u>
Other financing sources (uses)				
Transfers in (out)	(1,161)	(6,000)		(7,161)
Total other financing sources - (uses)	<u>(1,161)</u>	<u>(6,000)</u>		<u>(7,161)</u>
Expenditures and other uses (over) under revenues and other sources	(1,161)	(4,584)	15,653	9,908
Fund balances, beginning	5,655	16,461	38,710	60,826
Fund balances, ending	<u>\$ 4,494</u>	<u>\$ 11,877</u>	<u>\$ 54,363</u>	<u>\$ 70,734</u>



## Town of Campobello, South Carolina

Schedule of Fines, Assessments, and Surcharges - General Fund  
Year Ended September 30, 2020

	<u>Fines</u>	<u>Assessments</u>	<u>Surcharges</u>	<u>Victim Services</u>
Collected	\$ 16,769	\$ 18,650	\$ 6,908	\$
Retained by town	(16,769)			
Remitted to State Treasurer		(16,569)	(5,008)	
Allocated to Victims Services		(2,081)	(1,900)	3,981
Victim services expenditures				<u>(8,565)</u>
Funds carried forward	<u>\$</u>	<u>\$</u>	<u>\$</u>	(4,584)
Balance available, beginning of year				<u>16,461</u>
Balance available, end of year				<u>\$ 11,877</u>