

ARPA

From: Eric Delgado <edelgado@cityoflaurenscc.com>
Sent: Tuesday, March 29, 2022 11:19 AM
To: ARPA
Cc: Nathan Senn; Madison Workman
Subject: City of Laurens ARPA Grant/Infrastructure Request
Attachments: City of Laurens ARPA Grant.pdf; City of Laurens_2021 Audited Financial Statements-Issued.pdf

Good morning,

The ARPA request from the City of Laurens is attached. The documentation contains a grant request in a traditional format and the application from the website. The request could fit both applications (grant/infrastructure). Our most recent audited financials are attached. I appreciate your consideration!

Respectfully,



Eric Delgado

City Administrator
City of Laurens

P: (864)872-2202

W: www.cityoflaurenscc.com

Executive Summary

The City of Laurens is a municipality located in South Carolina that provides public safety, zoning, fire, parks, and sanitation services to 9,335 residents. However, the layout of its municipal building is a detriment to communal health. To access the municipal court, defendants, victims, and the public must first walk through the city's police department. This project will alleviate that issue by performing a remodel that separates the municipal courtroom from the police department. The total cost of the project is \$2,400,000. The city has budgeted \$1,700,000 for this project. Your investment of \$700,000 will complete the funding we need.

Introduction

Marshall is a 20-year-old African American male and today is his day in court. Recently, Marshall participated in a protest for racial justice in Laurens, SC. It was his intent for the rally to be peaceful. However, violence escalated when city police mistakenly sprayed protestors with tear gas due to internal command-and-control inefficiencies. Gasping for air, Marshall frantically pushed through the crowd to escape the proximity of the tear gas. During this time, he accidentally knocked down a police officer and was taken into custody because of his actions. Now he must stand before a judge for his sentencing. Marshall, depressed and anxious, must walk through the police department to get to his hearing because the police station is the only ingress point to the municipal courtroom. His perceptions seem to be confirmed: due process, fairness, and justice are nonexistent.

The City of Laurens is a growing municipality located in the Piedmont area of South Carolina. In less than two years, its population has grown 5%, its hospitality revenue 8.17%, and four new subdivisions totaling 1,259 new homes have been approved. Laurens is 53.48% white, 40.89% black American, and 5.63% other. The city provides police, municipal court, fire, parks

and recreation, streets, sanitation, and planning and development services to 9,335 residents. Its mission is to give residents and visitors a prosperous and safe place to learn, grow, live, work, play, and explore the arts. A place where there are things to do for everyone, all ages and backgrounds, residents, and tourists. A place where every business, event, tourist is an opportunity for full-time jobs, homeownership, and education. To prevent scenarios like Marshall's and reinforce its mission, the City of Laurens continuously engages in comprehensive and strategic planning.

Needs Statement

The May 2020 death of George Floyd was a focusing event for our nation. It reignited the racial justice aspect of the civil rights movement and brought awareness to the need for all levels of government to reexamine institutional policies. In Laurens, 75 people gathered in Courthouse Square in June of 2020 to peacefully protest racial disparities in criminal justice. Current research indicates that Americans are at risk of developing anxiety and depression due to perceived inequities in criminal justice outcomes. Depression and anxiety can have harmful community impacts due to their correlations with premature mortality, mental and physical decline, decreased wealth, and unemployment (Eichstaedt et al., 2021).

The City of Laurens prides itself on unity and its strong partnership with the community. However, the layout of its old police station and the municipal court is a ticking time bomb that threatens to destabilize reconciliation and criminal justice integrity. For example, defendants must first walk through the police department to access the municipal courtroom when they go to court. That is not conducive to the public need for a perception of due process, fairness, justice, and competent police. Another concern is that defendants, victims, and the public are often interviewed at the police station during tough investigations (rape, assaults, child abuse, domestic abuse). To attend court, they must walk through the police station. That walk can trigger emotions. Separation of the court from the police department will give

defendants, victims, and the public, ease of mind. In other words, it will deter the anxiety they may face when having to come to the Municipal Building. It will also give protestors less to protest about, which in turn keeps the focus on all the good things that the County and City are accomplishing together (instead of negating them).

Goals

Goals for this capital project include improving the community's health, its perception of justice (due process, fairness, equity), the City of Laurens' operational efficiency, and jumpstarting off the square revitalization.

Objectives

Project objectives include:

- Increase the building's ingress points from 1 to 2 (separation of the police station and municipal courtroom) by May of 2023.
- To reduce the number of buildings occupied by the Police Department from 2 to 1 by May of 2023.
- Jury trials (preferably every quarter).
- To reduce the city's premature mortality rates by 5% by 2026.
- To reduce the city's unemployment rates by 5% by 2026.

Project Description

In December of 2021, the City of Laurens posted a request for qualifications to remodel the police station and municipal court into a multifunctional municipal building on the South Carolina Division of Procurement Services' website. After the remodel, the police station and municipal courtroom will be separated, each having its ingress and egress points. The municipal courtroom will double as the chambers for City Council, and façade improvements will ignite off-the-square revitalization. The police station does not have the space required to meet the

defendants, victims, and the public, ease of mind. In other words, it will deter the anxiety they may face when having to come to the Municipal Building. It was also give protestors less to protest about, which in turn keeps the focus on all the good things that the County and City are accomplishing together (instead of negating them).

Goals

Goals for this capital project include improving the community's health, its perception of justice (due process, fairness, equity), the City of Laurens' operational efficiency, and jumpstarting off the square revitalization.

Objectives

Project objectives include:

- Increase the building's ingress points from 1 to 2 (separation of the police station and municipal courtroom) by May of 2023.
- To reduce the number of buildings occupied by the Police Department from 2 to 1 by May of 2023.
- Jury trials (preferably every quarter).
- To reduce the city's premature mortality rates by 5% by 2026.
- To reduce the city's unemployment rates by 5% by 2026.

Project Description

In December of 2021, the City of Laurens posted a request for qualifications to remodel the police station and municipal court into a multifunctional municipal building on the South Carolina Division of Procurement Services' website. After the remodel, the police station and municipal courtroom will be separated, each having its ingress and egress points. The municipal courtroom will double as the chambers for City Council, and façade improvements will ignite off-the-square revitalization. The police station does not have the space required to meet the

police department's daily operational needs in its current state. Two different buildings are currently needed to house employees and evidence. Line officers are stationed at the police station, and administrative officers and evidence are stationed on the second floor of the former SunTrust building. Remodeling will improve command and control by unifying the police department under one roof.

After reviewing the qualifications of multiple companies, architectural firm Craig Gaulden Davis (CDG) was chosen by the city to spearhead the project's design. As an interesting tidbit, CDG initially designed the police department in the 1960s. CGD performed a walkthrough of the police department with the city's leadership team in February of 2022. The next step in the design process is for CGD to conduct an in-depth analysis of the workflow and space requirements of police and court personnel. Over the next few months (February-April 2022), CGD will perform multiple site visits to observe and interview personnel and assess how space is utilized.

By May of 2022, CDG will submit a first draft design proposal. The design will be presented to Laurens City Council at their July 2022 meeting. Council will provide their input, and based on that input, CGD will adjust and submit a final design by August of 2022. The city will then search for a builder by submitting a proposal request on the South Carolina Division of Procurement Services' website in August 2022. From September of 2022 to October of 2022, city leadership will review all build proposals. They will then select a builder for the project. Construction will begin in January of 2023 and end in April of 2023. The city will hold a grand opening and dedication ceremony for the remodeled building on May 1, 2023.

Timeline

- December 2021: Publish RFQ for a plan design on SCBO.
- January 2022: Review RFQs/Select an architectural firm to draw up plans.

City of Laurens
ARPA GRANT APPLICATION
[3-29-22]

- February-April 2022: Architectural firm performs site visits (operational needs/space/workflow studies).
- May-July 2022: Architectural firm submits first draft design proposal. The proposal is presented to City Council (time for adjustments).
- August 2022: Final build plan submitted and approved. Publish RFP for a builder on SCBO.
- September-Oct 2022: Review RFPs for the builder. Make selection.
- January 2023: Construction begins.
- April 2023: Construction ends.
- May 2023: Grand opening and dedication ceremony.

Evaluation

Annually, the City of Laurens will survey to measure the community health impact of its Municipal building. The survey will comprise a Likert scale and open-ended questions about the community's mental health, physical health, wealth, employment status, and perception of judicial equity. For deployment purposes, the survey will be attached to residential garbage bills. The city's Community Development Director will compile and analyze the survey data. The first year of surveying will occur in September 2022 before the Municipal Building is constructed and operational for control purposes. Subsequential surveys will be linearly measured against historical surveys to determine the Municipal building's long-term impact on community health. Once data is compiled and analyzed, an evaluation report will be published on the City's website for public transparency and accountability purposes.

City of Laurens
 ARPA GRANT APPLICATION
 [3-29-22]

City of Laurens Municipal Building

Inputs	Activities	Output	Outcome	Impact (may be more than one indicator per outcome)	Data Source/Data Collection Method
City of Laurens Staff ARPA funds Craig Gaulden Davis Local Universities Volunteers	Design and build the Municipal Building Write grants to fund construction. Design and Conduct Surveys Advertising on radio, television, and social media Host events that demonstrate the value of the Municipal Building to council and community Collaboration with local universities to develop case study workshops (racial inequity) for law enforcement and judicial staff	New Municipal building built # Workshops conducted/staff trained # Of survey respondents # Of event attendees # Of clicks/dislikes on social media # Of grants written	Increase awareness of services provided at the Municipal Building Increase the % of trust the public has for law enforcement and judicial outcomes Free up funding to be reinvested into other capital projects Increase the City of Laurens' financial health Decrease the % of residents that feel anxious and depressed	# Of residents employed % decrease in premature deaths (adult, non-accidental) % Of defendants and victims satisfied Decreased anxiety and depression Increase communal health	Surveys/Pre-post Comparison Public data (unemployment numbers, mortality rates, etc.)

City of Laurens
 ARPA GRANT APPLICATION
 [3-29-22]

Budget

Revenues:

<u>Source</u>	<u>Amount Confirmed</u>	<u>Amount Requested</u>
City APR Funds	\$1,700,000	
County APR Funds		\$700,000
TOTAL	\$1,700,000	\$700,000
Total Project Budget	\$2,400,000	

Expenses

<u>Item</u>	<u>Total Project Cost</u>
Architectural & Engineering Fees	\$240,000
Asbestos and Hazard Assessment Fee	\$200
Site Survey Fee	\$500
Geotechnical Services Fee	\$2,500
Special Inspections Fee	\$12,000
Construction Costs	\$2,144,800
TOTAL	\$2,400,000

Budget Description:

Expenses - The project will be executed in 2 steps. Step 1 will focus on the following:

- Assessing the conditions of the existing building.
- Develop a space program outlining the size and technical requirements of each space needed in the Police Department and Judicial Center.
- The conceptual study establishes how the building facilitates the program of spaces, options for additions, site improvements, and exterior and interior rendering studies/inspirational images to determine exterior facade and internal design improvements.
- Schematic Design, including drawings and building system outline, finalizing the conceptual plan and appearance.
- Schematic estimate from a 3rd party estimate to determine the probable cost of the improvements. This is critical to plan the project's final scope to meet the City's budget.

Step 2 will include all the services necessary to advance the schematic design to biddable and permit documents, help manage the public bidding and contract negotiation process, and provide architectural services throughout construction to observe that the building is constructed by the design documents.

Sustainability

The City of Laurens will utilize annual hospitality and capital reserve mileage revenue for the day-to-day maintenance and sustainability of the Municipal Building. Periodically, the city will write for federal Community Block Grants to upgrade the Municipal Building to meet community needs. Architectural firm CDG will address the Municipal Building's long-term maintenance cost through the performance of space studies and by incorporating design elements that include long-lasting

City of Laurens
ARPA GRANT APPLICATION
[3-29-22]

materials and energy-efficient systems. The long-term goal for this project is to provide a public space that improves community health, the perception of justice (due process, fairness, equity), operational efficiency, and off-the-square revitalization.

City of Laurens
ARPA GRANT APPLICATION
[3-29-22]

References

Eichstaedt, J. C., Sherman, G. T., Giorgi, S., Roberts, S. O., Reynolds, M. E., Ungar, L. H., &
Guntuku, S. C. (2021). The emotional and mental health impact of the murder of George
Floyd on the US population. *Proceedings of the National Academy of Sciences -*
PNAS, 118(39), 1. 10.1073/pnas.210913911

Robert Delgado
City Administrator
3-29-22



2022

Laurens County

**AMERICAN RESCUE PLAN
ACT GRANT APPLICATION**

Applications must be received by 4/1/2022

“Late Applications shall not be considered.”

Return applications to: *Laurens County*
Attn: Administration
100 Hillcrest Square
Laurens, SC 29360

Or email to: ARPA@co.laurens.sc.us

Amount you are requesting: \$ 700,000

Section I: Organization Information

Name of Organization:	City of Laurens
Contact Name and title:	Eric Delgado, City Administrator
Mailing Address:	126 E Public Square Laurens, SC 29630
Street Address (if different):	Same
Phone Number:	864-872-2202
City, State, and Zip Code:	Laurens, SC 29630
Fax Number:	N/A
Email Address:	edelgado@cityoflaurens.com
Website:	www.cityoflaurens.com
How long has your organization been in existence?	Since 1873

NOTE: Attach a list of your organization’s governance body: Board of Directors, Chief Officers and Executive Director.

Tax Status (check one)

- Tax-exempt charitable organization (501(c)(3)) Governmental unit
- Other Tax-exempt (specify status) Federal State Local
- Church/Religious organization Unincorporated association
- Other (specify)

Please attach a copy of your organization’s IRS tax status determination letter (not applicable to government agencies or religious congregations). A tax-exempt identification number is not sufficient.

Federal Employer Identification Number:	57-6001065
---	------------

FOCUS AREA: (check one)

- Arts Community Development
- Education Environment
- Health and Wellness Public Safety
- Human Needs Youth Development

PROGRAM SERVICES (check one)

- Children Families Youth Senior Citizens
- Other (Specify)

Geographic area served:	City of Laurens
-------------------------	-----------------

Percentage of service delivered to the Citizens of Laurens County	# %100
---	--------

Section II: Financial Information

Applicant’s overall operating budget: \$8,000,000 Fiscal Year: 7/1/2022 to 6/30/2023

Please list the history of funding to your agency from Laurens County:

<u>Year</u>	<u>Amount</u>
2018	\$N/A
2019	\$N/A
2020	\$N/A

GIVE A BRIEF STATEMENT OF NEED FOR AMERICAN RESCUE PLAN ACT (ARPA) FUNDS.

“In our efforts to be green please use two sided copies”

This section is limited to 2900 characters including spaces, which is approximately 400 words

The May 2020 death of George Floyd was a focusing event for our nation. It reignited the racial justice aspect of the civil rights movement and brought awareness to the need for all levels of government to reexamine institutional policies. In Laurens, 75 people gathered in Courthouse Square in June of 2020 to peacefully protest racial disparities in criminal justice. Current research indicates that Americans are at risk of developing anxiety and depression due to perceived inequities in criminal justice outcomes. Depression and anxiety can have harmful community impacts due to their correlations with premature mortality, mental and physical decline, decreased wealth, and unemployment (Eichstaedt et al., 2021).

The City of Laurens prides itself on unity and its strong partnership with the community. However, the layout of its old police station and the municipal court is a ticking time bomb that threatens to destabilize reconciliation and criminal justice integrity. For example, defendants must first walk through the police department to access the municipal courtroom when they go to court. That is not conducive to the public need for a perception of due process, fairness, justice, and competent police. Another concern is that defendants, victims, and the public are often interviewed at the police station during tough investigations (rape, assaults, child abuse, domestic abuse). To attend court, they must walk through the police station. That walk can trigger emotions. Separation of the court from the police department will give defendants, victims, and the public, ease of mind. In other words, it will deter the anxiety they may face when having to come to the Municipal Building. It will also give protestors less to protest about, which in turn keeps the focus on all the good things that the County and City are accomplishing together (instead of negating them).

PLEASE LIST OTHER CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES ACT) / PAYCHECK PROTECTION PROGRAM (PPP) AND OR AMERICAN RESCUE PLAN ACT (ARPA) FUNDING YOUR ORGANIZATION RECEIVED (INCLUDING FROM OTHER GOVERNMENTS), THE AMOUNTS AND WHAT IT IS WAS USED FOR:

TYPE OF FUNDS RECEIVED CARES ACT/PPP AND OR ARPA	YEAR RECEIVED	DESCRIPTION OF WHAT FUNDS WERE USED FOR	AMOUNT
ARPA	2021	Premium Pay, IT, Capital	\$2,200,000

PLEASE COMPLETE THE FOLLOWING BUDGET BREAKDOWN SECTIONS ON THESE PAGES (NO ATTACHMENTS.) You may get these figures from your most recently submitted IRS Form 990, or you may simply use your overall operating budget.

Since this application is meant for a non-profit service provider, please refer to our attached financial statements for detailed accounting.

1. CONTRIBUTIONS, GIFTS, GRANTS & OTHER SIMILAR AMOUNTS

SOURCE	FY 2019	FY 2020	FY 2021
Government Grants			
Municipal	\$	\$	\$
County	\$	\$	\$
State	\$	\$	\$
Federal other than COVID-19 Funds	\$	\$	\$
Foundation Grants	\$	\$	\$
Contributions/Federated Campaigns	\$	\$	\$
Membership dues	\$	\$	\$
Fundraising events	\$	\$	\$
TOTAL CONTRIBUTED INCOME	\$ N/A	\$ N/A	\$ N/A

2. PROGRAM SERVICE REVENUE

SOURCE	FY 2019	FY 2020	FY 2021
Fees / Sold Services			
Services	\$	\$	\$
Tuition / Fees	\$	\$	\$
Workshops, Seminars, Lectures, etc.	\$	\$	\$
Other (specify)	\$	\$	\$
Other (specify)	\$	\$	\$
TOTAL PROGRAM SERVICES REVENUE	\$ N/A	\$ N/A	\$ N/A

3. OTHER REVENUE

SOURCE	FY 2019	FY 2020	FY 2021
Publications (Newsletters, etc.)	\$	\$	\$
Concessions and/or Merchandise	\$	\$	\$
Advertising	\$	\$	\$
Space Rental Fees	\$	\$	\$
Other (specify)	\$	\$	\$
Other (specify)	\$	\$	\$
TOTAL EARNED INCOME	\$	\$	\$
TOTAL COMBINED INCOME (1+2+3)	\$ 7,263,991	\$ 6,910,182	\$ 7,309,290

See Financials

4. EXPENSES

	FY 2019	FY 2020	FY 2021
Program Services	\$	\$	\$
Fundraising	\$	\$	\$
Administration, Management, General	\$	\$	\$
Other (Specify)	\$	\$	\$
TOTAL EXPENSES	\$ 6,894,253	\$ 7,260,988	\$ 7,430,164

See Financials

If your organization receives "in-kind" support, please list below:

SOURCE	TYPE OF IN-KIND SUPPORT

List funds already committed for the project for FY 2022 and the sources of these funds.

SOURCE	AMOUNT
ARPA	\$1,700,000
TOTAL:\$1,700,000	

Who in your organization is responsible for fundraising?

Staff Board of Directors Consultants Members/Volunteers

5. Will your organization's 2022 budget be significantly different than 2021 and prior years?

Yes (if yes, explain in the box below) No

6. FUNDING REQUEST FOR BUDGET YEAR 2022

Please provide breakdown by categories:

CATEGORY	PROGRAM SERVICES FY 2022	ADMINISTRATIVE/ GENERAL FY 2022
Supplies	\$ N/A	\$ N/A
Equipment (specify)	\$ N/A	\$ N/A
Travel/Training	\$ N/A	\$ N/A
Personnel	\$ N/A	\$ N/A
Marketing / Promotions	\$ N/A	\$ N/A
Other (specify)	\$ N/A	\$ N/A
TOTAL REQUESTED	\$ 4,000,000	\$ 4,000,000

SECTION III: Organizational Profile and Project Description

Briefly state the history and purpose of your organization.

The City of Laurens is a municipality located in South Carolina that provides public safety, zoning, fire, parks, and sanitation services to 9,335 residents. Its mission is to give residents and visitors a prosperous and safe place to learn, live, work, play, and explore the arts. A place where there are things to do for everyone, of all ages and backgrounds. A place where every business, event, tourist is an opportunity for full-time jobs, homeownership, and education. However, the layout of its municipal building is a detriment to communal health. To access the municipal court, defendants, victims, and the public must first walk through the city's police department. This creates a negative and unhelpful experience for residents who live and work here. Despite the best efforts of this municipality, the efficiency at which the people of the City of Laurens are served is delayed due to the current unaccommodating status of the Municipal building. This project will alleviate that issue by performing a remodel that separates the municipal courtroom from the police department. The total cost of the project is \$2,400,000. The city has budgeted \$1,700,000 for this project. Your investment of \$700,000 will complete the funding we need.

Describe in detail how the pandemic has affected your organization.

The COVID-19 Global Pandemic was a humbling experience for most municipalities across the country. Local Governments face challenges every day but the pandemic continuously challenged government officials in ways beyond expectation. Municipality works and services are incredibly intertwined with each other which demands the different departments to always be working together. However, the pandemic limited the ability of the municipality to provide the services that it was designed to. The biggest impact that the pandemic had was its illumination of the inadequacies of our public facilities. Public facilities, such as the Municipal building, were functioning the best to be expected given the age and status of the building. However, when the complications of the pandemic arose, staff and the public were limited in their abilities to gain access to necessary information as a direct result of the public facilities' functionality.

How will any funding awarded be utilized?

The City Plans to request \$700,000 of County APR Funds, while contributing the rest of the funds (\$1,700,000) for this project, which will total the project budget at \$2,400,000. The funds will be utilized in the following way:

- Architectural & Engineering Fees	\$240,000
- Asbestos and Hazard Assessment Fee	\$200
- Site Survey Fee	\$500
- Geotechnical Services Fee	\$2,500
- Special Inspections Fee	\$12,000
- Construction Costs	\$2,144,800

The project will be executed in 2 steps.

Step 1:

- Assessing the conditions of the existing building.
- Develop a space program outlining the size and technical requirements of each space needed in the Police Department and Judicial Center.
- The conceptual study establishes how the building facilitates the program of spaces, options for additions, site improvements, and exterior and interior rendering studies/inspirational images to determine exterior facade and internal design improvements.
- Schematic Design, including drawings and building system outline, finalizing the conceptual plan and appearance.
- Schematic estimate from a 3rd party estimate to determine the probable cost of the improvements. This is critical to plan the project's final scope to meet the City's budget.

Step 2 will include all the services necessary to advance the schematic design to biddable and permit documents, help manage the public bidding and contract negotiation process, and provide architectural services throughout construction to observe that the building is constructed by the design documents.

State your organization's ability to continue operations (i.e. current staffing levels, staff qualifications, prior experience, etc.)

The City of Laurens seeks to expand both its borders and its services. This growth is not only expected but encouraged at the administrative level. The dedication to the city's needs and services has always been this municipality's priority. This municipality has dedicated staff that is ready to take on the expected challenges that come with growth. This project will not only allow us to better serve the people that we currently have, but it will also allow the current staff to become more efficient. By funding this project, the City of Laurens can increase the number of dedicated civil servants and create more opportunities for success both within the municipality and in the community that it serves.

Discuss your organization's relationship with other programs in the community designed to meet the same or similar needs, especially those that provide services/assistance to those most impacted by the pandemic. Describe collaborative partnerships that may result.

The City of Laurens is consistently dedicated to establishing community partnerships to collaborate with throughout all its projects. These partnerships come in all shapes and sizes depending on the community's needs. Given the nature of this project, it appears that partnerships are unable to be used. However, there are two distinct ways that partnerships can be helpful in this context that will serve people across the city. Firstly, the architectural and engineering firms hired to complete this project will help this municipality design a new municipal building that will accommodate the needs of both the community and the municipality itself. In doing so, this will help the municipality move forward and overcome the challenges presented by the pandemic. Secondly, by completing this project, the municipality has the new opportunity to better serve every aspect of the community's needs. This project allows the community members to connect with new resources and establish partnerships that can further expand the municipality's goal of improving the community's access to better health and justice.

What is your plan for continuing your program(s) in the future, including funding sources?

The City of Laurens will utilize annual hospitality and capital reserve mileage revenue for the day-to-day maintenance and sustainability of the Municipal Building. Periodically, the city will write for federal Community Block Grants to upgrade the Municipal Building to meet community needs. Architectural firm CDG will address the Municipal Building's long-term maintenance cost through the performance of space studies and by incorporating design elements that include long-lasting materials and energy-efficient systems. The long-term goal for this project is to provide a public space that improves community health, the perception of justice (due process, fairness, equity), operational efficiency, and off-the-square revitalization.

I hereby certify that the applicant organization complies with all Americans with Disabilities Act requirements, and does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from Laurens County will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Community Assistance Funding will comply with state regulations requiring organizations to be registered with the South Carolina Secretary of State's Division of Public Charities.

Robert Delgado

3-29-22

Signature of Chief Executive Officer or Executive Director

Date

Robert Delgado, City Administrator

Name and Title (please print)

Leslie Mattison

3/29/22

Signature of Chief Financial Officer or Board Chairperson

Date

Leslie Mattison, City Clerk

Name and Title (please print)

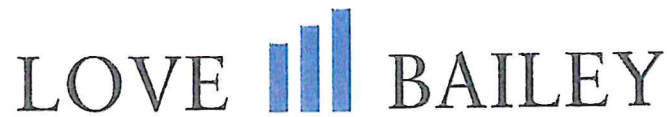
**CITY OF LAURENS, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021**

**CITY OF LAURENS, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
JUNE 30, 2021**

TABLE OF CONTENTS

FINANCIAL SECTION

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
FINANCIAL STATEMENTS	
Government-wide financial statements	
Statement of net position	9
Statement of activities	10
Fund financial statements	
Balance sheet - governmental funds	11
Reconciliation of the balance sheet of governmental funds to the statement of net position	12
Statement of revenues, expenditures and changes in fund balances - governmental funds	13
Reconciliation of statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	14
Balance sheet - fiduciary fund	15
Statement of activities - fiduciary fund	16
NOTES TO FINANCIAL STATEMENTS	17
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of revenues, expenditures and changes in fund balances - general fund - budget and actual	45
Schedule of pension plan contributions	46
Schedule of proportionate share of the net pension liability	47
Schedule of changes in total OPEB liability	48
Schedule of Net OPEB Liability	49
OTHER SUPPLEMENTAL INFORMATION	
Schedule of expenditures by department - general fund - budget and actual	50
Schedule of revenues, expenditures and changes in fund balances - hospitality fund - budget and actual	55
Schedule of fines, assessments, and surcharges	56



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
City of Laurens
Laurens, South Carolina

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 opinion.

Opinion

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 City of Laurens, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in Note 13 to the financial statements, the City recorded prior period adjustments related to cash balances, accounts receivable and the implementation of GASB #84 (see Note 1).

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Laurens, South Carolina's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, this supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Love Bailey & Associates, LLC

Love Bailey & Associates, LLC
Laurens, South Carolina
December 30, 2021

INTRODUCTORY SECTION

**CITY OF LAURENS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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

Financial Highlights

- The net position of the City decreased by \$120,874 for the fiscal year ended June 30, 2021, to a balance of \$8,641,332.
- As of the close of the current fiscal year, the City's governmental funds reported an ending fund balance of \$3,841,951, a decrease of \$877,643 from the prior year's fund balance. The City had \$854,185 in capital expenditures during fiscal year 2021.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$2,754,262, which is 82% of the General Fund expenditures for the fiscal year.
- The City's net position at June 30, 2021 was \$8,641,322, unrestricted portion was \$(2,554,883) however if the GASB 68 (pension liability) and GASB 75 (OPEB liability) were removed the City's unrestricted balance would be \$3,197,711.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Laurens' basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide the reader with a broad overview of the City of Laurens' finances, in a manner similar to private-sector business. The government-wide financial statements include the *statement of net position* and the *statement of activities*.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal period (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide statement of activities reports functions of the City of Laurens. Governmental activities are activities that are principally supported by taxes and intergovernmental revenues. Business-type activities are functions that are intended to recover all or a significant portion of their costs through user fees and charges. The City reports no business-type activities. The governmental activities of the City of Laurens include general government, public safety, highways and streets, economic development,

**CITY OF LAURENS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

culture and recreation, and streets and sanitation. Property taxes, licenses and permits, intergovernmental revenues, charges for services and contributions finance most of these activities.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Laurens, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as state statutes, the City's budget ordinance, or federal grant requirements.

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

The *fund financial statements* include the governmental fund *balance sheet and statement of revenues, expenditures, and changes in fund balances*.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. *Fiduciary funds* are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Laurens' own programs. The accrual basis of accounting is used for fiduciary funds.

Budget. The City of Laurens adopts an annual appropriated budget for its general fund, as required by South Carolina State Law. The City also adopts a budget for the special revenue fund. A budget, by definition, is a legal limit to spending. The budget is a legally adopted document that incorporates input from the management of the City, the City Council, and the citizens of the City, about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, the report also contains certain required supplementary information in the form of a general fund budgetary comparison.

**CITY OF LAURENS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Laurens, assets and deferred outflows of the City of \$18,586,607 exceeded liabilities and deferred inflows by \$8,641,322 as of June 30, 2021. This is a decrease in total net position of \$120,874 for the fiscal year, due to revenues and grants less than expenses. Net position is reported in three categories: Net investment in capital assets, net of related debt of \$10,149,852, restricted net position of \$1,046,353 and unrestricted net position of (\$2,554,883).

The largest portion of the City's net position reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Laurens' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The category of restricted net position represents resources that are subject to restrictions that are externally imposed. At June 30, 2021 the City had restrictions as follows:

Restricted for Victims' Assistance	\$	11,563
Restricted for Law Enforcement		2,504
Restricted for Tourism		497,882
Restricted for Capital Equipment		534,404

The remainder of unrestricted net assets is a negative balance of \$2,554,883.

Statement of Net Position	2021	2020
Current and Other Assets	\$ 4,404,711	\$ 4,894,303
Capital Assets	<u>12,814,659</u>	<u>12,548,884</u>
Total Assets	<u>17,219,370</u>	<u>17,443,187</u>
Deferred Outflows of Resources	<u>1,367,237</u>	<u>1,155,709</u>
Long-term Liabilities	9,541,239	9,411,757
Other Liabilities	<u>160,647</u>	<u>193,773</u>
Total Liabilities	<u>9,701,886</u>	<u>9,173,041</u>
Deferred Inflows of Resources	<u>243,399</u>	<u>330,485</u>
Net Position		
Invested in Capital Assets, net	10,149,852	9,467,525
Restricted	1,046,353	1,226,236
Unrestricted	<u>(2,554,883)</u>	<u>(2,030,880)</u>
Total Net Position	<u>\$ 8,641,322</u>	<u>\$ 8,662,881</u>

**CITY OF LAURENS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Impact of GASB Statement No. 68 and No. 75 on Net Position of the City

The GASB (Government Accounting Standards Board) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment benefits Other Than Pensions" has had a significant impact on the City's financial position.

As a long-term obligation, the net pension liability and net other post-employment benefits is not recorded in the modified accrual basis financial statements of governmental funds. It does not impact the current resources focus of the governmental funds and does not impact the modified accrual fund-level budget-to-actual comparison. In fiscal year 2021, the City's unrestricted net position decreased by \$95,334, exclusive of the GASB 68 and 75 impact.

Following is the City's net position with the GASB 68 impact reported discretely.

Net Position	2021	2020	Increase (Decrease)
Net investment in capital assets	\$ 10,149,852	\$ 9,467,525	\$ 682,327
Restricted	1,046,353	1,226,236	(179,883)
Unrestricted	(2,554,883)	(1,931,565)	(623,318)
Unrestricted (GASB 68/75)	<u>5,752,594</u>	<u>5,505,174</u>	<u>247,420</u>
Total net position	<u>\$ 14,393,916</u>	<u>\$ 14,267,370</u>	<u>\$ 126,546</u>

**CITY OF LAURENS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

The following table shows a recap of revenues and expenses for fiscal year 2021, with comparative data for fiscal year 2020:

Changes in Net Position

	2021	2020	Percentage Change
Revenues			
Program revenues			
Charges for services	\$ 2,047,868	\$ 1,883,790	8.7%
General revenues			
Property taxes	1,855,560	1,881,101	-1.4%
Local option sales tax	711,862	585,116	21.7%
Other taxes	739,716	684,440	8.1%
Intergovernmental	1,582,216	1,502,418	5.3%
Other	372,068	373,317	-0.3%
Total revenues	7,309,290	6,910,182	5.8%
Expenses			
General government	2,109,313	1,812,119	16.4%
Law enforcement	2,119,433	2,130,072	-0.5%
Fire protection	821,723	814,038	0.9%
Streets and sanitation	1,102,817	1,122,467	-1.8%
Recreation, community development, Contributions and tourism	1,190,225	1,294,254	-8.0%
Interest and other charges	86,653	88,038	-1.6%
Total expenses	7,430,164	7,260,988	2.3%
Change in net position	(120,874)	(350,806)	
Net position, beginning	8,762,196	9,113,002	
Net position, ending	\$ 8,641,322	\$ 8,762,196	

Governmental Funds. The fund balance of all governmental funds for the City of Laurens was \$3,841,951 at June 30, 2021, which is a decrease of \$877,643 from the prior year.

General Fund Budgetary Highlights. Actual General Fund expenditures were \$291,807 over budgeted amounts, primarily over/under in most departments however special projects were unbudgeted. Total revenues were \$439,289 under budget, primarily due to property taxes, state rebates and police fines all under budget.

Capital Asset and Debt Administration

Capital Assets. The City of Laurens' investment in capital assets for its governmental activities as of June 30, 2021, totals \$12,814,659 (net of accumulated depreciation). These assets include buildings, land, land improvements, vehicles, equipment, and intangibles.

**CITY OF LAURENS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Capital Assets

	2021	2020
Land and land improvements	\$ 3,566,615	\$ 3,566,615
Buildings	6,151,104	5,652,569
Improvements other than buildings	2,180,050	2,137,965
Vehicles and equipment	916,890	1,191,735
Total	<u>\$ 12,814,659</u>	<u>\$ 12,548,884</u>

This year's major capital asset additions were the fire truck and freightliner, street paving and parks/recreation equipment and improvements.

Long-term Debt. State of South Carolina State Law limits the amount of general obligation debt that a municipal government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt limit available to the City for general obligation debt is \$1,844,000, based on 8% of the property tax valuation of \$23,048,030. At June 30, 2021, the City had general obligation outstanding debt of \$440,000.

The City repaid principal of \$430,648 on bonds and capital leases during the year.

	2021	2020
Revenue bonds	\$ 1,519,125	\$ 1,727,010
General obligation bonds	440,000	580,000
Lease purchase - 2020	534,404	600,504
Capital lease obligations	681	15,614
	<u>\$ 2,494,210</u>	<u>\$ 2,923,128</u>

Contracting the City of Laurens Financial Management

This financial report is designed to provide our citizens with a general overview of the City of Laurens' finances and to demonstrate the City's accountability for the money it receives. If you have questions concerning this report or requests for additional information, contact Mayor Nathan Senn, or Gary C. Coleman, City Administrator, 126 East Public Square, Laurens, South Carolina 29360.

FINANCIAL SECTION

CITY OF LAURENS, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,980,472
Property taxes receivable	475,182
Other receivables	427,072
Prepaid expenses	33,740
Restricted cash and cash equivalents	488,245
Capital assets, non-depreciable	
Land and land improvements	3,566,615
Capital assets, net of accumulated depreciation	
Buildings	6,151,104
Improvements other than buildings	2,180,050
Vehicles and equipment	<u>916,890</u>
Total assets	<u>17,219,370</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension charges	1,323,094
Deferred OPEB charges	<u>44,143</u>
Total deferred outflows of resources	<u>1,367,237</u>
LIABILITIES	
Accounts payable	89,682
Accrued liabilities	70,965
Noncurrent liabilities	
Net OPEB obligation	393,163
Net pension liability	6,483,269
Due within one year	430,994
Due in more than one year	<u>2,233,813</u>
Total liabilities	<u>9,701,886</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension charges	240,473
Deferred OPEB charges	<u>2,926</u>
Total deferred inflows of resources	<u>243,399</u>
NET POSITION	
Net investment in capital assets, net of debt	10,149,852
Restricted	1,046,353
Unrestricted	<u>(2,554,883)</u>
Total net position	<u>\$ 8,641,322</u>

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

**CITY OF LAURENS, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 2,109,313	\$ 1,580,924	\$ -	\$ (528,389)
Law enforcement	2,119,433	90,975	-	(2,028,458)
Fire protection	821,723	-	-	(821,723)
Streets and sanitation	1,102,817	325,477	-	(777,340)
Recreation, special projects, contributions, and tourism	1,079,515	50,492	-	(1,029,023)
Community development	110,710	-	-	(110,710)
Interest and other charges	86,653	-	-	(86,653)
Total governmental activities	<u>\$ 7,430,164</u>	<u>\$ 2,047,868</u>	<u>\$ -</u>	<u>(5,382,296)</u>

GENERAL REVENUES

Property taxes, levied for operations	1,855,560
Local option sales tax	711,862
State aid to local governments	838,960
Payments in lieu of tax	14,078
Local hospitality and accommodations fees	725,638
Commission of public works franchise fee	743,256
Property rental income	203,877
Cable TV and video franchise fees	134,269
One percent	16,531
Unrestricted investment income	8,281
Miscellaneous revenue	9,110
Total general revenues	<u>5,261,422</u>
Change in net position	(120,874)
Net position, beginning of year, as restated	<u>8,762,196</u>
Net position, end of year	<u>\$ 8,641,322</u>

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

**CITY OF LAURENS, SOUTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General	Other Governmental Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,980,472	\$ -	\$ 2,980,472
Property taxes receivable	475,182	-	475,182
Other receivables	357,614	69,458	427,072
Due from other funds	38,158	(38,158)	-
Prepaid items	33,740	-	33,740
Cash and cash equivalents, restricted	14,067	474,178	488,245
Total assets	<u>\$ 3,899,233</u>	<u>\$ 505,478</u>	<u>\$ 4,404,711</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 89,682	\$ -	\$ 89,682
Accrued liabilities	70,965	-	70,965
Total liabilities	<u>160,647</u>	<u>-</u>	<u>160,647</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - taxes	402,113	-	402,113
Total deferred inflows of resources	<u>402,113</u>	<u>-</u>	<u>402,113</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	33,740	-	33,740
Restricted:			
Capital equipment	534,404	-	534,404
Recreation and tourism	-	497,882	497,882
Victims' assistance	11,563	-	11,563
Law enforcement	2,504	-	2,504
Unassigned:	2,754,262	7,596	2,761,858
Total fund balances	<u>3,336,473</u>	<u>505,478</u>	<u>3,841,951</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,899,233</u>	<u>\$ 505,478</u>	<u>\$ 4,404,711</u>

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

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

Total fund balance		\$ 3,841,951
Amounts reported for governmental activities in the statement of net position are different because:		
Property taxes receivable are not considered available and are deferred in the funds.		402,113
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.		
Cost of capital assets	20,268,109	
Accumulated depreciation	<u>(7,453,450)</u>	12,814,659
The City's proportionate share of net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plan are not recorded in the government funds but are recorded in the statement of net position.		(5,400,648)
Net OPEB obligations are not due and payable in the current period and, therefore, are not reported in the funds.		(393,163)
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds.		41,217
Long-term liabilities, including bonds payable and capital lease obligations, are not due and payable in the current period, and, therefore, are not reported as liabilities in the governmental funds balance sheet. Long-term liabilities at year end consist of:		
Compensated absences payable	(170,597)	
Capital lease obligations	(681)	
Note payable	(534,404)	
Revenue bonds payable	(1,519,125)	
General obligation bonds payable	<u>(440,000)</u>	(2,664,807)
Total net position		<u>\$ 8,641,322</u>

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

CITY OF LAURENS, SOUTH CAROLINA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUE			
Property tax	\$ 1,547,793	\$ -	\$ 1,547,793
Local option sales tax	711,862	-	711,862
State rebates	838,960	-	838,960
Business licenses	1,419,608	-	1,419,608
Hospitality fees	-	725,638	725,638
Police fines (net of state assessments)	90,975	-	90,975
Recreation program fees	17,634	-	17,634
Park concession income	533	-	533
Payments in lieu of tax	14,078	-	14,078
Commission of public works	743,256	-	743,256
Residential garbage fees	325,477	-	325,477
Vehicle fee	110,616	-	110,616
Building permits	33,800	-	33,800
Interest received	7,938	343	8,281
Franchise fees	134,269	-	134,269
Occupancy permits	16,900	-	16,900
Rent - SunTrust building	203,877	-	203,877
Rentals - other	32,325	-	32,325
One percent	-	16,531	16,531
Miscellaneous revenue	9,110	-	9,110
Total revenues	<u>6,259,011</u>	<u>742,512</u>	<u>7,001,523</u>
EXPENDITURES			
General governmental	1,794,226	-	1,794,226
Law enforcement	1,972,330	-	1,972,330
Fire protection	731,998	16,174	748,172
Streets and sanitation	1,079,281	-	1,079,281
Recreation, special projects, contributions, and tourism	549,336	364,336	913,672
Capital outlay	809,465	44,720	854,185
Debt service	356,921	160,379	517,300
Total expenditures	<u>7,293,557</u>	<u>585,609</u>	<u>7,879,166</u>
Excess (deficiency) of revenues Over expenditures	<u>(1,034,546)</u>	<u>156,903</u>	<u>(877,643)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>39,854</u>	<u>(39,854)</u>	<u>-</u>
Net changes in fund balances	(994,692)	117,049	(877,643)
Fund balances, beginning of year, as restated	<u>4,331,165</u>	<u>388,429</u>	<u>4,719,594</u>
Fund balances, end of year	<u>\$ 3,336,473</u>	<u>\$ 505,478</u>	<u>\$ 3,841,951</u>

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

CITY OF LAURENS, SOUTH CAROLINA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Net change in fund balances		\$ (877,643)
Amounts reported for governmental activities in the statement of activities are different because of the following:		
Revenues that do not provide current financial resources are not reported as revenues in the funds, net change change in unavailable property tax revenue		307,767
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over the estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the period.		
Capital outlay	854,185	
Depreciation expense	<u>(588,410)</u>	265,775
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This is the decrease in liability for compensated absences.		(14,096)
Changes in the City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the to future periods and, therefore, are not reported in the funds.		(233,324)
The issuance of long-term debt (e.g., notes, bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		<u>430,647</u>
Change in net position		<u><u>\$ (120,874)</u></u>

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

CITY OF LAURENS, SOUTH CAROLINA
STATEMENT OF NET POSITION -
FIDUCIARY FUND
JUNE 30, 2021

ASSETS

Current assets

Cash and cash equivalents

\$ 39,456

Total assets

\$ 39,456

LIABILITIES

Long-term liabilities

Due to other funds

\$ 39,456

Total liabilities

\$ 39,456

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

**CITY OF LAURENS, SOUTH CAROLINA
STATEMENT OF ACTIVITIES -
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2021**

REVENUE	\$ 18,046
EXPENDITURES	
Supplies	<u>16,599</u>
Change in net position	1,447
Net position, beginning of year	<u>38,009</u>
Net position, end of year	<u><u>\$ 39,456</u></u>

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

CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Laurens, South Carolina (the “City”) was incorporated on December 22, 1873 by the Secretary of State of the State of South Carolina. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the City of Laurens, South Carolina, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The City’s combined financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City’s reporting entity are set forth in Government Accounting Standards Board Statement No. 14. The criteria include whether: the City is able to impose its will on the organization, the organization has the potential to impose a financial benefit/burden on the City and there is fiscal dependency by the organization on the City. Based in these criteria, the City of Laurens has no component units.

Specifically excluded is the Combined Utilities Commission of the City of Laurens. This stand-alone utility, established under state law, has a five-member board elected by the registered voters of Laurens. The Commission of Public Works provides street lights and utilities to the City. It also pays the City of Laurens a franchise fee on its electricity and natural gas sales. All real estate owned by the Commission of Public Works is recorded in the name of the City of Laurens. Although City Council must approve bond issues of the Commission of Public Works, the City is not obligated on any debt issued by the Commission, either directly or morally.

Basis of Presentation

The government-wide financial statement of net position and the statement of activities report information about the City as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The City does not operate any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program.

Program revenues include 1) fees, fines, and charges paid by the recipients of goods or services offered by the programs and 2) 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.

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund Financial Statements: The City segregates transactions related to certain functions or activities into separate funds in order to aid financial management and demonstrate legal compliance. Separate statements are presented for each fund category – *governmental, proprietary, and fiduciary*. The City of Laurens currently has no proprietary or capital projects funds.

The City reports the following major governmental funds:

The General Fund is the operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The City makes debt service payments out of the general fund.

The Special Revenue Fund is used to account for hospitality and accommodation fee collections and expenditures and one percent fund.

Additionally, the City reports the following fund types:

Fiduciary Funds are used to account for assets held by the City as an agent for other funds. These resources are custodial in nature and do not involve measurement of results of operations.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position.

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the City considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the City.

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Change in Accounting Principle

The City adopted Governmental Accounting Boards (“GASB”) Statement No. 84 “Financial Activities” (“Statement” or “GASB #84”) for the year ended June 30, 2021. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement made it clear that the Firefighters’ one percent balances and activities should be reported by the City in a special revenue fund. The balances and activities were previously not recorded.

The adoption of GASB #84 has resulted in the restatement of the City’s fund balance and net position as of July 1, 2021 for its governmental fund financial statements and its government-wide financial statements to reflect the reporting of the Firefighters’ One Percent Fund. See Note 18 for further information regarding the restatement.

Budgetary Control

Prior to April 1, the mayor submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. By state law, the expenditures and revenues must be in balance.

All City Council meetings are open to the public. The City Council discusses the proposed budget at these public meetings and makes changes as it desires. The budget is passed as an ordinance and takes two votes at two different public meetings to adopt it. It is always adopted prior to the beginning of the fiscal year on July 1.

The general fund, which is the operating fund of the City, is budgeted. This budget includes authority for the acquisition of all capital assets. All expenditures are presented in comparison with the budget.

Budgets for the general fund and special revenue fund are adopted on a basis consistent with generally accepted accounting principles. All changes to the budget are authorized by City Council in subsequent meetings. The Mayor has authority to make line-item changes in the budget.

Cash, Cash Equivalents and Investments

All budget items lapse at year end unless City Council designates the unspent items to be carried forward. The budget presented is as originally adopted, with no amendments being made to the original budget.

Cash, cash equivalents and investments are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for Investment Pools. Investment policies of the City must operate within existing state statutes of the State of South Carolina, which authorizes what the City may and may not invest in. At June 30, 2021, the City did not have any investments.

Inventory

The City does not inventory expendable supplies held for consumption.

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible taxes receivable are based upon historical trends and the aging of taxes receivable.

Nonexchange transactions collectible but not available such as property taxes are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interfund Receivables and Payables

During the course of operations, numerous transactions may occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due to/from other funds” on the fund financial balance sheet. Interfund balances are eliminated on the government-wide statement of net position.

Capital Assets

Fund Financial Statements

Property and equipment are accounted for as capital outlay expenditures in the governmental funds upon acquisition.

Government-wide Statements

Property and equipment having a useful life of more than one year and a historical cost greater than \$5,000 are accounted for as capital assets in the government-wide statements. All capital assets are valued at historical cost, estimated historical cost if actual cost is unavailable, or estimated fair market value for donated assets.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with capital assets shown net of accumulated depreciation in the statement of net assets. Depreciation is provided over the assets’ estimated useful lives using straight-line depreciation. The range of estimated useful lives by type of asset is as follows:

Type of Asset	Estimated Useful Life
Buildings	40 to 50 years
Vehicles and equipment	5 to 39 years
Improvements other than buildings	5 to 50 years

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

Accumulated unpaid vacation pay is accrued in the government-wide financial statements. The City does not allow sick pay to accumulate; consequently, no liability for it is booked.

Long-term Obligations

In the government-wide financial statements, long-term debt, capital lease obligations, and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. In the fund financial statements, the face amount of debt issued is reported as other financing sources. A liability for compensated absences and other post-employment benefits is reported in the Statement of Net Position; whereas, in the governmental funds, a liability for these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements.

(Continued)

CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has two types of deferred outflows of resources: (1) the City reports deferred outflows related to pensions in its statement of net position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System and (2) the City also reports deferred outflows related to OPEB in its statement of net position in connection with its OPEB plan provided to employees. These *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liabilities or (b) amortized in a systematic and rational method as expense in future periods in accordance with GAAP.

In addition to liabilities, the statements of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has three types of deferred inflows of resources: (1) The City reports *unavailable revenues* only in the governmental funds balance sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available. (2) The City reports *deferred inflows related to pensions* in its statement of net position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (3) The City also reports deferred inflows related to OPEB in its statement of net position in connection with its OPEB plan provided to employees. These *deferred pension and OPEB inflows* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

Net Position and Fund Balance

Net position in the government-wide financial statements represents the difference between assets and liabilities.

Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position represents all other net position not meeting the definition of restricted or net investment in capital assets.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund balance in the governmental fund financial statements is classified in five categories as follows:

(Continued)

CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Nonspendable

Nonspendable fund balances include amounts that are not in spendable form or are legally required to remain intact.

Restricted

Restricted fund balances include amounts that have external restrictions by either grantors, debt covenants, laws, or other governments.

Committed

Committed fund balances include amounts that are committed to a specific purpose by the City Council.

Assigned

Assigned fund balances include amounts that are constrained by limitations resulting from intended uses as established by the City Council.

Unassigned

Unassigned fund balance includes amounts that have not been assigned to any purpose.

Unless specifically designated otherwise, fund expenditures and encumbrances are subtracted from restricted fund balance to the extent of restricted fund balance revenue, followed by committed fund balance, assigned fund balance, and unassigned fund balance, respectively.

Pensions

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

(Continued)

CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City can access at the measurement date.
- Level 2 Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:
 - Quoted prices for similar assets and liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted market prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology that are unobservable for an asset or liability and include:
 - Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The City believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Comparative data

Comparative data (i.e. presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2 – CASH AND INVESTMENTS

Cash is maintained in demand deposits or savings accounts, certificates of deposit or U.S. Government Securities. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the City.

Interest rate risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. As of June 30, 2021, the City's cash with the Laurens County Treasurer is invested in instruments allowed under state laws.

Concentration of credit risk. The City's investment policy currently does not involve investment in any individual issuers. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds and external investment pools are excluded from this disclosure requirement.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy is that all deposits in excess of federal insurance amounts be collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. At June 30, 2021, all deposits were fully collateralized.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments are not subject to custodial credit risk. The City does not have an investment policy for custodial credit risk but follows the investment policy statutes of the state of South Carolina.

As of June 30, 2021 the City had deposits and investments as follows:

Deposits with financial institutions	\$ <u>2,980,472</u>
--------------------------------------	---------------------

Restricted Cash – General Fund

Certain cash, cash equivalents and investments of the City are legally restricted for specified purposes. Restricted cash at June 30, 2021 were as follows:

Victims assistance	\$ 11,563
Law enforcement	2,504
Hospitality	<u>474,178</u>
	<u>\$ 488,245</u>

CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – PROPERTY TAXES

Property taxes are levied based on a calendar year (January 1 – December 31). The property tax assessment for taxes, other than vehicle taxes, is formally levied in October on property values assessed as of the same date. Vehicle property taxes are billed monthly as license tags renew. The property tax bills are mailed in October and are payable between November 1 and January 15. Liens attach to the property at the time taxes are levied. A three percent penalty is assessed on taxes unpaid at January 16. All property taxes are billed and collected by Laurens County, and these collections are remitted to the City. Property tax revenues are recognized when they become available, including those property tax receivables expected to be collected within sixty days after yearend.

The millage rate was 123.5 for the 2021 tax year and the assessed valuation of real property was \$23,048,030. The purpose of the levies was for current expenditures and to defray public expenditures of the City as well as to meet current indebtedness contracted by the City for general corporate purposes.

Tax Abatement

The County of Laurens provides tax abatements under a Fee-in-Lieu of Tax and Special Source Revenue Credit Program (FILOT + SSRC). Fee-in Lieu of Tax and Special Source Revenue Credit Program (FILOT + SSRC) offers individual incentive packages by abating property taxes to attract new business to the County and to retain current businesses. The Fee-in Lieu of Tax and Special Source Revenue Credit Program (FILOT + SSRC) was established by SC Code Title 12, Chapter 44 and Title 4, Chapter 12 as SC Code Sections 4-29-68, 4-1-170, and 12-44-70. Generally, for taxpayers to be approved for this program they must agree to invest the statutory minimum (A higher amount may be negotiated) within the investment period. The investment period begins on the day in which the property described in the agreement is entered into service and ends at an agreed upon point in time. The taxpayer must also agree to incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project, or certain aircraft within the investment period. The investment period begins on the day in which the property described in the agreement is entered into service and ends at an agreed upon point in time.

Once the investment period begins in the FILOT agreement, the taxpayer may receive a reduction of assessed rate, reduction in millage rate and elimination of (or reduction in) the number of times the millage rates change for the property over the length of the agreement. The taxpayer will receive a specified percentage refund of their fee-in-lieu of tax payment within 30 days of their FILOT payment.

Once the investment period begins in the SSRC agreement, the taxpayer will receive a specified percentage refund of their property taxes for the property included in the agreement within 30 days of their property tax payment.

The City of Laurens' property tax revenues were reduced by approximately \$68,000 for the 2021 tax year under agreements entered into by Laurens County.

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – PROPERTY TAXES, Continued

Unearned and unavailable revenues

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available (not collected within 60 days of year-end) to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). At June 30, 2021, the General Fund had approximately \$402,000 in revenue related to property taxes that was not available (unavailable revenue).

NOTE 4 – RECEIVABLES

Receivables consist of the following:

Property taxes	\$	475,182
Hospitality and accommodations tax		69,458
LOST revenue and aid to subdivisions		168,452
Other		189,162
Total	\$	902,254

Receivables are presented in the governmental funds statements and the government-wide statements net of estimated uncollectible accounts.

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Non-Depreciable				
Land	\$ 3,566,615	\$ -	\$ -	\$ 3,566,615
Total Capital Assets, Non-Depreciable	3,566,615	-	-	3,566,615
Capital Assets, Depreciable				
Buildings, Furniture and Fixtures	7,873,990	-	-	7,873,990
Improvements nonbuildings	3,339,460	170,283	-	3,509,743
Vehicles and other equipment	4,633,859	683,902	-	5,317,761
Total Capital Assets, Depreciable	15,850,309	854,185	-	16,701,494
Less: Accumulated Depreciation	(6,865,040)	(588,410)	-	(7,453,450)
Total Capital Assets, Depreciable, Net	8,985,269	265,775	-	9,248,044
Total Capital Assets, Net	\$ 12,551,884	\$ 265,775	\$ -	\$ 12,814,659

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 – CAPITAL ASSETS, Continued

Depreciation expense was charged to governmental activities as follows:

General government	\$ 67,667
Law enforcement	147,103
Fire protection	73,551
Street and sanitation	23,536
Recreation and special projects	276,553
Total governmental activities depreciation expense	<u>\$ 588,410</u>

NOTE 6 – LONG-TERM DEBT

The following is a summary of changes in the City's long-term obligations for the year ended June 30, 2021:

	Balance 6/30/2020	Additions	Reductions	Balance 6/30/2021	Due Within One Year
Governmental Activities:					
2006 Revenue Bond	\$ 372,010	\$ -	\$ 87,885	\$ 284,125	\$ 59,730
2014 G.O. Bond	580,000	-	140,000	440,000	145,000
2014 Revenue Bond	1,355,000	-	120,000	1,235,000	120,000
Total bonds	<u>2,307,010</u>	-	<u>347,885</u>	<u>1,959,125</u>	<u>324,730</u>
Lease purchase - 2020	604,504	-	70,100	534,404	71,464
Capital leases	13,344	-	12,663	681	681
Compensated absences	156,501	14,096	-	170,597	34,119
Total gov. activities	<u>\$ 3,081,359</u>	<u>\$ 14,096</u>	<u>\$ 430,648</u>	<u>\$ 2,664,807</u>	<u>\$ 430,994</u>

General Obligation Bonds, Revenue Bonds

On December 15, 2006, the City issued \$1,050,000 in revenue bonds to finance the purchase of the SunTrust Building. Public Facilities Revenue Bond Series A, was issued for \$393,000 at 4.28%. Public Facilities Revenue Bond Series B, was issued for \$657,000 at 6.45%. Both revenue bonds will be repaid over fifteen years. At June 30, 2021, \$284,125 of these public facilities revenue bonds remains outstanding.

On October 30, 2014, the City issued revenue bonds in the amount of \$1,900,000. The proceeds of this Special Obligation Bond, Series 2014 were used for the acquisition and construction of tourism-related projects and other public facilities. Principal and interest on the bonds is paid from hospitality fees. The bonds carry interest at 2.98%. Principal and interest is being repaid over 15 years beginning October 1, 2015, in principal amounts ranging from \$105,000 to \$155,000. The balance outstanding at June 30, 2021 is \$1,235,000.

On December 4, 2014, the City issued general obligation bonds in the amount of \$1,100,000. The proceeds were used for the acquisition and construction of public facilities. Principal and interest on the bonds is paid from general revenues. The bonds carry interest at 2.28%. Interest only payments are due each March 1 and June 1 until March, 2017. Principal will be repaid in amounts ranging from \$105,000 to \$155,000, beginning March 1, 2017 and maturing March 1, 2024. The balance outstanding at June 30, 2021 is \$440,000.

(Continued)

CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – LONG-TERM DEBT, Continued

Lease purchases

On June 24, 2020, the City entered into a \$600,504 lease purchase for various capital equipment. The lease purchase has annual payments of \$81,789 beginning in June 2021 which includes interest at 1.92%. The debt was a direct borrowing/direct placement. At June 30, 2021 the outstanding lease purchase agreement was \$534,404.

Year Ending June 30,	General Obligation Bonds		Revenue Bonds		Lease Purchase		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$145,000	\$10,032	\$ 179,730	\$ 61,841	\$ 71,464	\$ 10,325	\$ 478,392
2023	145,000	6,726	170,398	54,265	72,855	8,934	458,178
2024	150,000	3,420	178,415	47,546	74,253	7,536	461,170
2025	-	-	186,631	40,882	75,719	6,070	309,302
2026	-	-	190,062	33,874	77,193	4,596	305,725
2027- 2030	-	-	613,889	72,583	158,919	4,660	850,051
	<u>\$440,000</u>	<u>\$20,178</u>	<u>\$1,519,125</u>	<u>\$ 310,991</u>	<u>\$ 530,403</u>	<u>\$ 42,121</u>	<u>\$2,862,818</u>

Capital Lease Obligations

The City leases street maintenance and sanitation equipment, police cars and fire trucks through capital leasing arrangements. The assets are recorded as capital assets and as long-term liabilities of governmental activities.

The following is an analysis of leased assets included in capital assets:

Motor vehicles and equipment	\$ 504,760
Less: accumulated depreciation	<u>(214,238)</u>
	<u>\$ 290,522</u>

The future minimum capital lease obligations are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	<u>\$ 680</u>	<u>\$ 49</u>	<u>\$ 729</u>

Compensated Absences

It is the City's policy to allow the employees to accumulate unused annual vacation pay benefits with a maximum cap of thirty days or 240 hours. Accumulated unused vacation pay may be carried over each calendar year and is payable upon termination or retirement. The general fund is used to liquidate compensated absences incurred in governmental activities.

Accrued sick leave is not payable upon termination. Therefore, no provision for accrued sick leave has been made in these financial statements.

CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City's post-employment benefit plan is a single employer plan that pays a portion of the health insurance premiums and dental benefit premiums for its retirees. Coverage is provided through the Employee Insurance Program for the State of South Carolina. City Council establishes plan policies, including benefits and contribution requirements of the City and plan members, which may be amended at its discretion. The City's post-employment benefit plan does not issue a publicly available report.

The Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust (SC ORBET), an agent multiple-employer irrevocable trust administered by the Municipal Association of South Carolina. The Trust allows the member to pre-fund future obligations. Each participating employer is responsible for determining the appropriate amount of contributions to remit to the Trust. Each member continues to contract with its current health care provider for retiree health coverage. The Trust pays the benefits chosen by the employer directly to the employer or provider. Each member shares in the Trust's administrative and investment related expenses, lowering the overall costs to each local government.

Participants in the City's plan must be eligible to retire from the South Carolina Retirement System (SCRS or PORS), have at least 20 years of consecutive service with the City, and are within 5 years of being Medicare eligible.

The plan also provides coverage to disabled retirees and their dependents on the same basis as other retirees. Disabled retirees must also have 20 years of consecutive service with the City.

Employees hired before January 1, 2002 are grandfathered under the policy adopted on November 19, 1985 which requires an employee to have 20 years of continuous service and are 55 years of age.

The City pays the employer portion of the retiree only health insurance premium and up to a frozen amount of \$93 toward the employee portion of the retiree only health insurance premium. In addition, the City pays the employer portion of the retiree only dental premium. There were 85 active plan members and 3 retirees and dependent plan members at the actuarial valuation date of January 1, 2019.

The retiree is responsible for the remainder of the premium cost including all spouse and dependent coverage. The City's coverage ends upon the death of the retiree or the retiree's attainment of age 65.

Total OPEB Liability

In previous years, the City has reported a net OPEB obligation (liability) consisting of the difference between the annual required contribution into the plan and the actual contributions made by the City. GASB 75 required employers to determine the Total OPEB Liability (TOL) using the Entry Age Normal (EAN) actuarial funding method and to report a net OPEB liability consisting of the difference between the TOL and the plan's fiduciary net position.

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS, Continued

The City's TOL was determined by an actuarial valuation as of January 1, 2019, using the following key actuarial assumptions and other inputs:

Inflation	2.25%
Real wage growth	
SCRS	0.75%
PORS	1.25%
Wage inflation	
SCRS	3.00%
PORS	3.50%
Salary increases, including wage inflation	
SCRS	3.00 – 7.00%
PORS	3.50 – 9.50%
Long-term investment rate of return, net of OPEB	
Plan investment expense, including price inflation	4.75%
Municipal bond index rate	
Prior measurement date	4.10%
Measurement date	2.74%
Tear FNP is projected to be depleted	
Prior measurement date	N/A
Measurement date	N/A
Single equivalent interest rate, net of OPEB	
Investment expense, including price inflation	
Prior measurement date	4.75%
Measurement date	4.75%
Health care cost trends	
Pre-medicare	7.25% for 2019 decreasing to an ultimate rate of 4.75% by 2029

The discount rate used to measure the TOL was based upon the long-term expected rate of return.

The Mortality rates were based on the RP-2014 Mortality Table for Employees with a 95% multiplier to better reflect anticipated experience and provide a margin for future improvements.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the January 1, 2020 valuation were based on the results of an actuarial experience study adopted by SCRS and PORS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan elections, etc.) used in the January 1, 2020 valuation were based on a review of recent plan experience done concurrently with the January 1, 2020 valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts are subject to

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS, Continued

continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between employer and plan members to that point.

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

Health Care Cost Trend Sensitivity

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 339,660	\$ 393,163	\$ 455,259

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

Discount Rate Sensitivity

	1% Decrease (3.75%)	Current (4.75%)	1% Increase (5.75%)
Total OPEB Liability	\$ 436,245	\$ 393,163	\$ 353,864

	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance as of December 31, 2019	\$ 573,809	\$ 133,527	\$ 40,282
Changes for the year			
Service Cost at the end of the year*	13,634	-	13,634
Interest on TOL and Cash Flows	25,769	-	25,769
Change in benefit terms	-	-	-
Difference between expected and actual experience	18,256	-	18,256
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	99,337	(99,337)
Contributions - non-employer	-	-	-
Net investment income	-	6,441	(6,441)
Benefit payments and implicit subsidy credit	(63,337)	(63,337)	-
Plan administrative expenses	-	(1,000)	1,000
Other	-	-	-
Net changes	(5,678)	41,441	(47,119)
Balance as of December 31, 2020	\$ 568,131	\$ 174,968	\$ 393,163

*The service cost includes interest for the year.

(Continued)

CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS, Continued

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

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,063	\$ 2,926
Changes of assumptions or other inputs	20,293	-
Benefit payments and administrative costs made subsequent to the measurement date	2,787	-
Total	\$ 44,143	\$ 2,926

At June 30, 2020, \$2,926 is reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

Measurement Period Ended December 31,	
2021	\$ 6,380
2022	6,083
2023	5,255
2024	5,169
2025	5,025
Thereafter	13,305
	\$ 41,217

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS, Continued

The calculation of the OPEB expense for the year ended June 30, 2021 is shown in the following table:

Service Cost at end of year*	\$ 13,634
Interest on the Total OPEB Liability and Cash Flow	25,769
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	1,924
Projected earnings on plan investments	(7,165)
Expensed portion of current period differences between actual and projected earnings on plan investments	145
Administrative costs	1,000
Recognition of beginning Deferred Outflows of Resources as OPEB Expense	4,702
Recognition of beginning Deferred Inflows of Resources as OPEB Expense	(391)
OPEB Expense	<u>\$ 39,618</u>

NOTE 8 – PENSION

State Retirement Plan

The City participates in the State of South Carolina’s retirement plans. The South Carolina Public Employee Benefit Authority (“PEBA”), created July 1, 2012, is the state agency responsible for the administration and management of the various retirement systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ (“Systems”) five defined benefit plans. PEBA has an 11-member Board of Directors (“PEBA Board”), 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, 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 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.

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

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – PENSION, Continued

Plan Description

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

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established 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.

Plan Membership

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

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

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

Plan Benefits

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

(Continued)

CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – PENSION, Continued

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 years earned service requirement, respectively. An incidental health benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

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

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

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

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS ("Plans") contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA 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.

(Continued)

CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – PENSION, Continued

Additionally, the PEBA Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the PEBA Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July first, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

As noted earlier, both employees and the City are required to contribute to the Plans at rates established and as amended by the PEBA. The City's contributions are actuarially determined but are communicated to and paid by the City as a percentage of the employees' annual eligible compensation. Required employer and employee contribution rates for the past three years are as follows:

	SCRS Rates			PORS Rates		
	2019	2020	2021	2019	2020	2021
Employer Rate:						
Retirement	14.41%	15.41%	15.41%	16.84%	17.84%	17.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Benefit	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
Total Employer Rate:	14.56%	15.56%	15.56%	17.24%	18.24%	18.24%
Employee Rate:	9.00%	9.00%	9.00%	9.75%	9.75%	9.75%

The required contributions and percentages of amounts contributed by the City to the Plan for the past three years were as follows:

Year Ended June 30,	SCRS Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed
2021	\$ 198,104	100%	\$ 311,868	100%
2020	184,437	100%	303,588	100%
2019	166,573	100%	288,964	100%

Eligible payrolls of the City covered under the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Payroll	PORS Payroll	Total Payroll
2021	\$ 1,285,557	\$ 1,748,138	\$ 3,033,695
2020	1,196,870	1,701,725	2,898,595
2019	1,155,954	1,715,938	2,871,892

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – PENSION, Continued

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019, for the first use in the July 1, 2021 actuarial valuation (previous report was issued for the period ending June 30, 2015).

The June 30, 2020 total pension liability (“TPL”), net pension liability (“NPL”), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2019. The TPL 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, 2020 for the SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry age	Entry age
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Includes inflation at	2.75%	2.75%
Benefit adjustments	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”), were developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 92%	RP-2000 Females (with White Collar adjustment) multiplied by 98%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 111%
Public Safety, Firefighters and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 125%	RP-2000 Females (with Blue Collar adjustment) multiplied by 111%

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – PENSION, Continued

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

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

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
Real Assets	12.0%		
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 (REITs)	2.0%	7.05%	0.07%
Opportunistic	8.0%		
GTAA/Risk Parity	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
Credit	15.0%		
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%
Rate Sensitive	14.0%		
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>

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

The (“NPL”) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB No. 67 less that System’s fiduciary net position. NPL totals, as of June 30, 2020 measurement date, for the SCRS and PORS are presented in the following table:

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – PENSION, Continued

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total 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 TPL is calculated by the Systems' actuary, and each Plans' fiduciary net position is reported in the Systems' financial statements. The NPL 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.

At June 30, 2021, the City reported liabilities of approximately \$2,740,000 and \$3,740,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2019, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2019 that was projected forward to the measurement date. The City's proportion of the NPL were based on a projection of the City's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2020 measurement date, the City's SCRS proportion was 0.0107 percent, which was an decrease of 0.0002 from its proportion measured as of June 30, 2019. At the June 30, 2020 measurement date, the City's PORS proportion was 0.1128 percent, which was a decrease of 0.0055 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized additional pension expense of approximately \$149,000 and \$158,000 for the SCRS and PORS, respectively. At June 30, 2021, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred outflow of resources	Deferred inflow of resources
SCRS		
Differences between expected and actual experience	\$ 34,978	\$ 10,363
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	56,484	37,121
Net difference between projected and actual earnings on pension plan investments	201,582	-
City's contributions subsequent to the measurement date	186,233	-
Total SCRS	<u>\$ 479,277</u>	<u>\$ 47,484</u>

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – PENSION, Continued

PORS			
Differences between expected and actual experience	\$	79,543	\$ 16,475
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions		24,947	176,514
Net difference between projected and actual earnings on pension plan investments		428,932	-
City's contributions subsequent to the measurement date		310,395	-
Total PORS	<u>\$</u>	<u>843,817</u>	<u>\$ 192,989</u>

Approximately \$186,000 and \$310,000 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
2021	\$ 65,962	\$ 71,907	\$ 137,869
2022	69,807	84,660	154,467
2023	58,352	91,018	149,370
2024	51,439	92,848	144,287
	<u>\$ 245,560</u>	<u>\$ 340,433</u>	<u>\$ 585,993</u>

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in 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, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the City's proportionate share of the net pension liabilities of the respective plans calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

(Continued)

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – PENSION, Continued

System	1% Increase (6.25%)	Current Discount Rate (7.25%)	1% Decrease (8.25%)
City's proportionate share of the net pension liability of the SCRS	\$ 3,396,441	\$ 2,740,442	\$ 2,192,674
City's proportionate share of the net pension liability of the PORS	\$ 4,954,873	\$ 3,742,827	\$ 2,769,632

Plans' Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plans administered by PEBA is available in the separately issued CAFR containing financial statements and supplementary information for the SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

NOTE 9 – HOSPITAL INSURANCE FOR RETIRED EMPLOYEES

The City reimburses retired employees who purchase supplemental Medicare insurance at the following amounts annually:

<u>Years of Service</u>	
20-24 consecutive years	\$ 300
25-29 consecutive years	390
30-34 consecutive years	480
35 or more consecutive years	600

During the year ended June 30, 2021, three retired employees elected to participate under this program at an annual cost of \$3,510. No liability is accrued for future years since this is not an automatic payment but one that requires a retiree to purchase supplemental Medicare insurance in order to obtain reimbursement.

Additionally, it is City policy to provide health insurance for employees who have retired with twenty years or more of service and have not yet reached the age of 65. Currently, the City is providing health insurance for five retired employees with twenty years of service who have not reached age 65. The cost to the City for this retiree benefit was \$25,395 for the year ended June 30, 2021.

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 – TRANSFERS FROM THE COMMISSION OF PUBLIC WORKS

The Commission of Public Works pays the City a franchise fee and a dividend annually based on the results of its operations for its prior fiscal year ended December 31. The amount that the City actually receives is reduced by the value of the in-kind utilities and services provided to the City by the Commission during the prior twelve-month period ended December 31. For the year ending June 30, 2021, franchise fees and dividends payable to the City were \$1,095,093, reduced by in-kind utilities and services of \$351,837, which were provided during the prior twelve-month period ended June 30, 2020. The payments of \$743,256 are reported as revenue from the Commission of Public Works. The value of the in-kind utilities and services provided during the twelve months ended December 31, 2021 is detailed below.

Calculation of payments from the Commission of Public Works:

Gross revenues from the CPW	<u>\$</u>	1,095,093
Less: in-kind transfers		
City utilities		
City buildings		198,401
Street Lights		<u>153,436</u>
Total in-kind utilities and services		<u>351,837</u>
Total payments to the City for the year ended June 30, 2021	<u>\$</u>	<u>743,256</u>

NOTE 11 – RENTAL INCOME

The City of Laurens leases a portion of the Law Enforcement Administrative Building to SunTrust Bank for bank operations. In turn, SunTrust Bank makes monthly payments to the City which includes the monthly base rent, and reimbursements for the tenant's percentage share of operating and maintenance expenses. The lease agreement between the City of Laurens and SunTrust Bank covers an initial fifteen-year period expiring December 31, 2021, with an option to renew the lease for an additional five years.

This rental income is pledged to retire the Public Facilities Revenue Bonds Series A and Series B which are payable to SunTrust Bank.

The schedule of base rents for the remainder of the initial lease term is as follows:

Calendar Year	Annual Base Rent
2022	\$ 74,776

CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Self-Insurance

The City is a member of a limited risk management program for property, casualty, crime, and workers' compensation insurance. The program incorporates limited risk pools that are professionally administered for the City of Laurens and other municipalities within South Carolina by the Municipal Association of South Carolina. The City is also self-insured for unemployment compensation.

Risk Management and Retention

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered through participation in an insurance purchasing public entity risk pool sponsored by the South Carolina Municipal Association. The City pays an annual premium to the pool and may be subject to supplemental premium assessment should pool claims exceed certain levels. Pool claims have not exceeded those levels in any of the past four years.

There have been no significant reductions in insurance coverage during the fiscal year ended June 30, 2021.

Permissive Use Agreement

The City has entered into a lease agreement with an outside organization to lease athletic fields for City recreation programs. The annual rent is \$1. The lease can be terminated at the discretion of lessor or lessee upon 30 days' notice.

**CITY OF LAURENS, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 – PRIOR PERIOD ADJUSTMENTS

Governmental

Net Position, beginning of the year, as previously stated	\$	8,662,881
Decrease resulting from the overstatement of cash in June 30, 2020		(89,553)
Decrease resulting from the understatement of expenditure accruals in June 30, 2020		(834)
Increase resulting from the understatement of accounts receivable in June 30, 2020		182,463
GASB84 Implementation-one percent fund		7,239
Net Position, beginning of the year, as restated	\$	8,762,196

General Fund

Fund Balance, beginning of the year, as previously stated	\$	4,006,334
Increase resulting from the understatement of cash in June 30, 2020		143,202
Decrease resulting from the understatement of expenditure accruals in June 30, 2020		(834)
Increase resulting from the understatement of accounts receivable in June 30, 2020		182,463
Fund Balance, beginning of the year, as restated	\$	4,331,165

Hospitality Fund

Fund Balance, beginning of the year, as previously stated	\$	613,945
Decrease resulting from the overstatement of cash in June 30, 2020		(232,755)
GASB84 Implementation-one percent fund		7,239
Fund Balance, beginning of the year, as restated	\$	388,429

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the auditor’s report, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY
SCHEDULES**

CITY OF LAURENS, SOUTH CAROLINA
SCHEDULE OF REVENUES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Year Ended June	Variance
	Original	Final	30, 2021	
REVENUE				
Property tax	\$ 2,250,000	\$ 2,250,000	\$ 1,547,793	\$ (702,207)
Local option sales tax	525,000	525,000	711,862	186,862
State rebates	967,000	967,000	838,960	(128,040)
Business licenses	1,370,000	1,370,000	1,419,608	49,608
Police fines (net)	150,000	150,000	90,975	(59,025)
Recreation program fees	35,000	35,000	17,634	(17,366)
Park concession income	1,000	1,000	533	(467)
Payments in lieu of tax	22,000	22,000	14,078	(7,922)
Commission of public works	750,000	750,000	743,256	(6,744)
Residential garbage fees	284,000	284,000	325,477	41,477
Vehicle fee	105,000	105,000	110,616	5,616
Building permits	25,000	25,000	33,800	8,800
Interest received	-	-	7,938	7,938
Franchise fees	136,000	136,000	134,269	(1,731)
Occupancy permits	20,000	20,000	16,900	(3,100)
Rent - SunTrust building	-	-	203,877	203,877
Rentals - other	34,000	34,000	32,325	(1,675)
Miscellaneous revenue	24,300	24,300	9,110	(15,190)
Total revenues	6,698,300	6,698,300	6,259,011	(439,289)
EXPENDITURES				
Governing body	162,650	162,650	169,102	(6,452)
Administration	1,390,120	1,390,120	1,400,122	(10,002)
Building and zoning	131,200	131,200	135,437	(4,237)
Law enforcement	1,951,110	1,951,110	1,972,330	(21,220)
Fire protection	773,300	773,300	731,998	41,302
Streets and sanitation	1,046,950	1,046,950	1,079,281	(32,331)
Information technology	94,470	94,470	89,565	4,905
Recreation	261,550	261,550	232,466	29,084
Special projects	-	-	222,480	(222,480)
Community dev contrib	129,100	129,100	94,390	34,710
Capital outlay	895,800	895,800	809,465	86,335
Debt service	165,500	165,500	356,921	(191,421)
Total expenditures	7,001,750	7,001,750	7,293,557	(291,807)
Excess (deficiency)	(303,450)	(303,450)	(1,034,546)	(731,096)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	-	39,854	-
Total other financing sources (uses)	-	-	39,854	-
Net changes in fund balances	(303,450)	(303,450)	(994,692)	(731,096)
Fund balances, beginning of year, as restated	4,331,165	4,331,165	4,331,165	-
Fund balances, end of year	\$ 4,027,715	\$ 4,027,715	\$ 3,336,473	\$ (731,096)

CITY OF LAURENS, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM

Only seven years of information is presented as only seven years of data were available.

	2021	2020	2019	2018	2017	2016	2015
SCRS							
Contractually required contribution	\$ 198,104	\$ 184,437	\$ 166,573	\$ 147,654	\$ 117,737	\$ 106,317	\$ 108,328
Contributions in relation to the contractually required contribution	(198,104)	(184,437)	(166,573)	(147,654)	(117,737)	(106,317)	(108,328)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,285,557	\$ 1,196,870	\$ 1,155,954	\$ 1,101,072	\$ 1,031,878	\$ 974,493	\$ 1,007,704
Contributions as a percentage of covered-employee payroll	15.41%	15.41%	14.41%	13.41%	11.41%	10.91%	10.75%
PORS							
Contractually required contribution	\$ 311,868	\$ 303,588	\$ 288,964	\$ 254,036	\$ 230,229	\$ 218,510	\$ 197,926
Contributions in relation to the contractually required contribution	(311,868)	(303,588)	(288,964)	(254,036)	(230,229)	(218,510)	(197,926)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,748,138	\$ 1,701,725	\$ 1,715,938	\$ 1,603,764	\$ 1,663,506	\$ 1,638,003	\$ 1,521,351
Contributions as a percentage of covered-employee payroll	17.84%	17.84%	16.84%	15.84%	13.84%	13.34%	13.01%

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

CITY OF LAURENS, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S PENSION PLAN CONTRIBUTIONS
 SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM

Only seven years of information is presented as only seven years of data were available.

	2021	2020	2019	2018	2017	2016	2015
SCRS							
City's proportion of the net pension liability	0.0101%	0.0109%	0.0107%	0.0107%	0.0101%	0.0107%	0.0111%
City's proportionate share of the net pension liability	\$ 2,740,442	\$ 2,499,610	\$ 2,380,781	\$ 2,302,262	\$ 2,147,733	\$ 2,038,220	\$ 1,906,059
City's covered-employee payroll	\$ 1,285,557	\$ 1,196,870	\$ 1,155,954	\$ 1,101,072	\$ 1,031,878	\$ 974,493	\$ 1,007,704
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	213.17%	208.85%	205.96%	209.09%	208.14%	209.16%	189.15%
Plan fiduciary net position as a percentage of the total pension liability from PEBA	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%
PORS							
City's proportion of the net pension liability	0.1129%	0.1183%	0.1164%	0.1231%	0.1286%	0.1231%	0.1208%
City's proportionate share of the net pension liability	\$ 3,742,827	\$ 3,390,497	\$ 3,298,133	\$ 3,384,097	\$ 3,260,562	\$ 2,683,265	\$ 2,313,490
City's covered-employee payroll	\$ 1,748,138	\$ 1,701,725	\$ 1,715,938	\$ 1,603,764	\$ 1,663,506	\$ 1,638,003	\$ 1,521,351
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	214.10%	199.24%	192.21%	211.01%	196.01%	163.81%	152.07%
Plan fiduciary net position as a percentage of the total pension liability from PEBA	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%

CITY OF LAURENS, SOUTH CAROLINA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
MEASUREMENT DATE YEAR ENDED DECEMBER 31, 2020

	2020	2019	2018	2017
TOTAL OPEB LIABILITY				
Service cost at end of year	\$ 13,634	\$ 14,290	\$ 13,850	\$ 13,423
Interest of the total OPEB liability	25,769	25,390	25,375	24,864
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	18,256	(3,708)	3,860	3,598
Changes of assumptions or other inputs	-	25,711	-	-
Benefit payments	(63,337)	(44,305)	(41,270)	(21,205)
Net change in total OPEB liability	(5,678)	17,378	1,815	20,680
Total OPEB liability, beginning of year	573,809	556,431	554,616	533,936
Total OPEB liability, end of year	568,131	573,809	556,431	554,616
PLAN FIDUCIARY NET POSITION				
Contributions - employer	99,337	62,305	59,270	39,205
Contributions - non-employer	-	-	-	-
Contributions - active member	-	-	-	-
Net investment income	6,441	5,332	800	2,619
Benefit payments	(63,337)	(44,305)	(41,270)	(21,205)
Administrative expense	(1,000)	(3,829)	-	(5,948)
Other	-	-	-	-
Net change in plan fiduciary net position	41,441	19,503	18,800	14,671
Plan fiduciary net position, beginning of year	133,527	114,024	95,224	80,553
Plan fiduciary net position, end of year	174,968	133,527	114,024	95,224
Net OPEB liability, end of year	\$ 393,163	\$ 440,282	\$ 442,407	\$ 459,392

CITY OF LAURENS, SOUTH CAROLINA
SCHEDULE OF NET OPEB LIABILITY

	YEARS ENDED DECEMBER 31,			
	2020	2019	2018	2017
Total OPEB	\$ 568,131	\$ 573,809	\$ 556,431	\$ 554,616
Plan fiduciary net position	174,968	133,527	114,024	95,224
Net OPEB liability	\$ 393,163	\$ 440,282	\$ 442,407	\$ 459,392
Plan fiduciary net position as a percentage of the total OPEB liability	30.80%	23.27%	20.49%	17.17%
Covered payroll	2,601,843	2,664,762	2,569,863	2,569,863
Net OPEB liability as a percentage of covered payroll	15.11%	16.52%	17.22%	17.88%
				17.64%

CITY OF LAURENS, SOUTH CAROLINA
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO OPEB PLAN

	YEARS ENDED DECEMBER 31,		
	2020	2019	2018
Actuarially determined employer contributions (ADEC)	\$ 41,722	\$ 41,722	\$ 40,468
Contributions in relation to the ADEC	62,305	62,305	59,270
Annual contribution deficiency (excess)	\$ (20,583)	\$ (20,583)	\$ (18,802)
Covered payroll	\$ 2,601,843	\$ 2,664,762	\$ 2,569,863
Actual contributions as a percentage of covered payroll	2.39%	2.34%	2.31%
			1.53%

**OTHER SUPPLEMENTARY
SCHEDULES**

CITY OF LAURENS, SOUTH CAROLINA
STATEMENT OF EXPENDITURES BY DEPARTMENT -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Year Ended June	Variance
	Original	Final	30, 2021	
Governing Body				
Salaries	\$ 110,600	\$ 110,600	\$ 117,475	\$ (6,875)
Employee benefits	26,150	26,150	25,137	1,013
Advertising	500	500	963	(463)
Travel and training	6,000	6,000	5,117	883
Dues and subscriptions	3,000	3,000	3,137	(137)
Office supplies	400	400	436	(36)
Miscellaneous expense	16,000	16,000	16,837	(837)
Total	162,650	162,650	169,102	(6,452)
Administrative				
Administrative salaries	183,300	183,300	191,822	(8,522)
Employee benefits	940,900	940,900	827,547	113,353
OPEB expense	18,000	18,000	18,000	-
Property, liability and tort insurance	130,000	130,000	150,411	(20,411)
Travel and training	2,000	2,000	375	1,625
Dues and subscriptions	550	550	680	(130)
Office supplies	3,500	3,500	2,888	612
Uniforms	2,500	2,500	2,436	64
Bank charges	2,500	2,500	5,444	(2,944)
Printing	10,000	10,000	15,489	(5,489)
Building repairs and maintenance	-	-	32,453	(32,453)
Office equipment maintenance	500	500	-	500
Vehicle maintenance, gas and oil	1,000	1,000	950	50
IT and data processing	28,000	28,000	27,811	189
Telephone	40,000	40,000	43,365	(3,365)
Postage	5,000	5,000	5,038	(38)
Auditor	18,000	18,000	18,500	(500)
Advertising	700	700	855	(155)
Medicare supplement - retirees	2,070	2,070	1,320	750
Miscellaneous	1,600	1,600	1,871	(271)
Landscaping	-	-	1,498	(1,498)
Utilities	-	-	51,369	(51,369)
Total	1,390,120	1,390,120	1,400,122	(10,002)
Building and Zoning				
Salaries	79,500	79,500	81,057	(1,557)
Employee benefits	18,900	18,900	19,003	(103)
Travel and training	3,000	3,000	2,987	13
Dues and subscriptions	500	500	180	320
Uniforms	1,000	1,000	985	15
Office supplies	500	500	494	6
Advertising	250	250	74	176

CITY OF LAURENS, SOUTH CAROLINA
STATEMENT OF EXPENDITURES BY DEPARTMENT -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Year Ended June 30, 2021	Variance
	Original	Final		
Printing	300	300	344	(44)
Vehicle maintenance	250	250	458	(208)
Gas and oil	3,000	3,000	4,622	(1,622)
Codification/enforcement	4,000	4,000	6,690	(2,690)
Demolition	20,000	20,000	18,543	1,457
Total	131,200	131,200	135,437	(4,237)
Law Enforcement				
Salaries	1,290,000	1,290,000	1,336,581	(46,581)
Employee benefits	330,900	330,900	338,678	(7,778)
Travel and training	15,000	15,000	14,622	378
Testing	2,000	2,000	2,420	(420)
Dues and subscriptions	1,800	1,800	1,790	10
Uniforms	18,000	18,000	10,406	7,594
Office supplies	9,000	9,000	10,476	(1,476)
Printing	1,000	1,000	1,016	(16)
Data processing	6,000	6,000	8,469	(2,469)
Communication equipment	20,000	20,000	17,335	2,665
Vehicle maintenance	27,500	27,500	20,769	6,731
Miscellaneous expense	1,300	1,300	1,322	(22)
Gas and oil	64,000	64,000	79,019	(15,019)
Tires and tubes	10,000	10,000	13,288	(3,288)
SLED teletype	6,000	6,000	3,401	2,599
Body camera, photo supplies	3,000	3,000	213	2,787
Law enforcement supplies	12,000	12,000	16,091	(4,091)
Crime watch	1,000	1,000	1,162	(162)
Detention	20,000	20,000	1,760	18,240
Physicals	1,500	1,500	434	1,066
Canine contract and supplies	37,000	37,000	32,589	4,411
Municipal judge retainer	28,400	28,400	24,966	3,434
Judicial expense	3,500	3,500	2,719	781
Jurors	2,000	2,000	525	1,475
Victims' assistance program	18,000	18,000	13,756	4,244
E-911 service	22,210	22,210	18,523	3,687
Total	1,951,110	1,951,110	1,972,330	(21,220)
Fire Protection				
Salaries	515,100	515,100	498,009	17,091
Volunteer firemen	50,000	50,000	35,690	14,310
Employee benefits	132,100	132,100	127,557	4,543
Travel and training	5,700	5,700	4,583	1,117
Dues and subscriptions	250	250	-	250
Uniforms and laundry	6,750	6,750	6,429	321

CITY OF LAURENS, SOUTH CAROLINA
STATEMENT OF EXPENDITURES BY DEPARTMENT -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Year Ended June 30, 2021	Variance
	Original	Final		
Printing and data processing	1,600	1,600	681	919
Communication equipment	3,500	3,500	1,242	2,258
Miscellaneous	1,000	1,000	695	305
Vehicle maintenance	15,000	15,000	16,125	(1,125)
Gas and oil	12,000	12,000	11,700	300
Tires and tubes	2,500	2,500	2,433	67
Personal equipment	7,000	7,000	7,001	(1)
Station equipment	1,500	1,500	1,647	(147)
Physicals/immunizations	4,000	4,000	2,794	1,206
Office supplies	500	500	442	58
Truck equipment	10,000	10,000	10,442	(442)
Testing	3,300	3,300	3,057	243
Tools	1,500	1,500	1,471	29
Total	773,300	773,300	731,998	41,302
Streets and Sanitation				
Salaries	506,000	506,000	488,904	17,096
Employee benefits	119,700	119,700	110,990	8,710
Travel and training	650	650	1,318	(668)
Uniforms	8,000	8,000	5,974	2,026
Office supplies	500	500	1,479	(979)
Vehicle maintenance	22,000	22,000	42,830	(20,830)
Gas and oil	50,000	50,000	54,641	(4,641)
Tires and tubes	8,000	8,000	10,762	(2,762)
Equipment maintenance	15,000	15,000	15,029	(29)
Small tools	4,000	4,000	4,771	(771)
Residential garbage disposal	275,000	275,000	314,864	(39,864)
Tipping fees	15,000	15,000	16,063	(1,063)
Physicals/immunizations	400	400	553	(153)
Building repair and maint	15,500	15,500	5,184	10,316
Chemicals	2,000	2,000	2,013	(13)
Recycling	5,200	5,200	3,906	1,294
Totals	1,046,950	1,046,950	1,079,281	(32,331)
Information Technology				
Salaries	43,350	43,350	42,493	857
Employee benefits	10,250	10,250	8,681	1,569
Travel and training	400	400	35	365
Uniforms	500	500	487	13
Office supplies	1,500	1,500	898	602
Map maintenance	5,000	5,000	4,655	345
Vehicle maintenance	1,000	1,000	809	191
Vcenter maintenance	1,500	1,500	1,696	(196)

CITY OF LAURENS, SOUTH CAROLINA
STATEMENT OF EXPENDITURES BY DEPARTMENT -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Year Ended June 30, 2021	Variance
	Original	Final		
Vshpere mainteance	1,100	1,100	1,264	(164)
Veeam maintenance	1,320	1,320	1,844	(524)
Solarwinds renewal	1,550	1,550	1,550	-
CPW contract	12,000	12,000	10,397	1,603
Hardware	13,000	13,000	14,756	(1,756)
Webpage	2,000	2,000	-	2,000
Total	94,470	94,470	89,565	4,905
Recreation				
Salaries	167,000	167,000	155,936	11,064
Employee benefits	39,500	39,500	30,123	9,377
Travel and training	1,000	1,000	120	880
Office supplies	1,800	1,800	1,176	624
Janitorial supplies	10,000	10,000	5,515	4,485
Dues and subscriptions	300	300	325	(25)
Vehicle maintenance	400	400	539	(139)
Advertising	200	200	-	200
Printing	200	200	257	(57)
Gas and oil	3,400	3,400	3,382	18
Tires and tubes	500	500	424	76
Equipment repairs and tools	1,750	1,750	1,486	264
Volleyball	2,000	2,000	1,386	614
Ridge expense and activities	1,500	1,500	1,426	74
Football program	8,000	8,000	10,712	(2,712)
Basketball program	3,000	3,000	2,654	346
Baseball program	15,000	15,000	10,841	4,159
Recreation program insurance	3,500	3,500	2,313	1,187
Summer camp	1,000	1,000	1,956	(956)
Concession supplies	1,500	1,500	1,895	(395)
Total	261,550	261,550	232,466	29,084
Special Projects				
Salaries	-	-	150,523	(150,523)
Employee benefits	-	-	34,434	(34,434)
Physicals	-	-	105	(105)
Travel and training	-	-	37	(37)
Uniforms	-	-	1,238	(1,238)
Office supplies	-	-	596	(596)
Equipment repairs	-	-	7,952	(7,952)
Vehicle lease	-	-	11,220	(11,220)
Gas and oil	-	-	7,035	(7,035)
Tires and tubes	-	-	2,269	(2,269)
Vehicle maintenance	-	-	3,589	(3,589)

**CITY OF LAURENS, SOUTH CAROLINA
STATEMENT OF EXPENDITURES BY DEPARTMENT -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Year Ended June 30, 2021	Variance
	Original	Final		
Building maintenance	-	-	3,482	(3,482)
Total	-	-	222,480	(222,480)
Community Development				
LCEDC	10,000	10,000	12,000	(2,000)
City development	60,000	60,000	20,545	39,455
Bell Center for the Blind	1,500	1,500	1,500	-
Straight Street	3,000	3,000	3,000	-
YMCA contract	20,000	20,000	20,000	-
Laurens Literacy Council	1,000	1,000	1,000	-
PTC - Future LDRS Scholarships	15,000	15,000	15,000	-
Miscellaneous donations	3,000	3,000	4,885	(1,885)
Chamber of Commerce	10,000	10,000	10,000	-
Airmed Care	4,600	4,600	5,460	(860)
Bridging the Gap	1,000	1,000	1,000	-
Total	129,100	129,100	94,390	34,710
Capital Outlay	895,800	895,800	809,465	86,335
Debt service	165,500	165,500	356,921	(191,421)
Total expenses	\$ 7,001,750	\$ 7,001,750	\$ 7,293,557	\$ (296,712)

CITY OF LAURENS, SOUTH CAROLINA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-HOSPITALITY FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Year Ended June	Variance
	Original	Final	30, 2021	
REVENUE				
Hospitality fees	\$ 600,000	\$ 600,000	\$ 725,638	\$ 125,638
Interest received	-	-	343	343
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>725,981</u>	<u>125,981</u>
EXPENDITURES				
Advertising	20,000	20,000	22,768	(2,768)
Grounds and chemical supplies	3,000	3,000	1,705	1,295
Beautification	35,000	35,000	76,440	(41,440)
Other programs and events	17,700	17,700	26,257	(8,557)
Athletic programs	29,000	29,000	29,662	(662)
Other operating	3,500	3,500	1,359	2,141
Museum	10,000	10,000	10,000	-
Signage	6,000	6,000	5,352	648
Maintenance and repairs	85,000	85,000	97,081	(12,081)
Trolley maintenance	2,000	2,000	330	1,670
Improvements to city parks - capital outlay	127,300	127,300	93,382	33,918
Capital outlay	101,500	101,500	44,720	56,780
Debt service	160,000	160,000	160,379	(379)
Total expenditures	<u>600,000</u>	<u>600,000</u>	<u>569,435</u>	<u>30,565</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>-</u>	<u>156,546</u>	<u>95,416</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	-	(39,854)	(39,854)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(39,854)</u>	<u>(39,854)</u>
Net changes in fund balances	-	-	116,692	55,562
Fund balances, beginning of year, as restated	<u>381,190</u>	<u>381,190</u>	<u>381,190</u>	<u>-</u>
Fund balances, end of year	<u>\$ 381,190</u>	<u>\$ 381,190</u>	<u>\$ 497,882</u>	<u>\$ 55,562</u>

CITY OF LAURENS, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES - GENERAL FUND
YEAR ENDED JUNE 30, 2021

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	N/A	N/A	\$ 206,403	\$ 206,403
Court fines and assessments remitted to State Treasurer	N/A	N/A	108,822	108,822
Total Court Fines and Assessments retained	N/A	N/A	97,581	97,581
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	N/A	N/A	10,191	10,191
Assessments retained	N/A	N/A	4,471	4,471
Total Surcharges and Assessments retained for victim services	N/A	N/A	\$ 14,662	\$ 14,662

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	\$ 10,656	N/A	\$ 10,656
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer	-	N/A	-
Victim Service Assessments Retained by City/County Treasurer	4,471	N/A	4,471
Victim Service Surcharges Retained by City/County Treasurer	10,191	N/A	10,191
Interest Earned	1	N/A	1
Grant Funds Received			
Grant from:	-	N/A	-
General Funds Transferred to Victim Service Fund	-	N/A	-
Contribution Received from Victim Service Contracts:			
(1) Town of	-	N/A	-
(2) Town of	-	N/A	-
(3) City of	-	N/A	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 25,319	N/A	\$ 25,319
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	\$ -	N/A	\$ -
Operating Expenditures	13,756	N/A	13,756
Victim Service Contract(s):			
(1) Entity's Name	-	N/A	-
(2) Entity's Name	-	N/A	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	-	N/A	-
(2) Rape Crisis Center:	-	N/A	-
(3) Other local direct crime victims service agency:	-	N/A	-
Transferred to General Fund	-	N/A	-
Total Expenditures from Victim Service Fund/Program (B)	13,756	N/A	13,756
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	11,563	N/A	11,563
Less: Prior Year Fund Deficit Repayment	-	N/A	-
Carryforward Funds – End of Year	\$ 11,563	N/A	\$ 11,563