



AGENDA

FORMAL MEETING OF CITY COUNCIL

Thursday, April 14, 2022 - 6:00 PM
Meeting Location: Judicial Building, 300 Wall Street

Citizens may access the meeting at the following YouTube address:
<https://www.youtube.com/channel/UC6JiyIrM1NUcM8Ea8BLXCfA>

1. Call to Order - Mayor McLeer
2. Invocation and Pledge of Allegiance - Reverend Dr. Stephen S. Lomax, New Life In Christ Missionary Baptist Church
3. Recognitions Fountain Inn Fury - 2021-2022 Boys Basketball Team
4. Introduce New Employees
5. Public Forum - Persons wishing to speak may signup 15 minutes prior to the meeting. Signups will be on a first-come, first-served basis. Your remarks will be limited to 3 minutes.
6. Presentation
 - a. Manley Garvin - FY 2021 Annual Comprehensive Financial Report
7. City Administrator's Report - Shawn M. Bell
 - a. March Reports
8. Consent Agenda - There will be no discussion of Consent Agenda items unless a Councilmember so requests in which event the item in question will be considered separately.
 - a. Approve March 10, 2022 Minutes
9. Appointments
 - a. Appoint Regina Bailey, Board of Zoning Appeals
10. Unfinished Business -

- a. Approve on Second Reading - Z 2022-1 Rezone Lot 57 Patton Street, .47 acres, Greenville County Tax Map 0337000106900 from C-2, Commercial District to R-15, Residential District
- b. Approve on Second Reading - Z-2022-2 Rezone Chevy Drive, containing approximately 3.1 acres, Greenville County Tax Map 0337000100806 from C-2, Commercial District to S-1, Services District

11. New Business - None

12. Executive Session -

- a. For the discussion of employment, appointment, compensation, promotion, demotion, discipline, or release of an employee in the Administration Department.
- b. For the receipt of legal advice relating to a pending claim covered by the attorney-client privilege.

After coming out of Executive Session, Council may vote on items discussed during Executive Session.

13. Adjourn

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended
June 30, 2021



FOUNTAIN INN

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Page 3 of 147

City of Fountain Inn, South Carolina

Annual Comprehensive Financial Report

For the year ended June 30, 2021

**Issued by City of Fountain Inn
Finance Department**

City of Fountain Inn, South Carolina

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City of Fountain Inn, South Carolina

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City of Fountain Inn, South Carolina

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Introductory Section

March 28, 2022

The Honorable Mayor George Patrick McLeer, Jr.
Members of City Council
Citizens of the City of Fountain Inn, South Carolina

Dear Mayor McLeer, City Council Members, and Citizens:

The City of Fountain Inn's Finance Department is pleased to present the Comprehensive Annual Financial Report as of June 30, 2021. This report is published to provide the City Council, staff, citizens, and third-party readers with information concerning the financial position of the city. State Law requires that all general-purpose local governments, at the close of each fiscal year, publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

The City of Fountain Inn's financial statements has been audited by Manley Garvin, LLC, a firm of licensed public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ending June 30, 2021, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Fountain Inn's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

For reporting purposes, the operations of the Fountain Inn Facilities Corporation are blended with the city being reported as a component unit. The Fountain Inn Facilities Corporation is a legally separate entity and has some financial interdependency with the City. For reporting purposes, these entities are shown as discretely presented component units.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed

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The City of Fountain Inn

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to complement the MD&A. The City of Fountain Inn's MD&A can be found immediately following the report of the independent auditors.

Community Profile

The City of Fountain Inn was chartered on December 24, 1886. Fountain Inn is nestled in the foothills of Upstate South Carolina. The 2020 census reported a 33.5% increase population since the 2010 census. Our current population is 10,416.

Charm and hospitality abound in Fountain Inn, where residents enjoy small-town living just a short commute from the big-city offerings of the Greenville Metropolitan area. Increasingly, however, attractive retail, dining, and entertainment opportunities are also being offered within Fountain Inn's city limits.

The City of Fountain Inn is committed to providing quality services to its citizens ranging from public safety, utilities and upkeep, an extension of sewers and roads, to community relations, special events, and recreation. Its police and fire departments are continually recognized in the state for their exemplary service provision. The City's Natural Gas System serves many commercial and residential customers in Laurens and Greenville counties. The City's progressive leadership and focus on economic development and quality of life will continue to benefit our citizens. Destinations such as The Younts Center for Performing Arts, revitalized Main Street, Farmers Market, Chamber of Commerce, and History Center provide residents with access to quality entertainment, unique shopping experiences, and quality cuisine. New retail and restaurant merchants have been and will continue to be attracted to our enhanced downtown. The city continues to see extensive residential growth spanning across both Greenville and Laurens Counties.

City Government

A referendum held on November 7, 2017, changed the form of government effective July 1, 2018, to the Council form of government.

The governing body is comprised of a mayor elected at large and six council members, all of whom are elected at large but must reside in specific districts.

Budget Process

The budget process begins in January each year for the upcoming fiscal year, which runs from July 1 to June 30. Departments develop objectives, performance measures, and staffing and funding requests for new services. The City's Finance Director/Treasurer projects fixed operating costs, revenue, salary, and fringe benefits costs for planned staffing levels. This information is compiled and analyzed by the City Finance Director/Treasurer. The City Administrator and the City Finance Director/Treasurer meet with management to review departmental requests, prioritize program needs and establish consensus on objectives and performance measures. Based on the most recent revenue estimates available, the City Administrator and City Finance Director/Treasurer modify funding requests according to prioritized service levels. A preliminary budget document is then prepared and submitted to the Council for workshop and review in early April. City Council has the first reading of the budget in May and a public hearing, and the second reading is in June.

The Capital Improvement Program (CIP) is a five-year fiscal planning instrument that is used to identify needed capital purchases and projects, and to coordinate the financing and timing of those projects. The CIP has been revised annually.

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It identifies funding sources and structures necessary to implement the improvements. Projects included in the CIP represent infrastructure improvements and capital equipment purchases.

Financial Policies

Primary among the responsibilities of the City of Fountain Inn to its citizens is the care of public funds and wise management of the City's finances while providing for the adequate funding of the services desired by the public and the maintenance of public facilities. We have designed financial management policies to ensure the fiscal stability of the City of Fountain Inn and guide the development and administration of the annual operating and capital budgets. The policies address revenues, cash management, expenditures, debt management, risk management, capital needs, and budgeting management.

To support the above-mentioned policies the City has implemented a system of internal controls designed to provide reasonable assurance of achievement of the objectives of effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. However, it should be noted that all internal control systems have inherent limitations related to cost/benefit considerations, management override, or collusion.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fountain Inn for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2020. This was the tenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

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

The timely and accurate preparation of the Comprehensive Annual Financial Report could not be accomplished without the diligent efforts of our Finance Department and all Department Heads. We express appreciation to the fine employees of this City who contributed to the completion of the report.

Respectfully Submitted,



Shawn M. Bell
City Administrator



Naomi B. Reed
Assistant City Administrator/Finance Director

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Government Finance Officers Association

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in Financial
Reporting

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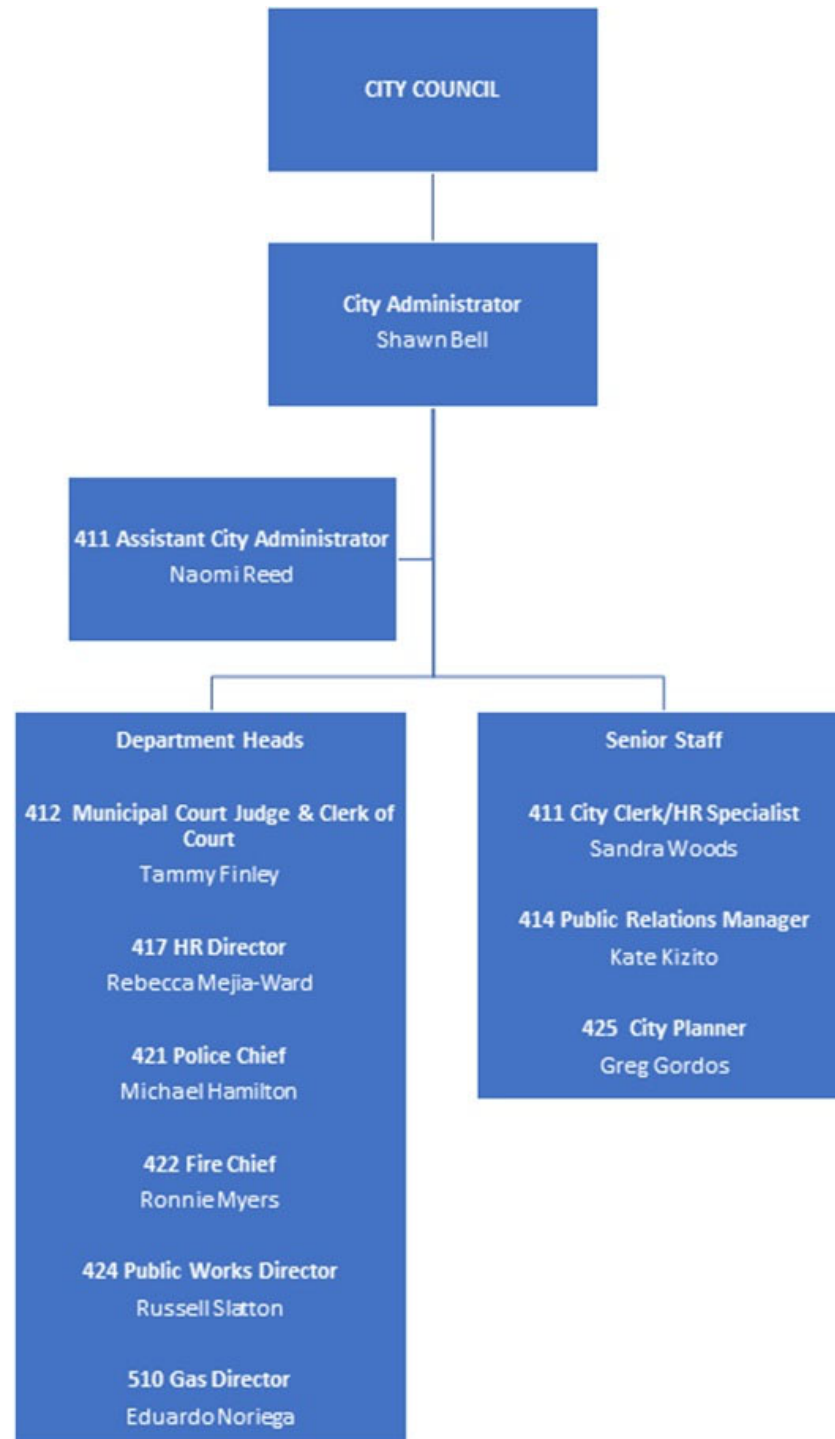
**City of Fountain Inn
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrell

Executive Director/CEO



City of Fountain Inn, South Carolina

Listing of Principal Officials

June 30, 2021

Established

1886

Mayor

George P. McLeer, Jr.

City Council Members

John Mahony
Jay Thomason
Anjeanette Dearybury
Phil Clemmer
Anthony Cunningham
Mack Blackstone

City Administrator

Shawn Bell

Assistant City Administrator/Finance Director

Naomi Reed

City Clerk

Sandra Woods

City Attorney

David Holmes

Municipal Judge

Rebecca Hand

Financial Section



Independent Auditor's Report

Honorable Mayor and Members of City Council
City of Fountain Inn
Fountain Inn, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fountain Inn, South Carolina (the "City"), 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures and changes in fund balances – budget and actual – general fund, schedule of revenues, expenditures and changes in fund balances – budget and actual – hospitality tax fund, the schedule of changes in the City's total OPEB liability and related ratios – other postemployment benefits, the schedule of the City's proportionate share of the net pension liability and the schedule of the City's pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining fund statements, individual fund budgetary schedules, schedule of revenue and direct expenditure-general fund fire department, schedule of fines, assessments and surcharges, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Manley Garvin, LLC". The signature is written in a cursive, flowing style.

Greenwood, South Carolina
March 28, 2022

City of Fountain Inn, South Carolina

Management's Discussion and Analysis

June 30, 2021

This section of the City of Fountain Inn's (the "City") annual financial report presents our discussion and analysis of the City's financial performance during the year ended June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

In April, 2013, City Council approved an ordinance to change the fiscal year end of the City from December 31 to June 30. This change has provided reporting period consistency with the counties in which the City is located as well as the state of South Carolina, allowed for a match of the budgeting process and millage calculation with the tax billing deadlines for the counties.

FINANCIAL HIGHLIGHTS

The City issues both Government-wide and Fund financial statements which utilize full accrual and modified accrual accounting, respectively, as described in more detail starting on page 5. Financial highlights are as follows:

Government-wide Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the period by approximately \$23,904,000 (*net position*). The City's total net position increased by approximately \$2,397,000 as revenues of approximately \$20,187,000 exceeded expenses of approximately \$17,790,000.
- The City's capital assets increased during the year ended June 30, 2021 by approximately \$191,000 (.6%) to approximately \$31,344,000 at June 30, 2021. The increase was due to current period additions of approximately \$2,210,000 offset by net disposals of approximately \$26,000 and depreciation expense of approximately \$1,993,000.
- The City's long-term obligations decreased during the year ended June 30, 2021 by approximately \$869,000 (5.9%) to approximately \$13,860,000 at June 30, 2021, excluding net pension and other postemployment liabilities. The decrease was primarily the result of normal principal payments made during the year offset by issuance of a new master lease payable obligation.

Governmental Fund Financial Highlights

- The City's governmental funds reported combined ending fund balances of approximately \$5,214,000, an increase of approximately \$700,000. The increase resulted primarily from the following:

Capital outlay	\$ 886,000
Proceeds from sale of capital assets	\$ 78,000
Revenues in excess of expenditures (excluding capital outlay)	\$ 487,000
Issuance of master lease payable	\$ 443,000
Transfers in, net of transfers out	\$ 590,000
- Unassigned fund balance for the General Fund was approximately \$4,146,000 at June 30, 2021 compared to approximately \$3,408,000 at June 30, 2020, an increase of approximately \$738,000.
- Unassigned fund balance for the General Fund was 43.0% of total General Fund expenditures for the year ended June 30, 2021 compared to 38.0% of total General Fund expenditures for the year ended June 30, 2020. Unassigned fund balance for the General Fund as a percentage of General Fund expenditures, net of capital outlay and debt service, was 51.2% for the year ended June 30, 2021 compared to 42.9% for the year ended June 30, 2020.

City of Fountain Inn, South Carolina

Management's Discussion and Analysis

June 30, 2021

- General Fund revenues were approximately \$9,494,000 for the year ended June 30, 2021 compared to approximately \$7,915,000 for the year ended June 30, 2020. General Fund expenditures were approximately \$9,664,000 for the year ended June 30, 2021 compared to approximately \$8,962,000 for the year ended June 30, 2020.
- Actual General Fund revenues, including other financing sources, were more than budgeted amounts by approximately \$1,803,000 primarily from positive variances in taxes, fire service area revenues, licenses and permits, charges for services, special events/community development and other revenue offset by negative variances in intergovernmental, fines and forfeits, rent, grants, donations and interest earnings. General Fund expenditures were approximately \$696,000 more than budgeted amounts, as unfavorable budget variances were achieved in most operating departments as a result of employee turnover and overtime.
- Hospitality Tax fund balance of approximately \$797,000 at June 30, 2021 increased by approximately \$128,000 as a result of increased revenue totaling approximately \$538,000 due to an increase in population in excess of expenditures of approximately \$239,000, offset by transfers out to the General Fund of approximately \$171,000 to fund eligible tourism related expenditures.
- Capital Projects Fund balance of approximately \$73,000 at June 30, 2021 decreased by approximately \$30,000 from the prior year as a result of expenditures exceeding revenues in relation to expenditures of the 2019 Installment Purchase Revenue Bonds for capital purchases.

Proprietary Funds Financial Highlights

- Proprietary funds net position was approximately \$16,885,000 at June 30, 2021 compared to approximately \$14,669,000 at June 30, 2020, an increase of approximately \$2,216,000.
- Proprietary funds total revenues were approximately \$10,557,000 for the year ended June 30, 2021 compared to approximately \$9,723,000 for the year ended June 30, 2020. Proprietary funds total expenses were approximately \$7,751,000 for the year ended June 30, 2021 compared to approximately \$7,819,000 for the year ended June 30, 2020. Transfers out were approximately \$590,000 for the year ended June 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of four parts - *Introductory Section*, *Financial Section* (which includes management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information), *Statistical Section*, and *Compliance Section*.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like public safety were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as the natural gas and sewer activities.
 - *Fiduciary fund* statements provide information about 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's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds.

City of Fountain Inn, South Carolina

Management's Discussion and Analysis

June 30, 2021

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

Major Features of City's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except Fiduciary funds)	The activities of the City that are not proprietary or fiduciary.	Activities the City operates similar to private businesses.	Instances in which the City is the agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows	• Statement of fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current period's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's *net position* and how they have changed. Net position - the difference between the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources - is one way to measure the City's financial health, or *position*.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City one needs to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The government-wide financial statements of the City are divided into two categories:

- *Governmental activities* - Most of the City's basic services are included here, such as the police, fire, public works, parks departments and general administration. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* - The City charges fees to customers to help it cover the costs of certain services it provides.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has three kinds of funds:

- *Governmental funds* - Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* - Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.

City of Fountain Inn, South Carolina

Management's Discussion and Analysis

June 30, 2021

- *Fiduciary funds* - The City acts as agent, or *fiduciary*, for other entities' resources. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's combined net position increased approximately \$2,397,000 or 11.2% between June 30, 2021 and June 30, 2020. (See Table A-1)

Table A-1
City of Fountain Inn's Net Position

	Governmental activities		Business-type activities		Total	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Assets						
Current assets	\$ 5,548,894	\$ 4,939,364	\$ 10,622,663	\$ 9,501,398	\$ 16,171,557	\$ 14,440,762
Capital assets, net	15,354,201	15,590,084	15,989,596	15,562,526	31,343,797	31,152,610
Total assets	20,903,095	20,529,448	26,612,259	25,063,924	47,515,354	45,593,372
Total deferred outflows of resources	1,911,529	1,055,679	517,840	274,731	2,429,369	1,330,410
Total assets and deferred outflows of resources	<u>\$ 22,814,624</u>	<u>\$ 21,585,127</u>	<u>\$ 27,130,099</u>	<u>\$ 25,338,655</u>	<u>\$ 49,944,723</u>	<u>\$ 46,923,782</u>
Liabilities						
Current liabilities	\$ 1,019,134	\$ 1,135,690	\$ 1,880,047	\$ 2,056,414	\$ 2,899,181	\$ 3,192,104
OPEB liability	23,966	15,323	-	-	23,966	15,323
Net pension liability	8,038,168	6,669,881	2,466,809	2,061,581	10,504,977	8,731,462
Long-term liabilities	6,667,022	6,837,510	5,887,293	6,519,103	12,554,315	13,356,613
Total liabilities	15,748,290	14,658,404	10,234,149	10,637,098	25,982,439	25,295,502
Total deferred inflows of resources	47,703	89,006	10,521	32,143	58,224	121,149
Net position						
Net investment in capital assets	8,163,874	8,178,792	9,498,774	8,461,464	17,662,648	16,640,256
Restricted	950,500	812,551	406,448	404,971	1,356,948	1,217,522
Unrestricted (deficit)	(2,095,743)	(2,153,626)	6,980,207	5,802,979	4,884,464	3,649,353
Total net position	<u>7,018,631</u>	<u>6,837,717</u>	<u>16,885,429</u>	<u>14,669,414</u>	<u>23,904,060</u>	<u>21,507,131</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 22,814,624</u>	<u>\$ 21,585,127</u>	<u>\$ 27,130,099</u>	<u>\$ 25,338,655</u>	<u>\$ 49,944,723</u>	<u>\$ 46,923,782</u>

Net position of our governmental activities increased to approximately \$7,019,000. Net position of our business-type activities increased to approximately \$16,885,000.

Changes in Net Position

The City's total revenues increased by 10.1% to approximately \$20,187,000 (See Table A-2). A significant portion of this increase is related to an increase in charges for services, property taxes and other revenues offset by a decrease in grants and contributions. Approximately 24.1% of the City's revenue is derived from property taxes, 70.8% from fees charged for services, .9% from grants and contributions and 4.2% from state government and other sources.

City of Fountain Inn, South Carolina

Management's Discussion and Analysis

June 30, 2021

The total costs of all programs and services increased approximately \$760,000, or 4.5% as compared to the prior year. A significant portion of this increase is related to capital expenditures and employee costs. The City's expenses cover a range of services, with approximately 27.6% related to public safety and 43.6% related to enterprise fund operations.

Table A-2
Changes in City of Fountain Inn's Net Position

	Governmental activities		Business-type activities		Total	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Revenues						
Program revenues:						
Charges for services	\$ 3,743,086	\$ 3,259,319	\$ 10,554,731	\$ 9,641,950	\$ 14,297,817	\$ 12,901,269
Operating grants and contributions	62,222	109,461	-	-	62,222	109,461
Capital grants and contributions	126,045	159,376	-	-	126,045	159,376
General revenues:						
Property taxes	4,864,855	4,691,902	-	-	4,864,855	4,691,902
Other	834,220	385,498	2,257	80,749	836,477	466,247
Total revenues	9,630,428	8,605,556	10,556,988	9,722,699	20,187,416	18,328,255
Program expenses						
General government	1,733,679	1,478,252	-	-	1,733,679	1,478,252
Judicial	257,587	231,022	-	-	257,587	231,022
Public safety	4,903,329	4,826,669	-	-	4,903,329	4,826,669
Sanitation	675,649	535,115	-	-	675,649	535,115
Streets and public works	886,928	770,044	-	-	886,928	770,044
Recreation	873,062	649,658	-	-	873,062	649,658
Performing arts	-	200,000	-	-	-	200,000
Special events/community development	464,295	339,102	-	-	464,295	339,102
Interest and other charges	245,171	181,693	-	-	245,171	181,693
Natural gas	-	-	6,955,759	6,951,714	6,955,759	6,951,714
Sewer	-	-	795,028	867,474	795,028	867,474
Total expenses	10,039,700	9,211,555	7,750,787	7,819,188	17,790,487	17,030,743
Change in net position before transfers	(409,272)	(605,999)	2,806,201	1,903,511	2,396,929	1,297,512
Transfers in (out)	590,186	590,186	(590,186)	(590,186)	-	-
Change in net position	180,914	(15,813)	2,216,015	1,313,325	2,396,929	1,297,512
Net position, beginning of year	6,837,717	6,853,530	14,669,414	13,356,089	21,507,131	20,209,619
Net position, end of year	\$ 7,018,631	\$ 6,837,717	\$ 16,885,429	\$ 14,669,414	\$ 23,904,060	\$ 21,507,131

City of Fountain Inn, South Carolina

Management's Discussion and Analysis

June 30, 2021

Governmental Activities

The City is reliant on local property taxes to pay for many of the services provided to its citizens. The current millage rate for local property taxes for the City is 76.1 mills for both Greenville County and Laurens County, which includes 11.6 mills for debt service. The Fire Service District carries a millage rate of 35.3 mills for the Fire Service Area of Greenville County. The assessed value is 4% of market value for residential property, 6% for commercial property, and 10.5% for industrial property. Local property taxes and fire service area revenues accounted for approximately 64.0% (\$6,079,000) of General Fund operating revenue for the year ended June 30, 2021.

Expenses in the year ended June 30, 2021 were approximately \$828,000 more than the prior year. The increase was due to increases in general government, judicial, public safety, streets and sanitation, recreation, special events/community development and interest and other charges offset by decreases in performing arts. Personnel costs and related benefits were a primary reason for the increase along with expenditures related to coronavirus safety measures.

Business-Type Activities

Total revenues of the City's business-type activities were approximately \$10,557,000 for the year ended June 30, 2021 compared to approximately \$9,723,000 for the year ended June 30, 2020, as a significant portion of the increase was related to an increase in charges for services due to population growth of new customers. The total expenses were approximately \$7,751,000 for the year ended June 30, 2021 compared to approximately \$7,819,000 for the year ended June 30, 2020, as a significant portion of the increase is related to an increase in the amount of natural gas charges incurred due to lower natural gas prices offset by increases in sewer related expenditures due to an increase in volume. (Refer to Table A-2)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported an increase in combined fund balance of approximately \$700,000, or a 15.5% increase over the prior year. Governmental funds revenues exceeded expenditures by approximately \$110,000, along with net transfers in the amount of approximately \$590,000 from enterprise funds. Increase was primarily due to growth of population resulting in new customers, increased home values due to the housing market offset by increases in employee costs and related benefits along with coronavirus safety measures.

General Fund Budgetary Highlights

Expenditures were approximately \$696,000 or 7.7% above budgeted amounts. This is primarily the result of personnel costs, capital expenditures and coronavirus safety measures.

Revenues were approximately \$1,217,000 or 14.3% more than budgeted amounts. Contributing factors include:

- Property tax and other tax revenues were approximately \$748,000 higher than budgeted primarily due to population growth of tax base.
- Fines, licenses and permits were approximately \$496,000 higher than budgeted due primarily to population growth.
- State and federal intergovernmental revenues were approximately \$50,000 lower than budgeted.
- Other revenues were approximately \$88,000 higher than budgeted
- Transfers in from other funds were approximately \$65,000 lower than budgeted.

City of Fountain Inn, South Carolina

Management's Discussion and Analysis

June 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2021, the City had invested approximately \$31,344,000, net of depreciation, in a broad range of capital assets. (See Table A-3) This amount represents a net increase (including additions and deductions) of approximately \$191,000 or .6% over June 30, 2020 balances.

Table A-3
City of Fountain Inn's Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,173,995	\$ 1,173,995	\$ 100,125	\$ 100,125	\$ 1,274,120	\$ 1,274,120
Construction in progress	921,781	862,736	907,396	677,765	1,829,177	1,540,501
Buildings and improvements	3,065,948	3,197,337	306,708	330,321	3,372,656	3,527,658
Land improvements	4,573,650	4,503,068	6,875	6,875	4,580,525	4,509,943
Infrastructure	3,010,926	3,038,426	96,514	96,858	3,107,440	3,135,284
Utility lines/Systems	-	-	14,319,407	14,025,540	14,319,407	14,025,540
Machinery, equipment, furniture and fixtures	387,767	427,233	184,575	211,383	572,342	638,616
Vehicles	2,220,134	2,387,289	67,996	113,659	2,288,130	2,500,948
Totals	\$ 15,354,201	\$ 15,590,084	\$ 15,989,596	\$ 15,562,526	\$ 31,343,797	\$ 31,152,610

This year's major capital asset additions included:

- Governmental activities: approximately \$319,000 in land improvements and infrastructure transferred from construction in progress projects completed, \$53,000 in machinery and equipment, \$453,000 in vehicles, \$24,000 in buildings and improvements, \$30,000 in land improvements and \$74,000 in infrastructure.
- Sewer: approximately \$72,000 in sewer construction projects transferred from construction in progress and approximately \$302,000 in other construction projects not yet completed.
- Natural Gas: approximately \$812,000 in infrastructure projects, of which approximately \$604,000 was not completed during the year, and \$33,000 in machinery and equipment.

More detailed information about the City's capital assets is presented in Notes 1 and 5 to the financial statements.

Long-term Debt

At June 30, 2021 the City had approximately \$13,860,000 in long-term obligations outstanding, excluding the net pension liability and the OPEB liability – a decrease of 5.9% over June 30, 2020, as shown in Table A-4. More detailed information about the City's long-term debt is presented in Note 8 to the financial statements.

Table A-4
City of Fountain Inn's Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Long-term obligations						
General obligation bonds	\$ -	\$ 289,750	\$ -	\$ -	\$ -	\$ 289,750
Revenue bonds	6,724,093	7,012,079	6,514,544	7,129,417	13,238,637	14,141,496
Notes payable - master lease	539,520	212,392	-	-	539,520	212,392
Compensated absences	66,137	67,588	16,137	18,234	82,274	85,822
Totals	\$ 7,329,750	\$ 7,581,809	\$ 6,530,681	\$ 7,147,651	\$ 13,860,431	\$ 14,729,460

City of Fountain Inn, South Carolina

Management's Discussion and Analysis

June 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City is geographically located in Greenville and Laurens Counties. Unemployment rates in these two counties as of June 30, 2021 were 3.9% and 4.8%, respectively, in comparison to the state rate of 4.5% and the national rate of 5.9% at the same period end.

Inflationary trends in the region compare favorably to national indices.

These indicators were taken into account when adopting the general fund budget for fiscal year 2022. Amounts available for appropriation for year ended June 30, 2022 in the general fund budget are approximately \$9,097,000.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide an overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions about this report or requests for additional financial information should be directed to Naomi Reed, Assistant City Administrator/Finance Director, 200 North Main Street, Fountain Inn, South Carolina, 29644 or by visiting www.fountaininn.org.

Basic Financial Statements

City of Fountain Inn, South Carolina

Statement of Net Position

June 30, 2021

	Primary government		
	Governmental activities	Business-type activities	Totals
Assets and Deferred Outflows of Resources			
Assets			
Cash and cash equivalents	\$ 3,421,704	\$ 5,801,185	\$ 9,222,889
Investments	251,674	3,320,587	3,572,261
Restricted cash and investments	1,148,648	406,447	1,555,095
Due from County Treasurer	112,081	-	112,081
Property taxes receivable, net	143,997	-	143,997
Accounts receivable, net	-	1,051,808	1,051,808
Due from other governments	426,447	-	426,447
Inventory	-	16,596	16,596
Prepays	44,343	26,040	70,383
Capital assets:			
Non-depreciable	2,095,776	1,007,521	3,103,297
Depreciable, net	13,258,425	14,982,075	28,240,500
Total assets	<u>20,903,095</u>	<u>26,612,259</u>	<u>47,515,354</u>
Deferred outflows of resources			
Deferred charge on refunding	-	23,721	23,721
Deferred outflows related to OPEB	16,237	-	16,237
Deferred outflows related to pension	1,895,292	494,119	2,389,411
Total deferred outflows of resources	<u>1,911,529</u>	<u>517,840</u>	<u>2,429,369</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 22,814,624</u>	<u>\$ 27,130,099</u>	<u>\$ 49,944,723</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable	\$ 207,991	\$ 140,385	\$ 348,376
Accrued salaries and fringe benefits	408,566	178,590	587,156
Accrued interest payable	70,040	38,883	108,923
Accrued expenses	23,146	-	23,146
Customer deposits	98,136	245,050	343,186
Unearned revenue	-	182,278	182,278
Internal balances	(451,473)	451,473	-
Non-current liabilities:			
Due within one year	662,728	643,388	1,306,116
Due in more than one year	6,667,022	5,887,293	12,554,315
OPEB liability	23,966	-	23,966
Net pension liability	8,038,168	2,466,809	10,504,977
Total liabilities	<u>15,748,290</u>	<u>10,234,149</u>	<u>25,982,439</u>
Deferred inflows of resources			
Deferred inflows related to OPEB	5,902	-	5,902
Deferred inflows related to pension	41,801	10,521	52,322
Total deferred inflows of resources	<u>47,703</u>	<u>10,521</u>	<u>58,224</u>
Net position			
Net investment in capital assets	8,163,874	9,498,774	17,662,648
Restricted for:			
Debt service	22,254	406,448	428,702
Capital projects	649	-	649
Cultural and tourism	774,633	-	774,633
Victims' assistance	143,836	-	143,836
Underage alcohol enforcement	9,128	-	9,128
Unrestricted (deficit)	(2,095,743)	6,980,207	4,884,464
Total net position	<u>7,018,631</u>	<u>16,885,429</u>	<u>23,904,060</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 22,814,624</u>	<u>\$ 27,130,099</u>	<u>\$ 49,944,723</u>

See Notes to Financial Statements

City of Fountain Inn, South Carolina

Statement of Activities

For the year ended June 30, 2021

Functions/Programs	Program revenues				Net (expense) revenue and changes in net position		Total
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government		
					Governmental activities	Business-type activities	
Primary government							
General government	\$ 1,733,679	\$ 1,750,110	\$ 5,149	\$ 126,045	\$ 147,625	\$ -	\$ 147,625
Judicial	257,587	-	-	-	(257,587)	-	(257,587)
Public safety	4,903,329	1,211,195	4,777	-	(3,687,357)	-	(3,687,357)
Sanitation	675,649	-	-	-	(675,649)	-	(675,649)
Streets and public works	886,928	598,484	736	-	(287,708)	-	(287,708)
Recreation	873,062	97,953	51,560	-	(723,549)	-	(723,549)
Special events/community development	464,295	85,344	-	-	(378,951)	-	(378,951)
Interest and other charges	245,171	-	-	-	(245,171)	-	(245,171)
Total governmental activities	10,039,700	3,743,086	62,222	126,045	(6,108,347)	-	(6,108,347)
Business-type activities							
Natural gas	6,955,759	9,198,159	-	-	-	2,242,400	2,242,400
Sewer	795,028	1,356,572	-	-	-	561,544	561,544
Total business-type activities	7,750,787	10,554,731	-	-	-	2,803,944	2,803,944
Total primary government	\$ 17,790,487	\$ 14,297,817	\$ 62,222	\$ 126,045	(6,108,347)	2,803,944	(3,304,403)
General revenues							
Taxes:							
Property taxes					4,864,855	-	4,864,855
Hospitality taxes					534,763	-	534,763
Intergovernmental revenue, not restricted for specific purposes							
Other					167,242	-	167,242
Investment earnings					127,131	205	127,336
Transfers					5,084	2,052	7,136
Total general revenues and transfers					590,186	(590,186)	-
Change in net position					6,289,261	(587,929)	5,701,332
Net position, beginning of year					180,914	2,216,015	2,396,929
Net position, end of year					6,837,717	14,669,414	21,507,131
					\$ 7,018,631	\$ 16,885,429	\$ 23,904,060

See Notes to Financial Statements

City of Fountain Inn, South Carolina**Balance Sheet - Governmental Funds****June 30, 2021**

	General	Hospitality tax	Capital Projects Fund	Other governmental funds	Total governmental funds
ASSETS					
Cash and cash equivalents	\$ 3,421,704	\$ -	\$ -	\$ -	\$ 3,421,704
Investments	251,674	-	-	-	251,674
Restricted cash and investments	649	894,992	106,156	146,851	1,148,648
Due from County treasurer	112,081	-	-	-	112,081
Property taxes receivable, net	143,997	-	-	-	143,997
Prepays	44,343	-	-	-	44,343
Due from other governments	378,460	47,987	-	-	426,447
Due from other funds	601,645	-	-	6,113	607,758
Total assets	<u>\$ 4,954,553</u>	<u>\$ 942,979</u>	<u>\$ 106,156</u>	<u>\$ 152,964</u>	<u>\$ 6,156,652</u>
LIABILITIES					
Accounts payable	\$ 179,201	\$ -	\$ 28,790	\$ -	\$ 207,991
Accrued salaries and fringe benefits	408,566	-	-	-	408,566
Other accruals	23,146	-	-	-	23,146
Deposits	98,136	-	-	-	98,136
Due to other funds	6,113	146,092	4,080	-	156,285
Total liabilities	<u>715,162</u>	<u>146,092</u>	<u>32,870</u>	<u>-</u>	<u>894,124</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	48,624	-	-	-	48,624
Total deferred inflows of resources	<u>48,624</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,624</u>
FUND BALANCES					
Nonspendable	44,343	-	-	-	44,343
Restricted					
Debt service	-	22,254	-	-	22,254
Capital projects	649	-	73,286	-	73,935
Special revenue	-	774,633	-	152,964	927,597
Assigned					
Capital projects	-	-	-	-	-
Unassigned	4,145,775	-	-	-	4,145,775
Total fund balances	<u>4,190,767</u>	<u>796,887</u>	<u>73,286</u>	<u>152,964</u>	<u>5,213,904</u>
Total liabilities and fund balances	<u>\$ 4,954,553</u>	<u>\$ 942,979</u>	<u>\$ 106,156</u>	<u>\$ 152,964</u>	<u>\$ 6,156,652</u>

See Notes to Financial Statements

City of Fountain Inn, South Carolina

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

June 30, 2021

TOTAL FUND BALANCE- GOVERNMENTAL FUNDS	\$	5,213,904
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Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	15,354,201
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Property taxes receivable will be collected this year, but are not available soon enough for the current period's expenditures, and therefore are presented as unavailable in the fund financial statements.	48,624
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Accrued interest on long-term obligations in governmental accounting is not due or payable in the current period and therefore are not reported as liabilities in the funds.	(70,040)
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Pension and OPEB related deferrals are not reported in governmental funds, but are reported in governmental activities as follows:

OPEB liability	(23,966)
Deferred outflows related to OPEB	16,237
Deferred inflows related to OPEB	(5,902)
Net pension liability	(8,038,168)
Deferred outflows related to pensions	1,895,292
Deferred inflows related to pensions	(41,801)

Long-term liabilities, including bonds and notes, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities consisted of the following:

Long-term debt	(7,263,613)	
Compensated absences	(66,137)	(7,329,750)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	<u>7,018,631</u>
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City of Fountain Inn, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the year ended June 30, 2021

	General	Hospitality tax	Capital Projects Fund	Other governmental funds	Total governmental funds
REVENUES					
Taxes	\$ 4,918,869	\$ 534,763	\$ -	\$ -	\$ 5,453,632
Fire service area revenues	1,160,003	-	-	-	1,160,003
Licenses and permits	1,740,892	-	-	-	1,740,892
Intergovernmental	167,242	-	-	-	167,242
Fines and forfeitures	44,027	-	-	5,482	49,509
Charges for services	695,604	-	-	-	695,604
Rent - facilities	11,734	-	-	-	11,734
Grants - governmental	53,573	-	-	3,500	57,073
Donations	5,149	-	-	-	5,149
Special events/community development	85,344	-	-	-	85,344
Interest	4,775	3,343	6	138	8,262
Net decrease in fair value of investments	(3,178)	-	-	-	(3,178)
Other	88,857	-	-	2,074	90,931
Total revenues all sources	8,972,891	538,106	6	11,194	9,522,197
EXPENDITURES					
Current:					
General government	1,020,419	-	14	-	1,020,433
Judicial	239,710	-	-	-	239,710
Public safety					
Police	2,473,333	-	-	936	2,474,269
Fire	1,876,541	-	-	-	1,876,541
Sanitation	675,649	-	-	-	675,649
Streets and public works	683,590	-	-	-	683,590
Recreation	662,730	-	-	-	662,730
Special events/community development	297,796	105,744	-	-	403,540
Commerce Park	60,755	-	-	-	60,755
Capital outlay	856,864	-	29,635	-	886,499
Debt service:					
Principal	587,622	105,986	-	-	693,608
Interest	216,657	27,542	-	-	244,199
Total expenditures	9,651,666	239,272	29,649	936	9,921,523
Excess of revenues over (under) expenditures	(678,775)	298,834	(29,643)	10,258	(399,326)
OTHER FINANCING SOURCES (USES)					
Proceeds on sale of capital assets	78,341	-	-	-	78,341
Proceeds from issuance of debt	443,000	-	-	-	443,000
Cost of debt issuance	(12,700)	-	-	-	(12,700)
Transfers in	761,329	-	-	-	761,329
Transfers out	-	(171,143)	-	-	(171,143)
Total other financing sources (uses)	1,269,970	(171,143)	-	-	1,098,827
Net change in fund balances	591,195	127,691	(29,643)	10,258	699,501
Fund balances, beginning of year	3,599,572	669,196	102,929	142,706	4,514,403
Fund balances, end of year	\$ 4,190,767	\$ 796,887	\$ 73,286	\$ 152,964	\$ 5,213,904

See Notes to Financial Statements

City of Fountain Inn, South Carolina

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities *For the year ended June 30, 2021*

Net change in fund balances - Total government funds	\$	699,501
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues that do not provide financial resources with which to pay current expenditures are reported as unearned or unavailable revenues in the fund financial statements. However, such items are reported as revenues in the Statements of Activities.		(54,014)
Repayment of bonds and notes payable principal is recognized in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This amount is the total reduction in the outstanding principal in the current year.		693,608
Bonds and notes payable proceeds provide current financial resources to governmental funds, but issuing debt or entering into notes payable increases long-term liabilities in the Statement of Net Position.		(443,000)
Interest on long term obligations in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when due for payment.		(972)
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.		1,451
In the Statement of Activities, capital assets contributed by other entities are reported as revenue. Since such contributions result in neither the receipt nor the use of the current financial resources, they are not reflected in the fund statements.		75,747
In the Statement of Activities, the cost of other post-employment benefits is measured by the increase in the net OPEB obligation during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for the OPEB costs.		(8,643)
Activity related to deferred outflows and inflows of resources related to pension and OPEB is not recorded at the fund level but is included in the Statement of Activities. The net changes are as follows:		
Deferred outflows related to other postemployment benefits		2,720
Deferred inflows related to other postemployment benefits		701
Deferred outflows related to pension		853,130
Deferred inflows related to pension		40,602
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. The net changes are as follows:		
City's change in net pension liability		(1,368,287)
Governmental funds report capital asset additions as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation expense in the current period.		
Capital asset additions	936,289	
Depreciation expense	(1,247,919)	(311,630)
Total change in net position of governmental activities	\$	180,914

See Notes to Financial Statements

City of Fountain Inn, South Carolina
Statement of Net Position - Proprietary Funds
June 30, 2021

	Business-Type Activities		
	Natural gas	Sewer	Total
Assets and Deferred Outflows of Resources			
Current assets			
Cash and cash equivalents	\$ 3,947,523	\$ 1,853,662	\$ 5,801,185
Investments	3,056,352	264,235	3,320,587
Restricted investments	268,278	138,169	406,447
Receivables, net of allowance for doubtful accounts	816,664	235,144	1,051,808
Inventory	16,596	-	16,596
Prepays	25,282	758	26,040
Total current assets	8,130,695	2,491,968	10,622,663
Noncurrent assets			
Capital assets			
Nondepreciable capital assets	705,964	301,557	1,007,521
Depreciable capital assets, net	9,570,690	5,411,385	14,982,075
Total capital assets	10,276,654	5,712,942	15,989,596
Total assets	18,407,349	8,204,910	26,612,259
Deferred outflows of resources			
Deferred charge on refunding	4,760	18,961	23,721
Deferred outflows - pension	444,776	49,343	494,119
Total deferred outflows of resources	449,536	68,304	517,840
Total assets and deferred outflows of resources	\$ 18,856,885	\$ 8,273,214	\$ 27,130,099
Liabilities, Deferred Inflows of Resources and Net Position			
Current liabilities			
Accounts payable	\$ 108,521	\$ 31,864	\$ 140,385
Accrued expenses	172,859	5,731	178,590
Accrued interest payable	26,514	12,369	38,883
Unearned revenue	182,278	-	182,278
Due to other funds	306,424	145,049	451,473
Customer deposits	245,050	-	245,050
Compensated absences	11,454	649	12,103
Revenue bond payable	321,758	309,527	631,285
Total current liabilities	1,374,858	505,189	1,880,047
Noncurrent liabilities			
Compensated absences	3,819	216	4,035
Net pension liability	2,220,473	246,336	2,466,809
Revenue bonds payable	3,460,917	2,422,341	5,883,258
Total noncurrent liabilities	5,685,209	2,668,893	8,354,102
Total liabilities	7,060,067	3,174,082	10,234,149
Deferred inflows of resources			
Deferred inflows - pension	9,470	1,051	10,521
Total deferred inflows of resources	9,470	1,051	10,521
NET POSITION			
Net investment in capital assets	6,498,739	3,000,035	9,498,774
Restricted for debt service	268,279	138,169	406,448
Unrestricted	5,020,330	1,959,877	6,980,207
Total net position	11,787,348	5,098,081	16,885,429
Total liabilities, deferred inflows of resources and net position	\$ 18,856,885	\$ 8,273,214	\$ 27,130,099

City of Fountain Inn, South Carolina

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds

For the year ended June 30, 2021

	Business-Type Activities		
	Natural Gas	Sewer	Total
OPERATING REVENUES			
Charges for service			
Natural gas sales	\$ 7,641,111	\$ -	\$ 7,641,111
Sewer fees	-	1,356,572	1,356,572
Other charges for services	1,557,048	-	1,557,048
TOTAL OPERATING REVENUES	9,198,159	1,356,572	10,554,731
OPERATING EXPENSES			
Natural gas purchases	3,329,663	-	3,329,663
Personnel services	1,749,510	301,167	2,050,677
Contractual services	101,152	-	101,152
Materials and supplies	220,473	-	220,473
Other operating expenses	922,043	184,819	1,106,862
Depreciation	520,737	223,950	744,687
Amortization	2,380	2,253	4,633
TOTAL OPERATING EXPENSES	6,845,958	712,189	7,558,147
OPERATING INCOME	2,352,201	644,383	2,996,584
NONOPERATING REVENUES (EXPENSES)			
Gain on disposal of capital assets	-	205	205
Investment income	25,844	759	26,603
Net increase in fair value of investments	(24,551)	-	(24,551)
Interest expense	(109,801)	(82,839)	(192,640)
TOTAL NONOPERATING REVENUES (EXPENSES)	(108,508)	(81,875)	(190,383)
INCOME BEFORE TRANSFERS	2,243,693	562,508	2,806,201
TRANSFERS IN/(OUT)	(590,186)	-	(590,186)
CHANGE IN NET POSITION	1,653,507	562,508	2,216,015
NET POSITION, BEGINNING OF YEAR	10,133,841	4,535,573	14,669,414
NET POSITION, END OF YEAR	\$ 11,787,348	\$ 5,098,081	\$ 16,885,429

City of Fountain Inn, South Carolina
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2021

	Business-Type Activities		
	Natural Gas	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 8,941,745	\$ 1,371,519	\$ 10,313,264
Cash payments for goods and services	(4,547,962)	(111,400)	(4,659,362)
Cash payments for employees	(1,991,711)	(328,330)	(2,320,041)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	2,402,072	931,789	3,333,861
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	(547,790)	39,279	(508,511)
NET CASH PROVIDED BY (USED FOR) NON-CAPITAL FINANCING ACTIVITIES	(547,790)	39,279	(508,511)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(844,985)	(353,308)	(1,198,293)
Proceeds from sale of disposals	-	205	205
Principal payments on revenue bond payable	(314,393)	(300,480)	(614,873)
Interest payments	(111,718)	(84,198)	(195,916)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(1,271,096)	(737,781)	(2,008,877)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(523,036)	1,008	(522,028)
Income on investments	25,844	759	26,603
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(497,192)	1,767	(495,425)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	85,994	235,054	321,048
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,861,529	1,618,608	5,480,137
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,947,523	\$ 1,853,662	\$ 5,801,185
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 2,352,201	\$ 644,383	\$ 2,996,584
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	520,737	223,950	744,687
Amortization	2,380	2,253	4,633
Change in:			
Accounts receivable	(292,657)	14,947	(277,710)
Prepays	(1,896)	2,251	355
Inventory	1,151	-	1,151
Accounts payable	(333,135)	28,795	(304,340)
Accrued expenses	100,096	545	100,641
Unearned revenue	36,243	-	36,243
Deferred outflows of resources	(222,698)	(25,044)	(247,742)
Deferred inflows of resources	(19,503)	(2,119)	(21,622)
Compensated absences	(914)	(1,183)	(2,097)
Net pension liability	362,217	43,011	405,228
Deposits	(102,150)	-	(102,150)
Net cash provided by (used for) operating activities	\$ 2,402,072	\$ 931,789	\$ 3,333,861

City of Fountain Inn, South Carolina

Statement of Fiduciary Net Position

June 30, 2021

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ 93,959
Due from other funds	<u>3,962</u>
Total assets	<u>97,921</u>
Liabilities	
Due to other funds	2,080
Due to other governments/governmental agencies	<u>95,841</u>
Total liabilities	<u>97,921</u>
Net Position	
Restricted for individuals, organizations, and other governments	<u>-</u>
Total net position	<u>\$ -</u>

See Notes to Financial Statements

City of Fountain Inn, South Carolina
Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2021

	<u>Custodial Funds</u>
Additions	
Funds from state and participants	\$ 123,086
Total additions	<u>123,086</u>
Deductions	
Distributions to other governments/governmental agencies	<u>123,086</u>
Total deductions	<u>123,086</u>
Change in fiduciary net position	-
NET POSITION, BEGINNING OF YEAR	<u>-</u>
NET POSTION, END OF YEAR	<u><u>\$ -</u></u>

See Notes to Financial Statements

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies

The basic financial statements of the City of Fountain Inn, South Carolina (the City), have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America 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. The more significant of the government's accounting policies are described below.

Reporting entity:

The City is an incorporated municipality located in Greenville and Laurens Counties, South Carolina that was established in 1886. Section 47-26 of the 1962 Code of Laws, as amended ("Home Rule Act"), requires that municipalities adopt a specific form of government. Effective July 1, 2018, the City began operating under a Council form of government. The six city council members serve 4-year staggered terms and the mayor is elected for a 4-year term; they are collectively referred to as "Council."

As required by GAAP, the financial statements present the City's financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed if the City both appoints a voting majority of the entity's governing body, and either 1) the City is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefit to, or impose specific financial burdens on the City. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the City and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the City.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) issue bonded debt without approval by the City. An entity has a financial benefit or burden relationship with the City if, for example, any one of the following conditions exists: (a) the City is legally entitled to or can otherwise access the entity's resources, (b) the City is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the City is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above for being fiscally independent if excluding it would cause the City's financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City has one blended component unit.

Blended Component Unit - Fountain Inn Facilities Corporation (FIFC) is a not-for-profit 501(c)(3) organization incorporated for the specific charitable purpose of serving as a "support corporation" for capital projects in the City. Because FIFC exclusively benefits the City, FIFC's financial information is blended with that of the City in these basic financial statements. Separate financial information for FIFC is included in individual columns through the financial statements. FIFC does not issue separate financial statements.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Based on the criteria above, the City has no discretely presented component units.

The governmental activities of the City include general government, public safety (police and fire), public service (streets and sanitation services), recreation, and community development.

Basis of presentation:

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide financial statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of charges between City's natural gas and sewer funds and various other functions of the City. Elimination of these charges would distort the direct costs and revenues of the various functions concerned. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities for the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund financial statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Measurement focus, basis of accounting, and financial statement presentation:

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected 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 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, franchise 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 to be measurable and available only when cash is received by the government.

Governmental funds are those through which all governmental functions of the City are financed. The City's expendable financial resources and related assets and liabilities are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the City's major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. This is a budgeted fund, and any fund balance is considered a resource available for use.

The **Hospitality Tax Fund**, a major fund, is used to account for hospitality tax revenues that are restricted to expenditures for specific tourism generating purposes and debt service on Commerce Park, a tourism and economic center in the City.

The **Capital Projects Fund**, a major fund, is used to account for and report the accumulation of financial resources that are restricted, committed or assigned for the acquisition of capital assets or construction of major capital facilities for the City. The activity of the City's blended component unit, Fountain Inn Facilities Corporation, is reported in this fund.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

The **Other Governmental Funds**, nonmajor funds, are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. These funds include the following: Victims Fund and the EUDL Police Fund.

Proprietary Fund Types are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are primarily charges for services and fees. Operating expenses for enterprise funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types include the following funds:

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City has two major enterprise funds:

The **Natural Gas Fund**, a budgeted fund, is used to account for the City's natural gas operations.

The **Sewer Fund**, a budgeted fund, is used to account for the City's sewer line maintenance operations.

Fiduciary Fund Types are used to account for expendable assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Fiduciary Fund Types include:

Custodial Funds account for monies held on behalf of the law enforcement forfeiture fund and the firemen's fund that use the City as a depository. The law enforcement forfeiture fund consists of funds or assets seized by the City Police Department in the course of drug law enforcement, while the firemen's fund consists of funds distributed by the state to qualified fire departments for use in retirement or insurance for firemen, training and education, and recruitment and retention, and the community patrol fund provides funding for kids' summer camps. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for the general operation of the City. These funds are custodial in nature and do not present results of operations.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., various governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Cash and investments:

The City considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Pooled Investment Fund ("Pool") to be cash equivalents. Securities with an initial maturity of more than three months when initially purchased are reported as investments. The City's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types and component units within the State of South Carolina) that authorize the City to invest in the following:

- (1) Obligations of the United States and agencies thereof;
- (2) General obligations of the State of South Carolina or any of its political units;
- (3) Financial institutions to the extent that the same are insured by an agency of the federal government;
- (4) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (5) Repurchase agreements when collateralized by securities as set forth in this section;
- (6) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or other financial institution when acting as trustee or agent for a bond or other debt issue of the City, if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), and (5) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

Investments are stated at fair value; except that repurchase agreements and U.S. Government agencies that have a maturity at the time of purchase of one year or less are shown at amortized cost.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

The City has certain funds invested with the South Carolina State Treasurer's Office, which established the South Carolina Local Government Investment Pool (the "LGIP") pursuant to Section 6-6-10 of the South Carolina Code. The LGIP is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The LGIP is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC"), an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the LGIP is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. The City's cash investment objectives are preservation of capital, liquidity and yield.

Receivables and payables:

During the course of its operations, the City has numerous transactions occurring between funds. These transactions include expenditures and transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as transfers in (out). To the extent that certain transactions between funds had not been paid or received as of June 30, 2021, balances of interfund receivables or payables have been recorded.

Property taxes receivable represent current real and personal property tax as well as delinquent real and personal property taxes, less an allowance for amounts estimated to be uncollectible. All net property taxes receivable at year end, except those received by the City within 60 days, are recorded as unavailable tax revenue in the governmental funds and thus not recognized as revenue until collected.

The City receives property taxes on real and personal property located in Greenville County and Laurens County, South Carolina. Property taxes are assessed and collected by the Counties under joint billing and collection agreements. Real property and all personal property taxed other than vehicle property taxes attach as an enforceable lien on property other than vehicles and are payable without penalty until January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates:

January 16 th through February 1 st	—	3%
February 2 nd through March 15 th	—	10% of tax
After March 15 th	—	15% of tax plus collection cost

Current year real and personal property taxes become delinquent on March 16th. Unpaid property taxes become a lien against the property as of June 1st of the calendar year following the levy date. The levy date for motor vehicles is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Trade receivables are comprised of amounts due from entities and individuals for a variety of types of fees, charges, and services, including natural gas and sewer fees and charges.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Inventories and prepaid items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as inventory or prepaid items using the consumption method. A current asset for the inventory or prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which inventory or services are consumed.

Capital assets:

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at the acquisition value of the donor. The City maintains a capitalization threshold of \$5,000 for its capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred in the proprietary fund during the construction of capital assets is capitalized.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are complete. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	15 - 40 years
Improvements (Other than Buildings)	10 - 20 years
Machinery and Equipment	3 - 10 years
Vehicles	5 - 10 years
Furniture and Fixtures	5 - 10 years
Infrastructure	20 - 50 years

Restricted assets:

Certain cash, cash equivalents and investments are restricted on the basic financial statements as they have been set aside for specific purposes. These assets have been restricted because their use is (a) limited to purchases of certain capital assets as outlined in a capital lease agreement, (b) limited for debt service or (c) limited for other special purposes.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Deferred outflows of resources and deferred inflows of resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources until then. The government has two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the proprietary funds statement of net position and the government-wide business type activities. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the change in net pension and other postemployment benefits (OPEB) liabilities and not included in pension and OPEB expense, which may be reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension and OPEB liabilities are reported as deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. The first item is *unavailable revenue*, which arises only under the modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The second item in this category is the change in net pension liability as discussed in the above paragraph.

Compensated absences:

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." The entire compensated absence liability and expense is reported on the government-wide financial statements. The portion applicable to the proprietary fund is also recorded in the proprietary fund financial statements. The governmental funds will also recognize compensated absences for termination and retirements that occurred prior to year-end and are expected to be paid within a short time subsequent to year end, if they are material. No compensated absences were recognized in the governmental funds as unpaid at June 30, 2021.

Employees eligible for leave include regular full-time employees after one year of service. Employees may carry 96 hours and firemen may carry 144 hours of unused annual leave from one year to the next. Starting in fiscal year 2017, carryover of absences occurs at each employee's anniversary date of their hire. Upon voluntary termination of employment, a maximum of 40 hours of annual leave accrued by an employee is liquidated by a lump sum payment at their regular rate of pay provided one year of service has been completed and a two-week notice has been satisfied. The two-week notice may be waived by the City Administrator.

Sick leave is earned at the rate of eight hours per month. Employees are authorized to carry over a maximum of ninety days of unused sick leave per calendar year. Upon termination of employment, employees are not paid for unused sick leave. Accordingly, sick leave is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Accrued liabilities and long-term obligations:

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the noncurrent portion of capital leases, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Pensions:

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

Fund balance:

The equity section of the governmental fund balance sheet is comprised of these major fund balance elements: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is self-imposed limitations imposed at the highest level of decision-making authority. Assigned fund balances is a limitation imposed by the City Administrator. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. The General Fund is the only fund that reports a positive unassigned fund balance.

The City Council is the City's highest level of decision making. The City Council can establish, modify or rescind a fund balance commitment through adoption of an ordinance. The City Administrator has the authority, under adoption of a budget ordinance, to assign fund balance amounts to a specific purpose; the City Administrator is hired by, and serves at the pleasure of, the City Council.

The City considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted amounts are available. When an expenditure is incurred for which committed, assigned or unassigned amounts could be used the City considers the expenditures to be used in this respective order.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

In the governmental fund financial statements, the City can establish commitments of fund balance which are to reflect plans for financial resource utilization in future periods. Commitments of fund balance represent tentative management plans that are subject to change and ultimately may not be legally authorized or result in expenditures. Currently, commitments of fund balance include amounts committed for fund balance policy, which represents funds set aside by resolution of the Council to meet seasonal cash flow shortfalls. The policy sets aside a minimum of 20% of the General Fund operating expenditures. The unassigned General Fund balance at June 30, 2021 is 43.0% of General Fund operating expenditures. The City's policy states that if the unassigned General Fund balance falls below 20%, then the City will rebuild the balance within one year.

At year end, no encumbrances were outstanding.

Net position:

Net position represents the difference between assets, deferred outflows/inflows and liabilities. Net investment in capital assets 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. Outstanding debt, which has not been spent, is included in the same net position components as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Accounting estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the City's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Budgetary Accounting and Reporting

Budgetary policies:

An annual appropriated budget is adopted for the General Fund and the Hospitality Tax Special Revenue Fund and is presented as required supplementary information. The budgets are presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. Supplemental appropriations were approved during the year for the General Fund while no supplemental appropriations were approved during the year for the Hospitality Tax Special Revenue Fund.

At June 30, 2021, General Fund expenditures were over budget by approximately \$696,000 due to generally negative budget variances across most departments. Transfers from the Natural Gas Fund and Hospitality Tax Fund were used to supplement the capital outlay and special events/community development departmental expenditures.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 2. Budgetary Accounting and Reporting, Continued

The following is the City's procedure for establishing and adopting a budget:

1. During the month of May, the City Administrator submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the City Hall to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through Council approval.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Hospitality Tax Special Revenue Fund and the Proprietary Funds. The legal level of control for each budget is maintained at the departmental level.
5. All budgets are adopted on an accounting basis that is consistent with generally accepted accounting principles.
6. The City Council adopts a budget ordinance at the outset of each fiscal year establishing revenue anticipated on a line-item basis and appropriations on a departmental basis. The City Council has authority to amend the approved budget during the fiscal year as necessary as recommended by management.

Note 3. Deposits and Investments

Custodial credit risk – deposits:

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. At June 30, 2021 the carrying amount of the City's deposits was \$7,335,575 and the bank balances were \$7,632,619. All of the City's deposits at year-end were covered by Federal Depository Insurance Corporation (FDIC) insurance or collateral held in the pledging financial institution's trust departments in the City's name. Petty cash on hand totaled \$728 at June 30, 2021.

Investments:

As of June 30, 2021, the City had the following investments:

Investment Type	Investment maturities (in years)			
	Fair Value	Less than 1	1 - 5	5-10
Repurchase agreements	\$ 3,051,359	\$ 3,051,359	\$ -	\$ -
Money market mutual funds	275,619	275,619	-	-
Municipal bonds-tax exempt	86,032	86,032	-	-
United States Treasury obligations	2,834,717	465,215	1,797,331	572,171
South Carolina local government investment pool	860,174	860,174	-	-
	<u>\$ 7,107,901</u>	<u>\$ 4,738,399</u>	<u>\$ 1,797,331</u>	<u>\$ 572,171</u>

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 3. Deposits and Investments, Continued

Interest rate risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's investment policy states that the portfolio shall be designed to obtain a market rate of return during budgetary and economic cycles, taking into account investment risk constraints and cash flow needs.

Credit risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no investment policy that would further limit its investment choices other than state law. As of June 30, 2020, the underlying security ratings of the City's investment in the South Carolina Local Government Investment Pool may be obtained from the LGIP's complete financial statements. These financial statements may be obtained by writing to the following address:

The State Treasurer's Office
Local Government Investment Pool
Post Office Box 11778
Columbia, South Carolina 29211

The fair value of the City's position in the LGIP is the same as the value of pool shares. The regulatory oversight for the LGIP is the State of South Carolina.

State statute authorizes the City to invest in obligations of the United States and agencies thereof, general obligations of the State of South Carolina or any of its political units provided such obligations are rated as an "A" or better by Moody's Investor Service, Inc. and Standard and Poor's Corporation or their respective successor's; interest bearing accounts in savings and loan associations to the extent that the same are secured by an agency of the Federal government; certificates of deposit where the certificates are collaterally secured by securities of the type described above, held by a third party as escrow agent or custodian of a market value not less than the amount of the certificates of deposits so secured, including interest, provided, however, such collateral shall not be required to the extent the same are insured by an agency of the United States Government; or deposit accounts with banking institutions insured and secured in the same manner. As of June 30, 2021, the City's investments are made in accordance with Section 6-5-10 of the South Carolina Code of Law. The statutes provide that all authorized investments shall have maturities consistent with the time or times when the invested monies will be needed in cash. Statutes also allow the State Treasurer to assist local governments in investing funds. The State Treasurer also provides oversight for the State Treasurer's Investment Pool which is unrated, of which; the fair value of the City's investments is the same as the value of the pooled shares. The City's investments in the money market fund, repurchase agreement, and certificate of deposit are also unrated. The City is under no contractual agreements which restrict investment alternatives. The City has no investment policy that would further limit its investment choices.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 3. Deposits and Investments, Continued

Concentration of credit risk:

The City's investment policy states that with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the total investment portfolio will be invested in a single security type or with a single financial institution. Investments in external investment pools are excluded from this disclosure requirement.

The City had cash and investments of \$1,555,095 at June 30, 2021, that were restricted for (1) debt service related to the 2013 Natural Gas Revenue Refunding Bonds, 2015 Natural Gas Revenue Bonds, 2012 Sewer Revenue Refunding Bonds, 2014 Sewer Revenue Bonds; (2) sewer upgrades and purchases of various capital equipment related to the 2009 Sewer Revenue Bonds (refunded by 2012 Sewer Revenue Refunding Bond), and the 2015 General Obligation Bonds; and (3) funds to be used for other capital projects.

Reconciliation to the financial statements:

The following reconciles deposits and investments to cash and cash equivalents and investments, as presented in the statement of net position as of June 30, 2021:

Disclosures regarding deposits and investments:

Cash on hand	\$ 728
Carrying value of deposits	7,335,575
Fair value of investments	<u>7,107,901</u>
Total	<u>\$ 14,444,204</u>

Statements of net position and fiduciary net position:

Statement of net position:

Cash and cash equivalents	\$ 9,222,889
Investments	3,572,261
Restricted cash and investments	1,555,095

Statement of fiduciary net position:

Cash and cash equivalents	<u>93,959</u>
Total	<u>\$ 14,444,204</u>

Note 4. Receivables

Receivables as of June 30, 2021 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	<u>Governmental activities</u>	<u>Business- type activities</u>	<u>Total</u>
Property taxes receivable	\$ 146,936	\$ -	\$ 146,936
Accounts receivable	-	1,389,940	1,389,940
Due from County Treasurer	<u>112,081</u>	<u>-</u>	<u>112,081</u>
Less: allowance	<u>(2,939)</u>	<u>(338,132)</u>	<u>(341,071)</u>
Net receivables	<u>\$ 256,078</u>	<u>\$ 1,051,808</u>	<u>\$ 1,307,886</u>

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 5. Capital Assets

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

	Beginning balance	Increases	Decreases	Transfers	Ending balance
Governmental Activities:					
Capital assets, non-depreciable:					
Land	\$ 1,173,995	\$ -	\$ -	\$ -	\$ 1,173,995
Construction in progress	862,736	377,966	-	(318,921)	921,781
Total capital assets, non-depreciable	2,036,731	377,966	-	(318,921)	2,095,776
Capital assets, depreciable					
Buildings and improvements	5,634,707	24,373	-	-	5,659,080
Furniture and fixtures	71,542	-	-	-	71,542
Land improvements	4,532,934	29,635	-	217,925	4,780,494
Infrastructure	7,491,490	73,887	-	100,996	7,666,373
Machinery and equipment	1,003,247	52,991	21,300	-	1,034,938
Vehicles	5,409,726	453,184	199,744	-	5,663,166
Total capital assets, depreciable	24,143,646	634,070	221,044	318,921	24,875,593
Less: accumulated depreciation for:					
Buildings and improvements	2,437,370	155,762	-	-	2,593,132
Furniture and fixtures	47,741	8,162	-	-	55,903
Land improvements	29,866	176,978	-	-	206,844
Infrastructure	4,453,064	202,383	-	-	4,655,447
Machinery and equipment	599,815	84,295	21,300	-	662,810
Vehicles	3,022,437	620,339	199,744	-	3,443,032
Total accumulated depreciation	10,590,293	1,247,919	221,044	-	11,617,168
Total capital assets, depreciable, net	13,553,353	(613,849)	-	318,921	13,258,425
Total governmental activities capital assets, net	\$ 15,590,084	\$ (235,883)	\$ -	\$ -	\$ 15,354,201
	Beginning balance	Increases	Decreases	Transfers	Ending balance
Business-type activities:					
Capital assets, non-depreciable:					
Land	\$ 100,125	\$ -	\$ -	\$ -	\$ 100,125
Construction in progress	677,767	1,152,766	26,538	(896,599)	907,396
Total capital assets, non-depreciable	777,892	1,152,766	26,538	(896,599)	1,007,521
Capital assets, depreciable					
Buildings and improvements	647,903	-	-	-	647,903
Land improvements	6,875	-	-	-	6,875
Infrastructure	98,262	-	-	-	98,262
Utility lines/Systems	24,220,760	-	-	896,599	25,117,359
Machinery and equipment	1,286,196	45,526	46,845	-	1,284,877
Vehicles	515,092	-	-	-	515,092
Total capital assets, depreciable	26,775,088	45,526	46,845	896,599	27,670,368
Less: accumulated depreciation for:					
Buildings and improvements	317,582	23,617	-	-	341,199
Infrastructure	1,404	344	-	-	1,748
Utility lines/Systems	10,195,219	602,729	-	-	10,797,948
Machinery and equipment	1,074,813	72,334	46,845	-	1,100,302
Vehicles	401,433	45,663	-	-	447,096
Total accumulated depreciation	11,990,451	744,687	46,845	-	12,688,293
Total capital assets, depreciable, net	14,784,637	(699,161)	-	896,599	14,982,075
Total business-type activities capital assets, net	\$ 15,562,529	\$ 453,605	\$ 26,538	\$ -	\$ 15,989,596

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 5. Capital Assets, Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 263,853
Judicial	17,877
Public safety	552,519
Streets and sanitation	203,338
Recreation	<u>210,332</u>
Total depreciation expense - governmental activities	<u>\$ 1,247,919</u>

Business-type activities:

Enterprise funds:	
Natural gas fund	\$ 520,737
Sewer fund	<u>223,950</u>
Total depreciation expense - business-type activities	<u>\$ 744,687</u>

Note 6. Interfund Receivables and Payables

Interfund balances at June 30, 2021 (which are expected to be received or paid within one year) consisted of the following:

Receivable Fund	Payable Fund	Amount
General	Enterprise - Natural Gas	\$ 338,197
General	Enterprise - Sewer	113,276
General	Hospitality tax	146,092
General	Capital	4,080
Enterprise - Nat Gas	Enterprise - Sewer	31,773
Other governmental funds	General	164
Victim's Fund	General	<u>5,949</u>
		<u>\$ 639,531</u>

All of the above balances are scheduled to be collected in the subsequent period. The balances at June 30, 2021 resulted from the time lag between the dates that the interfund goods and services were provided or reimbursable expenses occurred and the dates that such transactions are processed for payment.

Note 7. Transfers In and (Out)

Transfers from (to) other funds for the year ended June 30, 2021, were for the purpose of supplementing capital projects and special events/community development activity in the general and sewer funds, and consisted of the following:

Transfer In Fund	Transfer Out Fund	Amount
General	Hospitality tax	\$ 171,143
General	Enterprise - Natural Gas	<u>590,186</u>
		<u>\$ 761,329</u>

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 8. Long-term Obligations

Detail for each outstanding long-term debt and capital lease issue as of June 30, 2021 was as follows:

Revenue bonds:

2012 Sewer Revenue Refunding Bond – issued December 2012 in the amount of \$3,706,982. Bonds are due in annual installments ranging from \$80,412 to \$276,699 through 2029, with interest at 2.67%. The proceeds were used to currently refund the 2009 Sewer Revenue Bonds (\$3,830,000 outstanding at the time of refunding), resulting in a loss on refunding of \$38,300 due to a one percent premium on early repayment. This loss is being amortized over 17 years which is both the remaining life of the refunded bond and the new 2012 bond. The refunding reduced the total debt service over 17 years by \$683,577 resulting in an economic gain on refunding the 2009 Sewer Revenue Bond of \$262,653.

2013A Accommodations and Hospitality Tax Revenue Refunding Bond – issued January 9, 2013 in the amount of \$914,833. Bonds are due in annual installments ranging from \$47,337 to \$70,710 through 2029, with interest at 2.75%. Debt issuance costs of approximately \$18,000 were expensed. The proceeds were used to currently refund the 2009 ground lease/purchasing agreement (\$900,000 outstanding at the time of refunding). The refunding reduced the total debt service over 17 years by \$136,048 resulting in an economic loss on refunding the ground lease/purchasing agreement of \$39,664.

2013B Accommodations and Hospitality Tax Revenue Bond – issued May 16, 2013 in the amount of \$785,000. Bonds are due in annual installments ranging from \$44,300 to \$62,200 through 2028, with interest at 2.65%. The proceeds of the bond issue were used for construction or acquisition of capital assets.

2013 Natural Gas Revenue Refunding Bond – issued July 16, 2013 in the amount of \$2,167,785. Bonds are due in annual installments ranging from \$197,549 to \$237,966 through 2023, with interest at 2.28%. Debt issuance costs of approximately \$52,000 were paid from proceeds of new issued bonds. The proceeds were used to currently refund the 2008 Natural Gas Revenue Bonds (\$2,575,000 outstanding at the time of refunding), resulting in a loss on refunding of \$23,800 due to a one percent premium on early repayment. This loss is being amortized over 10 years which is both the remaining life of the refunded bond and the new 2013 bond. The refunding reduced the total debt service over 10 years by \$636,498 resulting in an economic gain on refunding the 2008 Natural Gas Revenue Bond of \$200,013.

2014 Sewer Revenue Bond – issued December 16, 2014 in the amount of \$1,118,000. Bonds are due in annual installments ranging from \$35,000 to \$99,000 through 2029, with interest at 3.08%. The proceeds of the bond issue were used for construction or acquisition of capital assets.

2015A Natural Gas Revenue Bond - issued November 23, 2015 in the amount of \$3,465,000. Bonds are due in annual installments ranging from \$40,000 to \$435,000 through 2030, with interest at 2.98%. The proceeds of the bond issued were used for construction or acquisition of capital assets.

Installment Purchase Revenue Bond (IPRB Series 2019) – issued May 1, 2019 in the amount of \$6,199,000 by Fountain Inn Facilities Corporation, which is due in annual principal installments of \$182,000 to \$420,000 beginning December 1, 2019 and ending December 1, 2038. Interest is payable annually on December 1st at a rate of 3.32%. The proceeds from the IPRB – Series 2019 will be used for certain city improvement projects.

General Obligation Bonds:

2015 General Obligation Bond – issued February 2015 in the amount of \$1,575,500. The proceeds were used for purchases of equipment for the police, fire, public works, and recreation departments. Bonds are due in annual installments ranging from \$192,750 to \$289,750 through April 2021, with interest at 1.73%.

June 30, 2021

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 8. Long-term Obligations, Continued

Future minimum lease payments under master leases, and the present value of the net minimum lease payments at June 30, 2021:

<u>Fiscal year ending June 30,</u>	<u>Governmental funds</u>
2022	\$ 142,814
2023	142,542
2024	92,834
2025	92,570
2026	<u>92,292</u>
Total minimum lease payments	563,052
Less: Amount representing interest	<u>(23,532)</u>
Present value of future minimum lease payments	<u>\$ 539,520</u>

Master lease obligations are payable from the governmental funds.

All General Obligation and Installment Purchase Revenue Bonds are direct obligations of the City, which pledged its full faith and credit upon issuance. The Sewer and Natural Gas Revenue Bonds are to be repaid from the operations of those funds. The full faith, credit, and taxing powers of the City are not pledged for the payment of the Sewer and Natural Gas Revenue Bonds. Resources from the General Fund, Hospitality Tax Fund and the Enterprise Funds have been used to liquidate the City's long-term obligations.

There are numerous limitations, restrictions, and covenants contained in the bond indentures and ordinances. At June 30, 2021, management believes the City is in compliance with all significant restrictions and covenants.

Interest paid on the debt issued by the City is exempt from federal income tax. The City sometimes temporarily reinvests the proceeds of such tax-exempt debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be refunded to the federal government. The City had no arbitrage liability at June 30, 2021.

The South Carolina Constitution, as amended, provides that no City shall incur any bonded debt which shall exceed 8% of the assessed value of the property therein and no such debt shall be created without the electors of such City voting in favor of such further bonded debt. As of June 30, 2021, the City had approximately no bonded debt subject to the 8% limit of approximately \$3,170,000, resulting in an unused legal debt margin of approximately \$3,170,000.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 9. Pension Plans

Description of the Entity

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' (the "Systems") five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

Plan descriptions:

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.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 9. Pension Plans, Continued

Membership:

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

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

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

Benefits:

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

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

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

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 9. Pension Plans, Continued

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

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

Contributions:

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

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

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 9. Pension Plans, Continued

Required **employee** contribution rates¹ are as follows:

	<u>Fiscal Year 2021¹</u>	<u>Fiscal Year 2020¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required **employer** contribution rates¹ are as follows:

	<u>Fiscal Year 2021¹</u>	<u>Fiscal Year 2020¹</u>
SCRS		
Employer Class Two	15.41%	15.41%
Employer Class Three	15.41%	15.41%
Employer Incidental Death Benefit	.15%	.15%
PORS		
Employer Class Two	17.84%	17.84%
Employer Class Three	17.84%	17.84%
Employer Incidental Death Benefit	.20%	.20%
Employer Incidental Death Program	.20%	.20%

¹ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

² Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

Contributions to the SCRS and PORS pension plans from the City were \$427,465 and \$407,928, respectively, for the year ended June 30, 2021.

Net Pension Liability:

For the year ended June 30, 2021, the City reported a liability of \$5,778,734 and \$4,726,243 for its proportionate share of the SCRS and PORS net pension liability ("NPL"), respectively. The NPL was measured as of June 30, 2020, and the total pension liability ("TPL") used to calculate the NPL was determined by an actuarial valuation as of July 1, 2019 and projected forward. The City's proportionate share of the NPL was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. As of the June 30, 2020 measurement date, the City's proportionate share of the SCRS and PORS plans were .02262 percent and .14252 percent, respectively.

Non-employer Contributions:

Employer's proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and non-employer contributions appropriated in the State's budget. In an effort to offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for fiscal year 2020 and 2021. The State budget appropriated these funds directly to PEBA and a credit was issued for each employer to use when submitting their quarterly remittances to PEBA. For the year ended June 30, 2020 measurement period, PEBA provided non-employer contributions to the City in the amount of \$38,866 which is shown as a reduction of net pension liability and other grant revenue in the government-wide financial statements the year ended June 30, 2021 which are presented on the economic resources measurement focus and accrual basis of accounting.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 9. Pension Plans, Continued

Pension expense:

For the year ended June 30, 2021, the City recognized \$1,445,815 in pension expense. This amount consisted of \$698,191 and \$747,624, respectively, for the SCRS and PORS plans.

Deferred inflows of resources and deferred outflows of resources:

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SCRS	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 66,679	\$ 21,852
Changes of assumptions	7,080	-
Net difference between projected and actual earnings on pension plan investments	425,075	-
Changes in proportion and differences between City contributions and proportionate share of contributions	231,220	2,793
City contributions subsequent to the measurement date	427,465	-
Total	<u>\$ 1,157,519</u>	<u>\$ 24,645</u>
	PORS	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 100,442	\$ 20,804
Changes of assumptions	57,676	-
Net difference between projected and actual earnings on pension plan investments	483,956	-
Changes in proportion and differences between City contributions and proportionate share of contributions	181,890	6,873
City contributions subsequent to the measurement date	407,928	-
Total	<u>\$ 1,231,892</u>	<u>\$ 27,677</u>

The \$427,465 and \$407,928 reported as of June 30, 2021 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2022.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 9. Pension Plans, Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS and PORS plans, respectively:

<u>Year ended June 30:</u>	<u>SCRS</u>
2022	\$ 172,351
2023	208,595
2024	215,992
2025	<u>108,471</u>
	<u>\$ 705,409</u>

<u>Year ended June 30:</u>	<u>PORS</u>
2022	\$ 247,503
2023	206,576
2024	207,935
2025	<u>134,273</u>
	<u>\$ 796,287</u>

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 first use in the July 1, 2020 actuarial valuation.

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

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of the plan's fiscal year end, June 30, 2020.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) ¹	3.5% to 9.5% (varies by service) ¹
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

¹ Includes inflation at 2.25%

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 9. Pension Plans, Continued

Actuarial assumptions and methods, continued:

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

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

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2020, for SCRS and PORS are presented below.

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

Long-term expected rate of return:

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

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 9. Pension Plans, Continued

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 (Public)	1.0%	7.05%	0.07%
Opportunistic:	8.0%		
Global Tactical Asset Allocation	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 Debts	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	100.0%		5.80%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			8.05%

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 SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 9. Pension Plans, Continued

Sensitivity analysis:

The following table presents the collective NPL of the City calculated using the discount rate of 7.25 percent, as well as what the City's NPL 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 7,162,032	\$ 5,778,734	\$ 4,623,663
PORS	\$ 6,256,750	\$ 4,726,243	\$ 3,497,344

Additional financial and actuarial information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2020, and the accounting valuation report as of June 30, 2020. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' CAFR.

Note 10. Other Information

Commitments and Contingent liabilities:

The City participates in a number of federal and state assisted grant programs that are governed by various rules and regulations of grantor agencies. These programs are subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The City believes it has substantially complied with the contract/grant provisions. Based on prior experience, the City's management believes such disallowances, if any, would not be significant; therefore, no provision has been recorded in the accompanying government-wide and fund financial statements for such contingencies.

The City is routinely the subject of litigation by a variety of plaintiffs. City management believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 10. Other Information, Continued

Risk management:

The City has joined together with other municipalities in the state to form the South Carolina Municipal Insurance Trust (SCMIT), a public entity risk pool operating as a common risk management and insurance program for workers' compensation. The City pays an annual premium to SCMIT. For the year ended June 30, 2021, the City made premium payments totaling approximately \$198,000. The Trust uses reinsurance agreements to reduce its exposure to large workers' compensation losses. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

Natural gas agreements:

The City enters into contracts with its suppliers of natural gas for the purchase of specified volumes of gas at defined prices, time periods, and locations. These agreements are entered into to manage the volatility of natural gas prices and to stabilize the cost to the City's residential, commercial, and industrial customers. In addition, the City enters into agreements with certain of its industrial customers to lock in the future sale of specified volumes of gas at defined prices.

Fountain Inn fire service area agreement:

In January 2008, but effective October 2007, the City entered into an agreement with Greenville County whereby the County will provide fire protection services to the unincorporated area of Greenville County known as the Fountain Inn Fire Service Area. The County will pay the City operating fees based on millage (presently 35.6 mills). This agreement expired in June 2011 but is automatically renewed each year thereafter for one-year terms; however, each party may terminate the agreement subject to a 90-day written notice to the other party prior to the annual June 30 expiration date.

Greenville County issued a \$1,865,000 general obligation bond in 2007, with the proceeds to be used for the renovations, expansion, and equipping of the main fire station of the City, the acquisition of land and the construction and equipping of a fire substation within the Fountain Inn Fire Service Area, the acquisition of a ladder fire truck, a pumper fire truck and other fire-related equipment, and providing funds for the acquisition of additional fire equipment, among other uses. In accordance with the terms of the agreement and the bond documents, the City has no obligation for the repayment of this indebtedness.

Greenville County issued a \$635,000 general obligation bond in 2010, with the proceeds to be used for the acquisition of one pumper fire truck and other fire-related equipment, one rescue truck, jaws of life and miscellaneous replacement fire-related equipment. In accordance with the terms of the agreement and the bond documents, the City has no obligation for the repayment of this indebtedness.

Note 10. Other Information, Continued

Other Postemployment Benefits (OPEB)

The City's postemployment healthcare plan is a single-employer plan. The plan is as follows:

Eligibility – The City provides certain health care benefits for retired employees. Employees retiring from the City with a minimum of twenty (20) years of service, and who have a total of ten (10) years of medical coverage under the City's group health insurance program, are eligible to participate in the Retiree Insurance Plan. The retirees pay the full premium for the coverage while the City pays the implicit subsidy for retirees under age 65. Coverage stops when the retiree reaches age sixty-five (65) or becomes Medicare eligible, whichever comes first. The City retains the right to terminate or modify these benefits at any time subject to applicable law. For the year ended June 30, 2021, the City had one retiree that participates in the Retiree Insurance Plan.

Amount of allowance– Employees will be allowed to remain on the City's group health and dental plans until the retiree reaches Medicare eligibility (generally age 65). The retiree must pay the full premium for this coverage, approximately \$500, as of July 1, 2017.

Other Postemployment Benefits – Health care and dental insurance are offered in the City's Other Postemployment Benefits Plan until the retiree becomes eligible for Medicare. Vision benefits are included in the medical plan.

Spousal Coverage – The plan does not provide benefits to spouses or dependents.

Funding Policy – The City contributes to the plan based on the employer contribution rates established on a pay-as-you-go basis.

Total OPEB Liability

The City's reported a total OPEB liability of \$23,966 as of June 30, 2021, as determined by an actuarial valuation performed as of December 31, 2020.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>Percent</u>
Inflation	2.25
Salary increases	3.0 – 9.5
Discount rate	2.48

The discount rate was based upon the single equivalent interest rate.

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 remaining actuarial assumptions used in the December 31, 2020 valuation were based on a review of recent plan experience done concurrently with the December 31, 2020 valuation.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 10. Other Information, Continued

Other Postemployment Benefits (OPEB), Continued

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	\$ 15,323
Changes for the year:	
Service cost	4,358
Interest	1,956
Change in assumptions or other inputs	5,054
Net investment income	(2,325)
Benefit payments	(400)
Net changes	8,643
Balance at June 30, 2021	\$ 23,966

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.48 percent) or 1-percentage-point higher (3.48 percent) than the current discount rate:

	1% Decrease (1.48%)	Discount Rate (2.48%)	1% Increase (3.48%)
Total OPEB liability (asset)	\$ 33,684	\$ 23,966	\$ 15,324

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of \$5,622. At June 30, 2021, 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	\$ -	\$ 5,902
Changes in assumptions or other inputs	15,520	-
Net difference between projected and actual earnings on plan investments	717	-
Total	\$ 16,237	\$ 5,902

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ 1,636
2023	1,446
2024	1,260
2025	1,211
2026	1,209
Thereafter	3,573
Total	\$ 10,335

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 11. Master Lease Financing Agreements

The City has entered into two master lease financing purchase agreements for financing the acquisition of vehicles and equipment. As of June 30, 2021, assets acquired under the master lease financing agreement include the following cost and accumulated depreciation.

	Governmental
Equipment	\$ 650,853
Less: Accumulated depreciation	(127,032)
	<u>\$ 523,821</u>

Note 12. Fair Value Measurements

To the extent available, the City's investments are recorded at fair value as of June 30, 2020. GASB Statement No. 72 - *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

The City's investments measured and reported at fair value are classified according to the following hierarchy:

- Level 1: Investments reflect prices quoted in active markets.
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3: Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Assets classified as Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

The following table summarizes the City's investments within the fair value hierarchy at June 30, 2021:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
U S Government Agency obligations	\$ 2,834,717	\$ -	\$ 2,834,717	\$ -
Repurchase agreements	3,051,359	3,051,359	-	-
Municipal bonds-tax exempt	86,032	-	86,032	-
Money market mutual funds	275,619	-	275,619	-
South Carolina Local Government Investment Pool	860,174	-	860,174	-
	<u>\$ 7,107,901</u>	<u>\$ 3,051,359</u>	<u>\$ 4,056,542</u>	<u>\$ -</u>

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 13. Net Position / Fund Balances

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. The components of net position as of June 30, 2021, were as follows:

	Governmental	Business-type
Net investment in capital assets		
Net capital assets	\$ 15,354,201	\$ 15,989,596
Less: Bonds and master lease payables, net	(7,263,613)	(6,490,822)
Add: Unspent bond proceeds	73,286	-
	<u>8,163,874</u>	<u>9,498,774</u>
Restricted for debt service, capital activity, and other	950,500	406,448
	<u>950,500</u>	<u>406,448</u>
Unrestricted (deficit)	(2,095,743)	6,980,207
Total net position	<u>\$ 7,018,631</u>	<u>\$ 16,885,429</u>

Amounts for specific purposes by fund and fund balance classification as of June 30, 2021, were as follows:

	General Fund	Hospitality Tax	Capital Projects Fund	Other Nonmajor Governmental Funds	Total
Nonspendable	\$ 44,343	\$ -	\$ -	\$ -	\$ 44,343
Restricted					
Debt service	-	22,254	-	-	22,254
Capital Projects - Rotary Park	639	-	-	-	639
Capital Projects - Main Street	10	-	-	-	10
Capital Projects - other	-	-	73,286	-	73,286
Special revenue - tourism	-	774,633	-	-	774,633
Special revenue - victims' assistance	-	-	-	143,836	143,836
Special revenue - underage alcohol enforcement	-	-	-	9,128	9,128
Unassigned	4,145,775	-	-	-	4,145,775
Total fund balances	<u>\$ 4,190,767</u>	<u>\$ 796,887</u>	<u>\$ 73,286</u>	<u>\$ 152,964</u>	<u>\$ 5,213,904</u>

Note 14. Tax Abatements

The City is located within Greenville and Laurens Counties and both Counties collect property taxes on behalf of the City. The Counties provide tax abatements under the following program.

1. The Fee-in-Lieu of Tax Program (FILOT) offers individual incentive packages by abating property taxes to attract new business to the Counties and to retain current businesses. The FILOT program was established by the SC Code Title 12, Chapter 44 and Title 4, Chapter 12. Generally, for taxpayers to be approved for this program they must agree to invest the statutory minimum (A higher amount may be negotiated) during 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, 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. Repayments of any savings in property taxes are required by state law if the taxpayer fails to maintain the conditions set forth in the agreement. Other recapture provisions may be negotiated on a case-by-case basis.

City of Fountain Inn, South Carolina

Notes to Basic Financial Statements

June 30, 2021

Note 14. Tax Abatements, Continued

Information relevant to the disclosure of those programs for the fiscal year ended June 30, 2021, is as follows:

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Fee-in-Lieu of Taxes Program (FILOT)	\$ 147,859

Note 15. Novel Coronavirus

The 2019 novel coronavirus (or "COVID-19") has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. It is unknown the extent to which COVID-19 may spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the City's and its customers' costs, demand for the City's products and services, and the U.S. economy. These conditions could adversely affect the City's business, financial condition, and results of operations. Further, COVID-19 may result in health or other government authorities requiring the closure of the City's operations or other businesses of the City's customers and suppliers, which could significantly disrupt the City's operations and the operations of the City's customers. The extent of the adverse impact of the COVID-19 outbreak on the City cannot be predicted at this time.

Note 16. Subsequent Events

The City's management evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of the independent auditor's report, the date the financial statements were available to be issued.

In August 2021, the City entered into an Installment Purchase Revenue Bond (IPRB Series 2021) with a financial institution in the amount of \$7,125,000 for a new public works facility and streetscape improvements. Loan payments are due in annual installments ranging from \$293,000 to \$423,000 beginning December 2021 through December 2040, with interest at 2.05%.

In September 2021, the City entered into a General Obligation Bond (Series 2021) with a financial institution in the amount of \$390,000 for partial bond payments of the 2019 and 2021 Series Installment Purchase Revenue Bonds. Payment is due in one installment in the amount of \$390,000 due March 1, 2022, with interest at .75%. The loan has been repaid as of the date of the independent auditor's report date.

In October 2021, the City entered into a master lease agreement with a financial institution in the amount of \$113,000 for the purchase of equipment for the solid waste department. Loan payments are due in annual installments ranging from \$22,000 to \$23,000 beginning February 2023 through February 2027, with interest at 1.34%.

Required Supplementary Information

City of Fountain Inn, South Carolina

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budget Basis)

General Fund

For the year ended June 30, 2021

	GENERAL FUND		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
Taxes	\$ 4,260,256	\$ 4,918,869	\$ 658,613
Fire service area revenues	1,070,500	1,160,003	89,503
Licenses and permits	1,245,007	1,740,892	495,885
Intergovernmental	217,561	167,242	(50,319)
Fines and forfeits	60,000	44,027	(15,973)
Charges for services	663,639	695,604	31,965
Rent - facilities	20,000	11,734	(8,266)
Grants - governmental	56,300	53,573	(2,727)
Donations	8,000	5,149	(2,851)
Special events/community development	66,000	85,344	19,344
Interest earnings	7,790	4,775	(3,015)
Net decrease in fair value of investments	-	(3,178)	(3,178)
Other	16,500	88,857	72,357
Total revenues	7,691,553	8,972,891	1,281,338
EXPENDITURES			
General government:			
City:			
Operating expenses	293,700	106,661	187,039
Total city	293,700	106,661	187,039
Administration:			
Salaries and related expenses	311,005	434,993	(123,988)
Operating expenses	135,280	138,814	(3,534)
Total administration	446,285	573,807	(127,522)
Mayor and City Council:			
Salaries and related expenses	60,119	61,389	(1,270)
Operating expenses	11,900	15,429	(3,529)
Total Mayor and City Council	72,019	76,818	(4,799)
Planning and Development:			
Salaries and related expenses	136,600	94,335	42,265
Operating expenses	172,100	168,798	3,302
Total planning and development	308,700	263,133	45,567
Total general government	1,120,704	1,020,419	100,285
Judicial:			
Salaries and related expenses	164,418	153,350	11,068
Operating expenses	84,850	86,360	(1,510)
Total judicial	249,268	239,710	9,558
Public safety:			
Police:			
Salaries and related expenses	1,928,610	2,049,828	(121,218)
Operating expenses	313,401	423,505	(110,104)
Total police	2,242,011	2,473,333	(231,322)
Fire:			
Salaries and related expenses	1,594,387	1,653,666	(59,279)
Operating expenses	223,540	222,875	665
Total fire	1,817,927	1,876,541	(58,614)
Total public safety	4,059,938	4,349,874	(289,936)

City of Fountain Inn, South Carolina

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budget Basis)

General Fund, Continued

For the year ended June 30, 2021

	GENERAL FUND		
	FINAL BUDGET	ACTUAL	VARIANCE
EXPENDITURES, Continued			
Streets and sanitation:			
Public Works:			
Salaries and related expenses	389,884	363,899	25,985
Operating expenses	240,077	297,697	(57,620)
Total Public Works	629,961	661,596	(31,635)
Streets:			
Salaries and related expenses	-	21,327	(21,327)
Operating expenses	-	667	(667)
Total streets	-	21,994	(21,994)
Sanitation:			
Salaries and related expenses	389,884	362,404	27,480
Operating expenses	278,550	313,245	(34,695)
Total sanitation	668,434	675,649	(7,215)
Total streets and sanitation	1,298,395	1,359,239	(60,844)
Recreation:			
Salaries and related expenses	360,590	357,243	3,347
Operating expenses	257,069	305,487	(48,418)
Total recreation	617,659	662,730	(45,071)
Civic Center/Performing Arts:			
Operating expenses	-	-	-
Total Civic Center/ Performing Arts	-	-	-
Commerce Park:			
Operating expenses	39,990	60,755	(20,765)
Total Commerce Park	39,990	60,755	(20,765)
Special events/community development:			
Salaries and related expenses	90,923	99,392	(8,469)
Operating expenses	218,848	198,404	20,444
Total economic development/tourism	309,771	297,796	11,975
Capital outlay	462,060	856,864	(394,804)
Debt service:			
Principal	591,147	587,622	3,525
Interest	206,916	216,657	(9,741)
Total Debt service	798,063	804,279	(6,216)
TOTAL BUDGETED EXPENDITURES	8,955,848	9,651,666	(695,818)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,264,295)	(678,775)	585,520
OTHER FINANCING SOURCES			
Proceeds on sale of capital assets	-	78,341	78,341
Cost of issuance of master lease	-	(12,700)	(12,700)
Proceeds from issuance of debt	-	443,000	443,000
Transfers in	825,993	761,329	(64,664)
Total other financing sources	825,993	1,269,970	443,977
NET CHANGE IN FUND BALANCE	\$ (438,302)	\$ 591,195	\$ 1,029,497

City of Fountain Inn, South Carolina

Required Supplementary Information

Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual (Budget Basis)

Hospitality Tax Fund

For the year ended June 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
Taxes	\$ 400,000	\$ 534,763	\$ 134,763
Interest	5,500	3,343	(2,157)
TOTAL REVENUES	405,500	538,106	132,606
EXPENDITURES			
Special events/community development	115,700	105,744	9,956
Debt Service			
Principal	105,986	105,986	-
Interest	29,007	27,542	1,465
TOTAL BUDGETED EXPENDITURES	250,693	239,272	11,421
EXCESS OF REVENUES OVER EXPENDITURES	154,807	298,834	144,027
OTHER FINANCING SOURCES			
Transfers out	(154,807)	(171,143)	(16,336)
Total other financing sources (uses)	(154,807)	(171,143)	(16,336)
NET CHANGE IN FUND BALANCE	\$ -	\$ 127,691	\$ 127,691

City of Fountain Inn, South Carolina
Required Supplementary Information
Schedule of Changes in the City's Total OPEB Liability and Related Ratios - Other Postemployment Benefits
For the year ended June 30,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Service cost	\$ 4,358	\$ 2,825	\$ 2,415	\$ 2,340	N/A	N/A	N/A	N/A	N/A	N/A
Interest	1,956	2,382	2,486	2,406	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income	(2,325)	(1,982)	(1,331)	(1,366)	N/A	N/A	N/A	N/A	N/A	N/A
Plan administrative expenses	-	-	3,839	1,241	N/A	N/A	N/A	N/A	N/A	N/A
Difference between expected and actual experience	-	(7,304)	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions or other inputs	5,054	10,817	3,371	-	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(400)	(3,300)	(3,400)	(5,248)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	8,643	3,438	7,380	(627)	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability-beginning	15,323	11,885	4,505	5,132	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability-ending	<u>\$ 23,966</u>	<u>\$ 15,323</u>	<u>\$ 11,885</u>	<u>\$ 4,505</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered payroll	\$ 3,826,144	\$ 3,826,144	\$ 3,763,638	\$ 3,763,638	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	0.63%	0.40%	0.32%	0.12%						

This schedule is presented to illustrate the requirements to show information for 10 years. Information for years before 2018 was unavailable.

City of Fountain Inn, South Carolina
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
For the year ended June 30,

	SCRS									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City's proportion of the net pension liability	0.02262%	0.02138%	0.02131%	0.02099%	0.02179%	0.02161%	0.02109%	0.02109%	N/A	N/A
City's proportionate share of the net pension liability	<u>\$ 5,778,734</u>	<u>\$ 4,882,512</u>	<u>\$ 4,774,228</u>	<u>\$ 4,724,961</u>	<u>\$ 4,654,525</u>	<u>\$ 4,097,872</u>	<u>\$ 3,630,482</u>	<u>\$ 3,782,256</u>	<u>N/A</u>	<u>N/A</u>
City's covered payroll during the measurement period	<u>\$ 2,523,098</u>	<u>\$ 2,257,933</u>	<u>\$ 2,208,000</u>	<u>\$ 2,117,714</u>	<u>\$ 2,110,137</u>	<u>\$ 2,025,908</u>	<u>\$ 1,914,423</u>	<u>\$ 1,837,976</u>	<u>N/A</u>	<u>N/A</u>
City's proportionate share of the net pension liability as a percentage of its covered payroll	229.03328%	216.23813%	216.22409%	223.11611%	220.57928%	202.27335%	189.63844%	205.78375%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	50.70%	54.40%	54.10%	53.30%	52.91%	56.99%	59.92%	56.39%	N/A	N/A
	PORS									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City's proportion of the net pension liability	0.14252%	0.13430%	0.13481%	0.13310%	0.12311%	0.13090%	0.13586%	0.13586%	N/A	N/A
City's proportionate share of the net pension liability	<u>\$ 4,726,243</u>	<u>\$ 3,848,950</u>	<u>\$ 3,819,886</u>	<u>\$ 3,646,355</u>	<u>\$ 3,356,035</u>	<u>\$ 2,852,983</u>	<u>\$ 2,600,845</u>	<u>\$ 2,816,237</u>	<u>N/A</u>	<u>N/A</u>
City's covered payroll during the measurement period	<u>\$ 2,152,949</u>	<u>\$ 1,947,958</u>	<u>\$ 1,865,968</u>	<u>\$ 1,792,389</u>	<u>\$ 1,686,785</u>	<u>\$ 1,621,683</u>	<u>\$ 1,633,994</u>	<u>\$ 1,620,006</u>	<u>N/A</u>	<u>N/A</u>
City's proportionate share of the net pension liability as a percentage of its covered payroll	219.52415%	197.58896%	204.71337%	203.43547%	198.96045%	175.92729%	159.17103%	173.84115%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	58.80%	62.70%	61.70%	60.90%	60.44%	64.57%	67.55%	62.98%	N/A	N/A

Note: This schedule is intended to show information for ten years. Information prior to 2014 is unavailable.

City of Fountain Inn, South Carolina
Required Supplementary Information
Schedule of the City's Pension Contributions
For the year ended June 30,

	SCRS									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 427,465	\$ 392,594	\$ 328,755	\$ 299,405	\$ 244,807	\$ 233,381	\$ 220,824	\$ 202,929	N/A	N/A
Contributions in relation to the contractually required contribution	427,465	392,594	328,755	299,405	244,807	233,381	220,824	202,929	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
City's covered payroll	\$ 2,747,202	\$ 2,523,098	\$ 2,257,933	\$ 2,208,000	\$ 2,117,714	\$ 2,110,137	\$ 2,025,908	\$ 1,914,423	N/A	N/A
Contributions as a percentage of covered payroll	15.56001%	15.56000%	14.56000%	13.56001%	11.55997%	11.05999%	10.90000%	10.60001%	N/A	N/A
	PORS									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 407,928	\$ 392,698	\$ 335,828	\$ 303,035	\$ 255,237	\$ 231,764	\$ 217,468	\$ 209,805	N/A	N/A
Contributions in relation to the contractually required contribution	407,928	392,698	335,828	303,035	255,237	231,764	217,468	209,805	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
City's covered payroll	\$ 2,236,460	\$ 2,152,949	\$ 1,947,958	\$ 1,865,968	\$ 1,792,389	\$ 1,686,785	\$ 1,621,683	\$ 1,633,994	N/A	N/A
Contributions as a percentage of covered payroll	18.23990%	18.24000%	17.24000%	16.24010%	14.24004%	13.73998%	13.41002%	12.84001%	N/A	N/A

Note: This schedule is intended to show information for ten years.
Information prior to 2014 is unavailable.

Other Supplementary Information

City of Fountain Inn, South Carolina**Combining Balance Sheet - Other Nonmajor Governmental Funds****June 30, 2021**

	FUND 525 VICTIMS FUND	FUND 541 EUDL POLICE FUND	TOTAL OTHER GOVERNMENTAL FUNDS
ASSETS			
Restricted cash and investments	\$ 137,887	\$ 8,964	\$ 146,851
Due from other funds	5,949	164	6,113
TOTAL ASSETS	\$ 143,836	\$ 9,128	\$ 152,964
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ -	\$ -	\$ -
FUND BALANCES			
Restricted			
Special revenue - victims' assistance	\$ 143,836	\$ -	\$ 143,836
Special revenue - underage alcohol enforcement	-	9,128	9,128
TOTAL FUND BALANCES	143,836	9,128	152,964
TOTAL LIABILITIES AND FUND BALANCES	\$ 143,836	\$ 9,128	\$ 152,964

City of Fountain Inn, South Carolina**Combining Statement of Revenues, Expenditures and Changes in Fund Balances****Other Nonmajor Governmental Funds****For the year ended June 30, 2021**

	FUND 525 VICTIMS FUND	FUND 541 EUDL POLICE FUND	TOTAL OTHER GOVERNMENTAL FUNDS
REVENUES			
Fines and forfeits	\$ 5,482	\$ -	\$ 5,482
Grants - intergovernmental	-	3,500	3,500
Other	2,074	-	2,074
Interest	138	-	138
TOTAL REVENUES	7,694	3,500	11,194
EXPENDITURES			
Current:			
Public safety	-	936	936
TOTAL EXPENDITURES	-	936	936
EXCESS OF REVENUES OVER EXPENDITURES	7,694	2,564	10,258
NET CHANGES IN FUND BALANCE	7,694	2,564	10,258
FUND BALANCES, BEGINNING OF YEAR	136,142	6,564	142,706
FUND BALANCES, END OF YEAR	\$ 143,836	\$ 9,128	\$ 152,964

City of Fountain Inn, South Carolina**Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual****Proprietary Funds - Natural Gas****For the year ended June 30, 2021**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES			
Charges for service			
Natural gas sales	\$ 7,385,946	\$ 7,641,111	\$ 255,165
Other charges for services	1,440,500	1,557,048	116,548
TOTAL OPERATING REVENUES	<u>8,826,446</u>	<u>9,198,159</u>	<u>371,713</u>
OPERATING EXPENSES			
Natural gas purchases	4,103,340	3,329,663	773,677
Personnel services	1,725,111	1,749,510	(24,399)
Contractual services	127,700	101,152	26,548
Materials and supplies	232,500	220,473	12,027
Other operating expenses	954,050	922,043	32,007
Depreciation and amortization	461,407	523,117	(61,710)
TOTAL OPERATING EXPENSES	<u>7,604,108</u>	<u>6,845,958</u>	<u>758,150</u>
OPERATING INCOME	<u>1,222,338</u>	<u>2,352,201</u>	<u>1,129,863</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	50,000	25,844	(24,156)
Net increase in fair value of investments	-	(24,551)	(24,551)
Interest expense	(111,719)	(109,801)	1,918
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(61,719)</u>	<u>(108,508)</u>	<u>(46,789)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>1,160,619</u>	<u>2,243,693</u>	<u>1,083,074</u>
TRANSFERS OUT	<u>(640,186)</u>	<u>(590,186)</u>	<u>50,000</u>
CHANGE IN NET POSITION	<u>520,433</u>	<u>1,653,507</u>	<u>1,133,074</u>
NET POSITION, BEGINNING OF YEAR	<u>10,133,841</u>	<u>10,133,841</u>	<u>-</u>
NET POSITION, END OF YEAR	<u><u>\$ 10,654,274</u></u>	<u><u>\$ 11,787,348</u></u>	<u><u>\$ 1,133,074</u></u>

City of Fountain Inn, South Carolina***Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual******Proprietary Funds - Sewer******For the year ended June 30, 2021***

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES			
Charges for service			
Sewer fees	\$ 1,226,926	\$ 1,356,572	\$ 129,646
TOTAL OPERATING REVENUES	<u>1,226,926</u>	<u>1,356,572</u>	<u>129,646</u>
OPERATING EXPENSES			
Personnel services	430,413	301,167	129,246
Other operating expenses	190,750	184,819	5,931
Depreciation and amortization	220,000	226,203	(6,203)
TOTAL OPERATING EXPENSES	<u>841,163</u>	<u>712,189</u>	<u>128,974</u>
OPERATING INCOME	<u>385,763</u>	<u>644,383</u>	<u>258,620</u>
NONOPERATING REVENUES (EXPENSES)			
Gain on sale of capital assets	-	205	205
Investment income	11,000	759	(10,241)
Interest expense	(90,363)	(82,839)	7,524
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(79,363)</u>	<u>(81,875)</u>	<u>(2,512)</u>
CHANGE IN NET POSITION	306,400	562,508	256,108
NET POSITION, BEGINNING OF YEAR	<u>4,535,573</u>	<u>4,535,573</u>	<u>-</u>
NET POSITION, END OF YEAR	<u><u>\$ 4,841,973</u></u>	<u><u>\$ 5,098,081</u></u>	<u><u>\$ 256,108</u></u>

City of Fountain Inn, South Carolina**Schedule of Revenues and Direct Expenditures - General Fund Fire Department Operations****For the year ended June 30, 2021**

	<u>Actual</u>
Revenues	
Fees received from Greenville County	\$ 1,139,642
Grants	2,000
Miscellaneous	<u>18,361</u>
Total revenues	<u>1,160,003</u>
Direct Expenditures	
Salaries	1,115,190
Overtime	1,325
Christmas bonus	6,028
Education incentive	7,750
Employee insurance	192,349
Health screenings	6,178
FICA	73,787
Retirement	183,148
Workers compensation	67,911
Portable radio maintenance	1,034
Repeater	188
Operating equipment	21,916
Fire station maintenance	16,456
Landscaping	348
Computer support	22,297
Vehicle maintenance	32,573
Property, vehicle and tort insurance	30,275
Telephone	7,382
Nextel communications	1,903
Professional fees	1,381
Conferences	150
Training	3,797
General supplies	3,833
Office supplies and printing	989
Prevention supplies	1,529
Utilities	11,815
Vehicle gas	21,066
Publications	820
Uniforms	14,601
SCMIT Grant	5,512
Innovapad grant	11,190
Land improvements	5,000
Miscellaneous	<u>6,820</u>
Total direct expenses	<u>1,876,541</u>
Excess of direct expenditures over revenues	(716,538)
Excess of direct expenditures over revenues, prior year	<u>(3,655,811)</u>
Excess of direct expenditures over revenues, end of year	<u><u>\$ (4,372,349) (1)</u></u>

(1) This schedule does not account for any indirect expenses incurred by the City in its Administrative, General Government, Police or Public Works departments that support the Fire Service operations. In addition, it does not recognize future capital, personnel or operational expenditures that the City will incur pursuant to the City's fire service contract with Greenville County.

City of Fountain Inn, South Carolina
Schedule of Fines, Assessments and Surcharges
For the 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	-	-	48,004	48,004
Court fines and assessments remitted to State Treasurer	-	-	(48,004)	(48,004)
Total Court Fines and Assessments retained	-	-	-	-
Surcharges and Assessments retained for victim services:				
Surcharges collected	-	-	21,934	21,934
Surcharges remitted to State Treasurer	-	-	(14,378)	(14,378)
Total Surcharges and Assessments retained for victim services	-	-	7,556	7,556

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	136,142	-	136,142
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	5,482	-	5,482
Victim Service Surcharges Retained by City/County Treasurer	2,074	-	2,074
Interest Earned	138	-	138
Grant Funds Received	-	-	-
General Funds Transferred to Victim Service Fund	-	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	143,836	-	143,836
<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	-	-	-
Operating Expenditures	-	-	-
Transferred to General Fund	-	-	-
Total Expenditures from Victim Service Fund/Program (B)	-	-	-
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	143,836	-	143,836
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds – End of Year	143,836	-	143,836

Statistical Section (Unaudited)

Statistical Section (Unaudited)

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue source.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Fountain Inn, South Carolina

Table 1 - Net Position By Component

Last Ten Years

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 6,851,851	\$ 6,301,674	\$ 6,526,470	\$ 7,446,021	\$ 7,609,102	\$ 7,356,313	\$ 7,163,868	\$ 7,955,481	\$ 8,178,792	\$ 8,163,874
Restricted	598,259	1,299,683	1,065,120	1,218,781	1,072,318	1,242,710	1,277,228	869,125	812,551	950,500
Unrestricted (deficit)	1,855,723	730,317	584,144	(4,453,951)	(4,034,647)	(3,222,014)	(2,131,312)	(1,971,076)	(2,153,626)	(2,095,743)
Total governmental activities net position	<u>\$ 9,305,833</u>	<u>\$ 8,331,674</u>	<u>\$ 8,175,734</u>	<u>\$ 4,210,851</u>	<u>\$ 4,646,773</u>	<u>\$ 5,377,009</u>	<u>\$ 6,309,784</u>	<u>\$ 6,853,530</u>	<u>\$ 6,837,717</u>	<u>\$ 7,018,631</u>
Business-type activities										
Gas										
Net investment in capital assets	\$ 3,741,833	\$ 3,784,221	\$ 4,089,266	\$ 4,074,940	\$ 5,595,384	\$ 4,174,324	\$ 4,802,494	\$ 5,074,657	\$ 5,889,014	\$ 6,498,739
Restricted for debt service	359,085	456,661	185,807	125,491	248,773	253,934	258,077	261,956	265,261	268,279
Unrestricted	5,849,320	5,732,620	4,423,983	3,842,812	2,373,937	3,381,011	3,195,295	3,899,883	3,979,566	5,020,330
	<u>9,950,238</u>	<u>9,973,502</u>	<u>8,699,056</u>	<u>8,043,243</u>	<u>8,218,094</u>	<u>7,809,269</u>	<u>8,255,866</u>	<u>9,236,496</u>	<u>10,133,841</u>	<u>11,787,348</u>
Sewer										
Net investment in capital assets	1,437,789	1,415,848	1,386,209	1,219,491	1,405,183	1,815,018	2,219,802	2,424,233	2,572,450	3,000,035
Restricted for debt service	19,474	62,397	90,213	157,613	161,715	166,436	135,571	139,105	139,710	138,169
Unrestricted	985,496	1,018,449	1,232,672	1,365,958	1,439,236	1,202,259	1,327,068	1,556,255	1,823,413	1,959,877
	<u>2,442,759</u>	<u>2,496,694</u>	<u>2,709,094</u>	<u>2,743,062</u>	<u>3,006,134</u>	<u>3,183,713</u>	<u>3,682,441</u>	<u>4,119,593</u>	<u>4,535,573</u>	<u>5,098,081</u>
Total business-type activities net position	<u>\$ 12,392,997</u>	<u>\$ 12,470,196</u>	<u>\$ 11,408,150</u>	<u>\$ 10,786,305</u>	<u>\$ 11,224,228</u>	<u>\$ 10,992,982</u>	<u>\$ 11,938,307</u>	<u>\$ 13,356,089</u>	<u>\$ 14,669,414</u>	<u>\$ 16,885,429</u>
Primary government										
Net investment in capital assets	\$ 12,031,473	\$ 11,501,743	\$ 12,001,945	\$ 12,740,452	\$ 14,609,669	\$ 13,345,655	\$ 14,186,164	\$ 15,454,371	\$ 16,640,256	\$ 17,662,648
Restricted	976,818	1,818,741	1,341,140	1,501,885	1,482,806	1,663,080	1,670,876	1,270,186	1,217,522	1,356,948
Unrestricted	8,690,539	7,481,386	6,240,799	754,819	(221,474)	1,361,256	2,391,051	3,485,062	3,649,353	4,884,464
Total primary government net position	<u>\$ 21,698,830</u>	<u>\$ 20,801,870</u>	<u>\$ 19,583,884</u>	<u>\$ 14,997,156</u>	<u>\$ 15,871,001</u>	<u>\$ 16,369,991</u>	<u>\$ 18,248,091</u>	<u>\$ 20,209,619</u>	<u>\$ 21,507,131</u>	<u>\$ 23,904,060</u>

In April, 2013, the City elected to change from its December yearend to a June 30 yearend. Accordingly, the results reported in its governmental-wide financial statements for 2013 represent only six months of financial activity.

In fiscal year 2015, the City adopted and implemented GASB 68 for pensions, resulting in a restatement of beginning net position by (\$5,289,878) and (\$894,285) for governmental and business-type activities, respectively.

In fiscal year 2015, the City discovered that contributed capital related to street resurfacing projects in prior years had not been recognized in the respective years and had not been recorded as capital assets. A restatement increasing beginning net position of \$979,166 resulted.

City of Fountain Inn, South Carolina

Table 2 -Changes in Net Position

Last Ten Years

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 1,000,178	\$ 630,105	\$ 2,691,259	\$ 962,626	\$ 988,583	\$ 1,298,680	\$ 1,040,883	\$ 1,472,241	\$ 1,478,252	\$ 1,733,679
Judicial services	248,360	145,879	266,658	239,808	170,346	248,493	213,559	232,066	231,022	257,587
Public safety	3,014,680	1,527,974	3,189,175	3,053,832	3,234,023	3,585,990	3,794,027	3,933,957	4,826,669	4,903,329
Streets and sanitation	1,272,457	613,447	1,179,422	1,064,804	1,164,351	1,109,341	1,148,139	1,324,433	1,305,159	1,562,577
Recreation	494,214	308,981	558,420	530,780	513,371	544,940	539,983	593,337	649,658	873,062
Civic Center/Performing Arts	664,356	401,219	699,966	738,137	830,113	569,710	226,170	200,994	200,000	-
Commerce Park / Special events	406,213	175,001	407,130	420,519	317,005	221,847	275,355	365,782	339,102	464,295
Interest and other charges	70,949	25,330	63,316	60,719	86,355	64,456	56,467	87,815	181,693	245,171
Total governmental activities expenses	7,171,407	3,827,936	9,055,346	7,071,225	7,304,147	7,643,457	7,294,583	8,210,625	9,211,555	10,039,700
Business-type activities:										
Natural Gas	5,307,955	3,446,787	7,330,350	7,087,667	5,561,059	5,894,620	7,932,882	7,732,716	6,951,714	6,955,759
Sewer	611,995	292,820	557,071	609,986	632,888	757,565	522,941	750,156	867,474	795,028
Total Business type operating expense	5,919,950	3,739,607	7,887,421	7,697,653	6,193,947	6,652,185	8,455,823	8,482,872	7,819,188	7,750,787
Total primary government expenses	<u>\$ 13,091,357</u>	<u>\$ 7,567,543</u>	<u>\$ 16,942,767</u>	<u>\$ 14,768,878</u>	<u>\$ 13,498,094</u>	<u>\$ 14,295,642</u>	<u>\$ 15,750,406</u>	<u>\$ 16,693,497</u>	<u>\$ 17,030,743</u>	<u>\$ 17,790,487</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 969,737	\$ 617,195	\$ 1,087,451	\$ 1,188,422	\$ 475,854	\$ 874,773	\$ 1,340,761	\$ 1,295,718	\$ 1,338,087	\$ 1,750,110
Public safety	1,081,031	404,394	1,104,664	1,143,455	1,118,719	1,201,746	1,242,750	1,095,579	1,197,833	1,211,195
Streets and sanitation	77,974	8,179	81,079	83,226	88,431	90,847	91,504	524,135	572,411	598,484
Recreation	79,798	49,326	86,421	60,319	111,332	115,202	96,858	95,159	86,697	97,953
Performing arts	415,260	223,455	408,034	449,603	356,286	121,198	5	-	-	-
Special events/community development	53,717	16,416	59,798	42,050	45,154	46,459	46,724	67,271	64,291	85,344
Operating grants and contributions	93,872	98,766	97,824	103,484	69,927	137,119	92,076	62,683	109,461	62,222
Capital grants and contributions	795,002	60,000	271,745	255,750	596,113	465,494	185,421	152,264	159,376	126,045
Total governmental activities program revenues	3,566,391	1,477,731	3,197,016	3,326,309	2,861,816	3,052,838	3,096,099	3,312,809	3,528,156	3,931,353
Business-type activities:										
Natural Gas										
Charges for services:	5,641,446	3,739,921	8,093,733	7,489,612	6,548,137	6,561,435	9,003,244	9,208,449	8,366,205	9,198,159
Capital grants and contributions	-	-	7,864	-	-	-	-	-	-	-
Sewer										
Charges for services:	622,461	345,831	717,208	776,822	834,126	926,932	1,009,076	1,172,332	1,275,745	1,356,572
Operating grants and contributions	2,000	340	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	6,773	-	-	-	-	-	-	-
Total business-type activities and program revenues	6,265,907	4,086,092	8,825,578	8,266,434	7,382,263	7,488,367	10,012,320	10,380,781	9,641,950	10,554,731
Total primary government program revenues	<u>\$ 9,832,298</u>	<u>\$ 5,563,823</u>	<u>\$ 12,022,594</u>	<u>\$ 11,592,743</u>	<u>\$ 10,244,079</u>	<u>\$ 10,541,205</u>	<u>\$ 13,108,419</u>	<u>\$ 13,693,590</u>	<u>\$ 13,170,106</u>	<u>\$ 14,486,084</u>
Net (Expense)/Revenue										
Governmental activities	\$ (3,605,016)	\$ (2,350,205)	\$ (5,858,330)	\$ (3,744,916)	\$ (4,442,331)	\$ (4,590,619)	\$ (4,198,484)	\$ (4,897,816)	\$ (5,683,399)	\$ (6,108,347)
Business-type activities										
Natural Gas	333,491	293,134	771,247	401,945	987,078	666,815	1,070,362	1,475,733	1,414,491	2,242,400
Sewer	12,466	53,351	166,910	166,836	201,238	169,367	486,135	422,176	408,271	561,544
Total Business-type activities	345,957	346,485	938,157	568,781	1,188,316	836,182	1,556,497	1,897,909	1,822,762	2,803,944
Total primary government net expense	<u>\$ (3,259,059)</u>	<u>\$ (2,003,720)</u>	<u>\$ (4,920,173)</u>	<u>\$ (3,176,135)</u>	<u>\$ (3,254,015)</u>	<u>\$ (3,754,437)</u>	<u>\$ (2,641,987)</u>	<u>\$ (2,999,907)</u>	<u>\$ (3,860,637)</u>	<u>\$ (3,304,403)</u>

City of Fountain Inn, South Carolina

Table 2 -Changes in Net Position, Continued

Last Ten Years

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 3,000,570	\$ 921,786	\$ 3,100,685	\$ 3,242,077	\$ 3,581,115	\$ 3,614,878	\$ 3,807,843	\$ 3,973,902	\$ 4,252,196	\$ 4,864,855
Hospitality taxes	163,913	104,615	237,908	210,307	323,896	348,648	412,326	439,517	439,706	534,763
Intergovernmental	170,207	112,566	211,010	170,265	170,715	264,000	204,408	209,698	217,560	167,242
Miscellaneous	126,993	33,050	27,614	23,285	18,332	6,963	73,667	198,370	131,785	127,131
Gain (Loss) on Sale of Capital Assets	-	-	-	97,843	(40,084)	-	-	-	-	-
Investment Earnings (Loss)	13,915	(3,432)	6,364	4,635	6,390	3,866	5,330	29,889	36,153	5,084
Transfers	1,433,681	207,461	2,118,809	342,333	817,889	1,082,500	627,685	590,186	590,186	590,186
Total governmental activities	<u>4,909,279</u>	<u>1,376,046</u>	<u>5,702,390</u>	<u>4,090,745</u>	<u>4,878,253</u>	<u>5,320,855</u>	<u>5,131,259</u>	<u>5,441,562</u>	<u>5,667,586</u>	<u>6,289,261</u>
Business-type activities:										
Gas										
Investment earnings	21,246	(62,409)	73,116	44,713	61,775	6,860	3,920	83,797	52,930	1,293
Miscellaneous Revenue	-	-	-	-	2,106	-	-	11,286	20,110	205
Transfers	(1,433,681)	(207,461)	(2,118,809)	(342,333)	(876,108)	(1,082,500)	(627,685)	(590,186)	(590,186)	(590,186)
Sewer										
Investment earnings	1,447	584	918	1,279	3,615	8,212	12,593	11,366	7,709	759
Transfers	-	-	-	-	58,219	-	-	3,610	-	-
Total business-type activities	<u>(1,410,988)</u>	<u>(269,286)</u>	<u>(2,044,775)</u>	<u>(296,341)</u>	<u>(750,393)</u>	<u>(1,067,428)</u>	<u>(611,172)</u>	<u>(480,127)</u>	<u>(509,437)</u>	<u>(587,929)</u>
Total primary government	<u>\$ 3,498,291</u>	<u>\$ 1,106,760</u>	<u>\$ 3,657,615</u>	<u>\$ 3,794,404</u>	<u>\$ 4,127,860</u>	<u>\$ 4,253,427</u>	<u>\$ 4,520,087</u>	<u>\$ 4,961,435</u>	<u>\$ 5,158,149</u>	<u>\$ 5,701,332</u>
Changes in Net Position										
Governmental activities	\$ 1,304,263	\$ (974,159)	\$ (155,940)	\$ 345,829	\$ 435,922	\$ 730,236	\$ 932,775	\$ 543,746	\$ (15,813)	\$ 180,914
Business activities	(1,065,031)	77,199	(1,106,618)	272,440	437,923	(231,246)	945,325	1,417,782	1,313,325	2,216,015
Total primary government	<u>\$ 239,232</u>	<u>\$ (896,960)</u>	<u>\$ (1,262,558)</u>	<u>\$ 618,269</u>	<u>\$ 873,845</u>	<u>\$ 498,990</u>	<u>\$ 1,878,100</u>	<u>\$ 1,961,528</u>	<u>\$ 1,297,512</u>	<u>\$ 2,396,929</u>

In April, 2013, the City elected to change from its December yearend to a June 30 yearend. Accordingly, the results reported in its governmental-wide financial statements for 2013 represent only six months of financial activity.

City of Fountain Inn, South Carolina

Table 3 - Fund Balances, Governmental Funds

Last Ten Years

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ -	\$ -	\$ 36,499	\$ 2,500	\$ 142,917	\$ 228,376	\$ 88,340	\$ 134,365	\$ 128,259	\$ 44,343
Restricted	292,373	250,657	217,327	1,122,910	425,912	210,796	151,614	94,981	649	649
Committed	225,328	164,730	-	-	-	-	-	-	-	-
Assigned	45,902	41,430	-	20,271	-	-	-	-	62,559	-
Unassigned	1,514,314	591,825	572,584	956,732	1,391,434	1,793,838	3,063,479	3,530,840	3,408,105	4,145,775
Total General Fund	<u>\$ 2,077,917</u>	<u>\$ 1,048,642</u>	<u>\$ 826,410</u>	<u>\$ 2,102,413</u>	<u>\$ 1,960,263</u>	<u>\$ 2,233,010</u>	<u>\$ 3,303,433</u>	<u>\$ 3,760,186</u>	<u>\$ 3,599,572</u>	<u>\$ 4,190,767</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290	\$ -	\$ -	\$ -	-
Restricted	402,288	1,145,432	898,253	785,514	864,376	1,049,239	1,126,423	5,793,087	914,831	1,023,137
Total all other governmental funds	<u>\$ 402,288</u>	<u>\$ 1,145,432</u>	<u>\$ 898,253</u>	<u>\$ 785,514</u>	<u>\$ 864,376</u>	<u>\$ 1,049,529</u>	<u>\$ 1,126,423</u>	<u>\$ 5,793,087</u>	<u>\$ 914,831</u>	<u>\$ 1,023,137</u>

In April, 2013, the City elected to change from its December yearend to a June 30 yearend. Accordingly, the results reported in its governmental-wide financial statements for 2013 represent only six months of financial activity.

City of Fountain Inn, South Carolina

Table 4 - Changes in Fund Balance, Governmental Funds

Last Ten Years

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 3,064,063	\$ 1,159,345	\$ 3,324,361	\$ 3,458,577	\$ 3,954,293	\$ 3,936,281	\$ 4,169,153	\$ 4,468,594	\$ 4,637,488	\$ 5,453,632
Fire service area revenues	916,636	288,992	919,933	960,323	1,032,459	1,086,029	1,126,542	990,794	1,157,795	1,160,003
Licenses, permits and fees	246,822	220,147	274,866	377,148	424,720	552,275	1,292,694	1,253,197	1,296,205	1,740,892
Intergovernmental revenue	569,711	198,332	563,529	170,265	170,715	264,000	204,408	209,698	217,560	167,242
Fines and forfeitures	164,395	115,402	184,731	146,185	66,217	81,211	83,368	78,330	36,913	49,509
Charges for services	234,401	96,400	279,881	273,816	224,818	558,477	280,958	727,521	683,232	780,948
Administrative Fees	700,000	380,000	760,000	760,000	-	-	-	-	-	-
Performing Arts	333,316	171,525	344,625	400,577	356,286	121,198	5	-	-	-
Rent-Facilities	81,944	46,499	63,411	49,026	46,122	51,035	35,035	28,020	20,883	11,734
Donations / grants	110,365	103,725	17,050	359,234	647,111	156,881	166,076	169,799	142,792	62,222
Other revenues	15,819	667	24,355	23,285	82,415	4,386	73,667	160,239	159,876	90,931
Interest and investment income	13,915	(3,432)	6,364	4,635	6,390	6,443	5,330	29,889	36,153	5,084
Total revenues	6,451,387	2,777,602	6,763,106	6,983,071	7,011,546	6,818,216	7,437,236	8,116,081	8,388,897	9,522,197
Expenditures										
General government	886,097	503,457	2,433,120	732,339	718,013	686,090	717,264	839,187	1,003,394	1,020,433
Judicial services	248,398	145,734	267,012	238,388	168,434	242,150	207,288	226,215	227,378	239,710
Public safety										
Police	1,613,177	833,239	1,689,293	1,570,719	1,695,605	1,795,422	1,960,316	2,158,050	2,517,449	2,474,269
Fire	1,205,846	597,516	1,327,656	1,247,024	1,300,354	1,541,311	1,564,619	1,580,815	1,927,879	1,876,541
Streets and Sanitation	896,334	434,468	1,019,410	901,790	1,068,096	1,030,668	1,045,233	1,227,699	1,153,926	1,359,239
Recreation	459,029	277,770	497,736	467,088	462,244	457,336	455,184	489,824	571,773	662,730
Civic Center/performing arts	638,977	388,460	621,679	658,302	733,224	485,964	226,170	200,994	200,000	-
Special events/community development	367,517	159,821	387,407	394,526	270,038	195,023	240,399	338,307	308,259	403,540
Commerce Park	38,696	14,841	20,781	23,328	46,727	26,824	34,956	27,475	30,843	60,755
Capital Outlay	1,284,044	358,473	781,424	1,139,016	1,019,476	619,031	474,179	2,051,069	5,248,636	886,499
Debt service										
Principal retirement	349,052	295,170	425,629	390,307	345,586	362,000	369,105	488,414	706,558	693,608
Interest and fiscal charges	73,412	24,236	67,836	52,477	80,786	66,231	55,127	57,278	158,058	244,199
Bond/Lease issue costs	-	39,500	25,239	32,694	10,583	5,655	12,500	142,572	-	12,700
Total expenditures	8,060,579	4,072,685	9,564,222	7,847,998	7,919,166	7,513,705	7,362,340	9,827,899	14,054,153	9,934,223
Excess of revenues over (under) expenditures	(1,609,192)	(1,295,083)	(2,801,116)	(864,927)	(907,620)	(695,489)	74,896	(1,711,818)	(5,665,256)	(412,026)

City of Fountain Inn, South Carolina

Table 4 - Changes in Fund Balance, Governmental Funds, Continued
Last Ten Years

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources (Uses):										
Issuance of debt	-	1,699,833	195,000	1,575,500	-	-	-	6,199,000	-	-
Refunding of revenue bonds	-	(900,000)	-	-	-	-	-	-	-	-
Notes Payable - Master Lease	-	-	-	-	-	-	437,650	-	-	443,000
Proceeds on sale of property	4,636	1,658	17,896	110,358	26,443	70,889	7,086	46,049	36,200	78,341
Transfers in	1,433,681	207,461	2,274,414	486,184	953,299	1,091,281	805,779	1,234,131	850,863	761,329
Transfers out	-	-	(155,605)	(143,851)	(135,410)	(8,781)	(178,094)	(643,945)	(260,677)	(171,143)
Total other financing sources (uses)	1,438,317	1,008,952	2,331,705	2,028,191	844,332	1,153,389	1,072,421	6,835,235	626,386	1,111,527
Net Change in fund balances	<u>\$ (170,875)</u>	<u>\$ (286,131)</u>	<u>\$ (469,411)</u>	<u>\$ 1,163,264</u>	<u>\$ (63,288)</u>	<u>\$ 457,900</u>	<u>\$ 1,147,317</u>	<u>\$ 5,123,417</u>	<u>\$ (5,038,870)</u>	<u>\$ 699,501</u>
Debt service as a percentage of noncapital expenditures*	6%	8%	5%	7%	6%	6%	6%	7%	10%	11%

* Noncapital expenditures are total expenditures less capital outlay (to the extent capitalized for the government-wide statement of net position - see capital additions at Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities).

In April, 2013, the City elected to change from its December yearend to a June 30 yearend. Accordingly, the results reported in its governmental-wide financial statements for 2013 represent only six months of financial activity.

City of Fountain Inn, South Carolina

Table 5 - Assessed Value and Actual Value of Taxable Property

Last Ten Years

Year Ended December 31	Real Property	Personal Property	Other	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2012 Six months ended June 30	\$ 21,245,365	\$ 5,099,666	\$ 32,433	\$ 26,377,464	70.8	\$ 480,133,822	5.49%
2013 Year Ended June 30	21,286,256	4,624,795	181,517	26,092,568	70.8	473,394,142	5.51%
2014	20,970,204	4,432,034	180,873	25,583,111	72.6	465,376,842	5.50%
2015	21,769,283	4,590,550	194,699	26,554,532	72.6	451,892,926	5.88%
2016	22,389,392	4,797,719	205,199	27,392,310	76.1	466,056,315	5.88%
2017	23,404,074	5,042,594	220,249	28,666,917	76.1	493,374,923	5.81%
2018	23,943,740	5,165,153	217,962	29,326,855	76.1	512,266,905	5.72%
2019	25,486,604	5,467,003	209,339	31,162,946	76.1	554,400,243	5.62%
2020	28,775,619	6,211,648	238,589	35,225,855	76.1	628,677,743	5.60%
2021	32,414,378	6,960,500	262,324	39,637,202	76.1	694,572,988	5.71%

Source: Greenville and Laurens County Auditors and Greenville and Laurens County Assessors

City of Fountain Inn, South Carolina

Table 6 - Property Tax Rates

Direct and Overlapping Governments

Last Ten Years

City of Fountain Inn Direct Rates				Overlapping Rates											
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Greenville County Millage	Greenville County School District	Greenville Technical College	Greenville County Library System	Greenville County Recreation	Greenville County Art Museum	Greenville County Arena	Laurens County Millage	Laurens County Special School	Laurens County School Bonds	Laurens County Indigent Care	Laurens County College
2012	59.2	11.6	70.8	47.3	168.6	5.3	7.4	4.7	1.2	0.4	82.5	126.1	42.5	1.0	1.0
2013	59.2	11.6	70.8	47.3	168.6	5.3	7.4	4.7	1.2	0.4	82.5	126.1	42.5	1.0	1.0
2014	61.0	11.6	72.6	47.7	177.5	5.3	7.4	4.2	1.2	0.4	83.7	130.0	47.5	1.0	1.0
2015	61.0	11.6	72.6	47.4	182.4	5.3	7.4	4.5	1.2	0.5	85.6	134.9	47.5	1.0	1.0
2016	64.5	11.6	76.1	47.4	184.9	5.3	8.5	4.5	1.2	0.5	86.6	137.4	47.5	1.0	1.0
2017	64.5	11.6	76.1	47.4	184.9	5.3	8.5	4.5	1.2	0.5	88.8	137.4	47.5	1.0	1.0
2018	64.5	11.6	76.1	47.4	191.8	5.3	8.5	4.5	1.2	0.5	90.6	139.7	52.1	-	1.0
2019	64.5	11.6	76.1	47.4	196.9	5.3	8.5	4.5	1.2	0.5	89.7	144.8	52.1	0.0	1.0
2020	64.5	11.6	76.1	47.4	202.9	5.3	8.5	4.5	1.6	0.5	93.7	150.8	53.0	0.0	1.0
2021	64.5	11.6	76.1	47.4	202.9	5.3	8.5	4.5	1.6	-	93.6	150.8	53.0	0.0	1.0

Source: City Clerk Historical Records

City of Fountain Inn, South Carolina

Table 7 - Principal Property Taxpayers

Last Ten Years

Taxpayer	2021			Taxpayer	2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Fuyoa Asset Management	\$ 855,000	1	2.43%	Duke Energy Corporation	\$ 1,266,040	1	4.84%
Bodycote Thermal Process	786,810	2	2.23%	Goglanian Bakeries	707,561	2	2.71%
Mapal, Inc.	481,720	3	1.37%	Fisher Barton SC	533,245	3	2.04%
Wirthwein Real Estate, LLC	352,010	4	1.00%	Maillis Strapping Systems USA	502,000	4	1.92%
BMW Manufacturing Co. Inc.	331,310	5	0.94%	Armstrong Improvements LLC	356,980	5	1.37%
Glen Burnie	280,480	6	0.80%	CCHT LLC	346,680	6	1.33%
Fuyoa Glass America	272,880	7	0.77%	Fehrer South Carolina LLC	270,434	7	1.03%
Rich Products	268,810	8	0.76%	Third Generation South Carolina	264,600	8	1.01%
S & S	259,170	9	0.74%	Laurens Electric Coop LLC	254,650	9	0.97%
G5 Einterbrook	237,770	10	0.67%	Holly Oak Chemical	252,980	10	0.97%
Total	<u>\$ 4,125,960</u>		11.71%		<u>\$ 4,755,170</u>		18.19%

Source: Greenville and Laurens County Auditors

City of Fountain Inn, South Carolina

Table 8 - Property Tax Levies and Collections

Last Ten Years

Year Ended December 31		Total Tax Levy for Year ¹	Collected within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2012	1	\$ 1,817,292	\$ 952,150	52.39%	\$ -	\$ -	0.00%
Six Months Ended June 30,							
2013	1	-	552,334	30.39%	302,351	1,806,835	99.42%
Year Ended June 30,							
2014		1,850,411	1,487,687	80.40%	157,774	1,645,461	88.92%
2015		1,927,859	1,530,334	79.38%	-	1,530,334	79.38%
2016		2,084,555	1,687,684	80.96%	174,107	1,861,791	89.31%
2017		2,181,552	1,751,401	80.28%	156,506	1,907,907	87.46%
2018		2,231,774	1,818,608	81.49%	163,481	1,982,089	88.81%
2019		2,371,500	2,000,716	84.36%	174,748	2,175,464	91.73%
2020		2,680,688	2,349,531	87.65%	220,643	2,570,174	95.88%
2021		3,016,391	2,761,743	91.56%	213,572	2,975,315	98.64%

Source: Greenville and Laurens County Auditors

¹ In April, 2013 the City elected to change its yearend from December 31 to a June 30 yearend. Accordingly, the current tax amounts collected in the six months ended June 30, 2013 are 2012 tax levy year taxes, and should be combined with current tax collections for the year ended December 31, 2012 for comparison to the total levy for 2012. All delinquent tax collections for levy year 2012 have been presented in the six months ended June 30, 2013 as 2012 levy year taxes went into execution as delinquent taxes in March 2013.

City of Fountain Inn, South Carolina

**Table 9 - Ratios of Outstanding Debt by Type
Last Ten Years**

Year	Governmental Activities			Business Type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Revenue Bonds	Notes Payable Master Leases	Revenue Bond	Notes Payable	Master Leases			
2012	\$ 700,000	\$ -	\$ 990,008	\$ 6,281,982	\$ -	\$ 18,084	\$ 7,990,074	5.34%	\$ 1,012
2013	430,000	1,699,833	64,837	6,201,570	-	18,084	8,414,324	5.63%	1,065
2014	345,000	1,605,850	13,191	5,633,646	-	-	7,597,687	5.08%	951
2015	1,635,500	1,513,734	-	6,328,699	-	-	9,477,933	5.63%	1,165
2016	1,382,750	1,420,898	-	9,366,249	-	-	12,169,897	7.19%	1,457
2017	1,119,250	1,322,398	-	8,874,277	-	-	11,315,925	5.79%	1,361
2018	849,250	1,223,293	437,650	8,308,792	-	-	10,818,985	4.72%	1,245
2019	572,750	7,322,500	325,529	7,726,835	-	-	15,947,614	6.03%	1,592
2020	289,750	7,012,079	212,392	7,129,416	-	-	14,643,637	4.74%	1,403
2021	-	6,244,506	405,982	5,883,259	-	-	12,533,747	4.06%	1,203

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

¹ See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Fountain Inn, South Carolina

**Table 10 - Ratios of General Bonded Debt Outstanding
Last Ten Years**

Year	General Bonded Debt Outstanding			Total	Percentage of Actual Taxable Value of Property ¹	Per Capita ²
	General Obligation Bonds	Notes Payable - Master Lease	Less: Amount Available in Debt Service Fund			
2012	\$ 700,000	\$ 990,008	\$ -	\$ 1,690,008	6.41%	\$ 214
2013	430,000	64,837	-	494,837	1.90%	63
2014	345,000	13,191	-	358,191	1.40%	45
2015	1,635,500	-	-	1,635,500	6.16%	201
2016	1,382,750	-	-	1,382,750	5.05%	166
2017	1,119,250	-	-	1,119,250	3.90%	135
2018	849,250	437,650	-	1,286,900	4.39%	148
2019	572,750	325,529	-	898,279	2.88%	90
2020	289,750	212,392	-	502,142	1.43%	48
2021	-	405,982	-	405,982	1.02%	39

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

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² Population data can be found on the Schedule of Demographic and Economic Statistics.

City of Fountain Inn, South Carolina

**Table 11 - Direct and Overlapping Governmental Activities Debt
As of June 30, 2021**

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Counties:			
Greenville County	\$ 137,957,000	1.13%	\$ 1,557,325
Laurens County	12,177,905	3.88%	472,808
Special Purpose Districts:			
Greenville Arena District	22,944,057	1.13%	259,004
School District:			
Greenville County School District	628,442,493	1.08%	<u>6,765,061</u>
Subtotal, overlapping debt			9,054,198
City of Fountain Inn Direct Debt		100.00%	<u>7,263,613</u>
Total direct and overlapping			<u><u>\$ 16,317,811</u></u>

Source: Greenville County CAFR, Greenville County SD CAFR and Laurens County Auditor

Note: ¹ Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the County.

City of Fountain Inn, South Carolina

Table 12 - Legal Debt Margin

Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
* Debt Limit	\$ 3,170,976	\$ 2,087,405	\$ 2,046,649	\$ 2,124,363	\$ 2,191,385	\$ 2,293,353	\$ 2,346,148	\$ 2,493,036	\$ 2,818,068	\$ 3,170,976
Total net Debt applicable to limit	700,000	430,000	345,000	1,635,500	1,382,750	1,119,250	849,250	572,750	-	-
Legal debt margin	<u>\$ 2,470,976</u>	<u>\$ 1,657,405</u>	<u>\$ 1,701,649</u>	<u>\$ 488,863</u>	<u>\$ 808,635</u>	<u>\$ 1,174,103</u>	<u>\$ 1,496,898</u>	<u>\$ 1,920,286</u>	<u>\$ 2,818,068</u>	<u>\$ 3,170,976</u>
Total net debt applicable to the limit as a percentage of debt limit	22.1%	20.6%	16.9%	77.0%	63.1%	48.8%	36.2%	23.0%	0.0%	0.0%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value	\$ 39,637,202
Debt Limit (8 % of assessed value)	3,170,976
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 3,170,976</u>

Source: Greenville and Laurens County Auditors and Greenville and Laurens County Treasurers

* Calculated at eight percent of assessed value.

Note: Under South Carolina State Constitution Article X Section 14 7(a), City of Fountain Inn's outstanding general obligation debt should not exceed eight percent of the total assessed property value.

City of Fountain Inn, South Carolina

Table 13 - Pledged Revenue Coverage

Last Ten Years

Year	Revenue Bonds						
	Natural Gas Fund						
	Operating and Non-Operating Revenues	Operating and Non-Operating Expenses (excluding depreciation and amortization)	Net Available Revenue	Debt Service Principal	Interest	Coverage	
2012	\$ 5,662,692	\$ 4,916,355	\$ 746,337	\$ 190,000	\$ 95,669	261.0%	
2013	3,677,512	3,236,036	441,476	- 1	44,836	985.0%	
2014	8,166,849	6,884,895	1,281,954	195,000	69,151 2	485.0%	
2015	7,489,670	6,718,469	771,201	197,549	46,065	317.0%	
2016	6,583,562	5,089,445	1,494,117	199,901	103,627	492.0%	
2017	6,592,551	5,375,546	1,217,005	242,131	139,293	319.0%	
2018	9,042,515	7,519,312	1,523,203	291,209	134,214	358.0%	
2019	9,303,532	7,253,660	2,049,872	299,099	126,906	481.0%	
2020	8,439,245	6,434,376	2,004,869	305,828	119,412	471.0%	
2021	9,199,452	6,432,642	2,766,810	314,393	109,801	652.0%	
Sewer Fund							
2012	\$ 625,908	\$ 256,071	\$ 369,837	\$ 65,000	\$ 172,320	156.0%	
2013	346,755	134,007	212,748	80,412	57,441	154.0%	
2014	718,126	262,624	455,502	160,709	79,022	190.0%	
2015	778,101	259,429	518,672	225,398	110,059	155.0%	
2016	837,741	302,581	535,160	227,549	119,798	154.0%	
2017	935,144	439,855	495,289	249,841	113,482	136.0%	
2018	1,021,669	330,371	691,298	274,276	107,734	181.0%	
2019	1,187,308	528,673	658,635	282,858	100,132	172.0%	
2020	1,283,454	642,960	640,494	291,591	92,288	167.0%	
2021	1,357,536	568,825	788,711	300,479	82,839	206.0%	

¹ In April 2013, the City elected to change its yearend from December 31 to a June 30 yearend. Accordingly, for the six months ended June 30, 2013 no scheduled principal payments were due in the Natural Gas Fund.

² Interest payment was accelerated during 2014 as a result of refunding the 2008 Natural Gas Revenue Bond.

City of Fountain Inn, South Carolina

Table 14 - Demographic and Economic Statistics

Last Ten Calendar Years

Year	Population ¹	Personal Income* ²	Per Capita Personal Income ¹	Median Age ³	School Enrollment ⁴	Unemployment Rate ¹
2012	7,898	\$ 149,533	\$ 18,933	34	1,670	8.0%
2013	7,898	149,533	18,933	34	1,670	7.7%
2014	7,991	149,504	18,709	34	1,744	5.6%
2015	8,134	168,488	20,714	36	1,744	6.1%
2016	8,352	169,356	21,869	36	1,822	5.4%
2017	8,317	195,350	23,488	35	1,654	5.4%
2018	8,688	229,181	26,379	35	1,910	3.4%
2019	10,019	264,291	26,379	35	2,181	3.1%
2020	10,441	309,116	29,606	37	3,372	3.8%
2021	10,416	308,376	29,606	37	3,153	4.2%

* in thousands

Data Sources:

¹ Upstate Alliance, Inc.

² U. S. Bureau of Economic Analysis,

³ Greenville County Economic Development

⁴ School District of Greenville County, SC

Esri Business Analysts 2011 Estimates

City of Fountain Inn, South Carolina

Table 15 - Principal Employers
Current Year and Nine Years Ago

2021				2012			
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
Prisma Health	14,087	1	5.50%	Prisma Health	10,350	2	4.59%
School District of Greenville County	10,000	2	3.91%	School District of Greenville County	10,850	1	4.81%
Michelin North America	4,640	3	1.81%	Michelin North America	4,400	3	1.95%
Bon Secours St Francis Health System	3,800	4	1.48%	Bon Secours St Francis Health System	4,200	4	1.87%
Spectrum Communications	3,500	5	1.37%	Spectrum Communications	-	N/A	N/A
GE Power	3,000	6	1.17%	GE Power	3,200	5	1.42%
Greenville County Government	2,735	7	1.07%	Greenville County Government	1,944	9	0.86%
TD Bank	2,261	8	0.88%	TD Bank	-	N/A	N/A
SC State Government	1,819	9	0.71%	SC State Government	3,036	6	1.35%
Fluor Corporation	1,600	10	0.62%	Fluor Corporation	2,500	7	1.11%
Bi-Lo Supermarkets	N/A	N/A	N/A	Bi-Lo Supermarkets	2,419	8	1.07%
US Government	N/A	N/A	N/A	US Government	1,835	10	0.81%
Total	47,442		18.52%		44,734		19.84%

Source: Greenville County 2021 CAFR

City of Fountain Inn, South Carolina

Table 16 - Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	As of December 31	June 30								
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Special Events	-	-	-	-	-	-	2	2	1	2
Administration	4	4	4.5	3	7	6	6	6	6	6
Mayor and City Council	7	7	7	7	7	7	7	7	7	7
Planning and Development	-	-	-	-	-	-	-	-	2	2
Judicial Services	3	3	3.5	1.5	3	3	3	2	2	2
Public Safety										
Police	30	30	32	30	33	29	30	30	33	35
Fire	18	18	20	20	24	24	24	22	23	24
Streets and Sanitation										
Public Works	4	4	4	3	3	3	3	2	2	3
Streets	5	5	6	6	4	7	7	9	8	8
Sanitation	1	1	1	1	1	1	1	1	1	5
Recreation	6	6	6	5	5	9	6	4	5	5
Civic Center / Performing Arts	2	2	2	2	1	-	-	-	-	-
Economic Development	2	2	2	2	1	2	-	-	-	-
Enterprise Fund										
Natural Gas	14	14	17	19.5	18	18	20	20	20	20
Sewer	3	3	3	4	3	3	3	3	3	2
	<u>99</u>	<u>99</u>	<u>108</u>	<u>104</u>	<u>110</u>	<u>112</u>	<u>112</u>	<u>108</u>	<u>113</u>	<u>121</u>

Source: City of Fountain Inn Human Resources

City of Fountain Inn, South Carolina

Table 17 - Operating Indicators by Function

Last Ten Years

Function/Program	As of December 31, 2012	2013	2014	2015	2016	Year 2017	2018	2019	2020	2021
County Administration										
City Council										
Regular Meetings	12	6	12	12	12	12	12	12	12	12
Special Meetings	7	3	4	6	5	11	8	12	11	6
Public Hearings	2	2	2	2	2	2	2	2	2	3
Committee Meetings	-	-	7	10	7	11	-	-	-	-
General Government										
Building Codes										
Permits Issued	256	132	229	318	375	533	577	516	566	743
Inspections Performed	675	320	602	709	860	1,289	1,918	1,978	1,636	3,166
Plan Review	4	3	-	3	4	10	166	243	235	421
Business Licenses Issued	558	248	488	561	678	840	692	800	746	871
Finance										
Number of Departments	11	11	11	11	11	12	11	14	14	14
Timesheets Processed	2,735	1,368	3,208	2,942	2,889	2,844	2,955	3,174	3,393	-
Payroll Checks Issued	38	19	155	486	246	197	197	182	214	457
Payroll Direct Deposits issued	3,773	1,887	3,619	3,672	3,736	3,555	3,080	2,992	2,724	3,635
1099 Issued	32	-	26	37	51	43	37	33	28	33
W2 Issued	165	-	151	157	157	157	155	150	152	160
Grants	-	-	-	-	-	-	-	-	11	9
Human Resources										
Applications Processed	216	97	345	203	520	1,039	1,316	1,350	1,115	773
Jobs Filled	34	13	32	20	28	20	29	20	13	25
Terminations	48	13	15	28	29	34	26	33	32	25
Workers Compensation Claims	6	2	7	13	11	9	14	14	6	1
Procurement										
Number of RFP's	11	5	10	12	10	9	6	6	10	10
Judicial Services										
Magistrate										
Arrest Warrants	397	201	391	349	242	310	356	243	812	420
Traffic Tickets	1,608	784	2,051	1,705	2,072	1,980	1,107	1,985	2,188	2,150

City of Fountain Inn, South Carolina

Table 17 - Operating Indicators by Function, Continued

Last Ten Years

	As of December 31, 2012	2013	2014	2015	2016	Year 2017	2018	2019	2020	2021
Public Safety										
Police Office										
Service Calls	9,036	4,324	4,381	6,855	7,403	8,769	4,919	5,764	5,971	11,398
Incident Reports	2,284	1,087	1,134	1,893	2,576	3,072	1,527	1,255	1,389	2,639
Drug Arrests	144	68	65	85	92	168	79	87	170	125
Meth Labs	6	2	-	-	1	-	1	-	-	-
Traffic Unit - Citations	4,384	2,129	1,758	2,284	2,450	1,800	2,229	806	749	1,371
School Resource Program - Classes Taught	100	54	125	100	90	120	100	-	72	38
Fire Department										
Service Calls	115	53	116	148	157	190	208	129	174	227
Incident Reports	1,953	940	1,949	2,237	2,400	2,207	2,328	2,071	2,135	2,318
Streets and Sanitation										
Streets										
Repair Orders Processed	-	-	26	282	413	380	210	30	386	10
Road Calls Made	23	12	20	17	-	23	21	30	11	44
Vehicles Maintained	26	26	17	17	17	17	17	20	20	25
Heavy Equipment Maintained	8	8	22	22	22	22	23	9	8	9
Sanitation										
Tonnage Refuse Processed	3,605	1,865	2,593	2,381	4,070	4,112	4,291	4,463	4,393	4,535
Recycling										
Tonnage Recycling Processed	-	-	-	-	-	-	-	35	73	82
Animal Control										
Work Orders	161	84	113	64	89	79	98	-	29	25
Recreation										
Events Sponsored	12	5	9	13	15	14	13	13	14	15
Citizens Participating	9,623	4,720	13,067	3,250	3,293	5,148	5,342	5,000	2,800	4,500
Civic Center / Performing Arts/Special Events										
Events Sponsored	164	87	138	108	91	24	9	59	48	55
Citizens Participating	77,427	38,650	57,451	41,450	22,750	N/A	N/A	30,000	38,000	44,500
Enterprise Fund										
Natural Gas										
Consumption btu's	634,876	634,876	790,377	795,584	716,373	712,134	884,668	960,559	912,285	985,799
Number of customers	6,514	6,514	6,793	7,075	7,417	7,799	8,366	9,175	9,106	10,339
Transactions	78,173	78,173	81,516	84,898	89,008	93,588	100,390	102,687	83,473	119,999
Sewer										
Work Orders	210	106	232	232	49	60	148	-	52	57

Source: City of Fountain Inn Finance Department

City of Fountain Inn, South Carolina

Table 18 - Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

	As of December 31, 2012	2013	2014	2015	2016	Year 2017	2018	2019	2020	2021
Function/Program										
General Government										
Administration										
Buildings	1	1	1	1	1	1	1	1	1	1
Equipment and Vehicles	2	2	1	1	1	1	1	1	1	1
Mayor and City Council										
Buildings	1	1	1	1	-	-	-	-	-	-
Public Safety										
Police Department										
Buildings	1	1	1	1	1	1	1	1	1	1
Equipment and Vehicles	21	21	24	24	38	44	32	53	52	52
Fire										
Buildings	2	2	2	2	2	2	2	2	2	2
Equipment and Vehicles	9	9	13	12	17	15	11	36	33	34
Recreation										
Parks										
Land (acres)	40	40	40	40	40	40	40	40	40	40
Buildings	2	2	2	2	2	2	2	2	2	3
Equipment and Vehicles	6	6	6	6	5	5	2	27	29	29
Civic Center / Performing Arts										
Buildings	3	3	3	3	3	-	-	-	-	-
Judicial Services										
Buildings	1	1	1	1	1	1	1	1	1	-
Equipment and Vehicles	-	-	-	-	-	-	-	1	1	-
Enterprise Fund										
Natural Gas										
Buildings	2	2	2	2	2	2	2	2	2	2
Infrastructure (miles)	288	288	296	303	313	324	333	324	333	344
Equipment and Vehicles	13	13	13	14	23	23	23	42	44	44
Sewer										
Buildings	-	-	1	1	1	1	1	1	1	1
Infrastructure	49	49	49	49	49	51	51	51	51	51
Equipment and Vehicles	10	10	10	10	10	10	14	19	18	18

Source: City of Fountain Inn Finance Department

Compliance Section



**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

The Honorable Mayor and Members of City Council
City of Fountain Inn
Fountain Inn, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fountain Inn, South Carolina (the "City"), 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, and have issued our report thereon dated March 28, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Manley Garvin, LLC". The signature is written in a cursive, flowing style.

Greenwood, South Carolina
March 28, 2022

City of Fountain Inn, South Carolina***Schedule of Findings and Responses******June 30, 2021***

None reported.

City of Fountain Inn, South Carolina***Summary Schedule of Prior Year Findings******June 30, 2021***

None reported.

CITY ADMINISTRATOR REPORT



Agenda Date: April 14, 2022

To: Mayor and City Council

From: Shawn M. Bell, ICMA-CM
City Administrator

Administration

- Woodside Streetscape
 - Project is being advertised for a May letting
- Woodside Connector
 - \$400,000+ budget shortfall
 - Proposed Let Date: Project is prepared to be let in June 2022, but on hold pending funding shortfall
- New FING/Public Works Facility
 - Steel building has been ordered
 - Preliminary drawings (electrical, mechanical, etc.) have been submitted to City staff for review
 - Still on target for a groundbreaking in mid to late June
- Main Street Streetscape (Jones to 418)
 - No updates from Cotransco at this time
- Sanctified Hill Park
 - 90% Construction Documents for Phase 1 are complete
 - Cost estimate for Phase 1: \$1,517,230
 - City has requested ARP funds from Laurens County for this project
 - Recommend allocating \$750,000 of ARP funds towards the project
 - Working on bid package and permitting

Community Relations

- Public Information
 - Social Media (March 2022)
 - Impressions: 354,188 (up 29%)
 - Average Engagements Per Post: 5,284
 - Fountain Inn was the 3rd most engaged municipality in South Carolina for the month
 - Newsletter (March 2022)
 - 1,513 views and 275 new subscribers
 - Website (March 2022)
 - 26,147 views

- April Events
 - 16th Annual Mac Arnold Cornbread and Collard Greens Blues Festival on April 23 from 12:00 – 6:00 p.m.
 - Includes Our Spring Market (42 vendors have already signed up) and a Jeep Jam
 - Superhero 5K on April 30 at 8:00 a.m.
 - Italian Heritage Festival on April 30 from 12:00 – 8:00 p.m.
- Summer Events
 - Juneteenth Block Party on June 19 from 4:00 – 8:00 p.m. on Depot Street
 - Fourth of July Spectacular on July 2 from 6:00 – 9:00 p.m. on Main Street
 - Sounds of Summer: Fridays, June - August from 6:00 – 9:00 p.m. at Commerce Park
 - Farmers Market: Saturdays, June - August from 8:00 a.m. – noon at Commerce Park
- Main Street
 - Reinvestment
 - Five grant applications awarded
 - Four active renovations
 - Value of projects: \$437,169
 - One façade completed
 - March 2022 Downtown Visitors
 - 76,800 visits from 43,000 visitors
 - 6.75% increase from March 2019 (pre-pandemic)
 - 23% increase from March 2020

Human Resources

- Personnel
 - Administration:
 - Staff Accountant – One vacancy; currently filled by a temporary employee
 - Customer Service Representative (Gas Billing) – One vacancy; currently filled by a temporary employee
 - Deputy Clerk of Court – One vacancy; posted April 6
 - Police:
 - Patrol Officer – One vacancy; candidate interviews in progress
 - Dispatch – One vacancy; soft background checks on selected candidates in process
 - Public Works:
 - CDL Truck Driver – Two vacancies; one has a start date of May 4 and the other has a pending offer

- Sanitation Supervisor – One vacancy; offer accepted and screenings are in process
- Natural Gas
 - Underground Installation Tech I – Two vacancies; one offer accepted, and screenings are in process and one has an offer pending

Natural Gas

- Deliveries for March 2022
 - Gas volume of 95,668 Dekatherms
 - Gas consumption for March 2022 was down 1.7 from March 2021, and down over 2.5% from the March five-year average.
- Services for March 2022
 - 32 new applications for service
 - 10,448 active customers
 - 11,639 feet of new gas main lines installed; 2022 year-to-date
 - 5,929 feet of new service lines installed; 2022 year-to-date
- Gas Prices/Rates
 - The price of natural gas for April 2022 settled at \$5.336 per Dekatherm, which represents a \$0.77 increase over March's price.
 - The price of natural gas going forward will be unstable, largely due to the Russian-Ukraine war and increased liquified natural gas exports to the EU.

Planning & Development

- March 2022 Permitting
 - 141 construction permits (new record) with total valuation of \$27,118,287 (new record)
 - 773 inspections (new record)

Public Works

- Sanitation
 - Garbage and Recycling are on schedule
 - Annual Spring Cleaning will be the entire month of May
 - Residents are encouraged to sign-up online
- Facilities Maintenance
 - City Council chambers A/V suite has been installed, except for the wireless microphones which are on backorder
 - New City Hall conference room has been completed
- Streets & Grounds
 - Splash Pad set to open early May

- Facelift includes tropical plantings, seating with shade, and safety fencing near Main Street
 - New mulch for City properties is being distributed and spring/summer hanging baskets will be up in a few weeks
- Utilities
 - SRF Loan Rehab Project
 - Preliminary Engineering Report complete; waiting to hear back from DHEC on coordination and submittal

Younts Center

- James Gregory: The Funniest Man in America
 - April 29 – 7:30 p.m.
- Triumphant Quartet
 - July 30 – 7:30 p.m.

Chamber of Commerce

- Taste INN 2022 scheduled for May 17 from 5:00 p.m. – 7:30 p.m. on Main Street
- Hosting a monthly Women@Work and Business After Hours
 - Go to <https://www.fountaininnchamber.org/> for details



FOUNTAIN INN FIRE DEPARTMENT

Headquarters – 200 N Main Street • Fountain Inn, SC 29644 • 864-862-0010 • Fax 864-409-0164

Fire Chief Ronnie Myers

Fountain Inn Fire Report to Mayor and City Council Month of March 2022

- (1) The Fire Department responded to 155 calls this month. (See graft below)
- (2) The cost of fuel was \$2117.38
- (3) Vehicle Maintenance was \$1310.55
- (4) Our first out Engine 29 is being repaired at te bod shop.
- (5) Our Tower 29 is out of service because of the radiator.
- (6) The members of SCTF1 participated in a statewide communication exercise.
- (7) The Fire Department is a Child Safety Seat Inspection Station. We conduct inspections every Fourth Monday of each month 4 pm-8 pm.
- (8) Budget in good shape.

Fountain Inn Fire Department

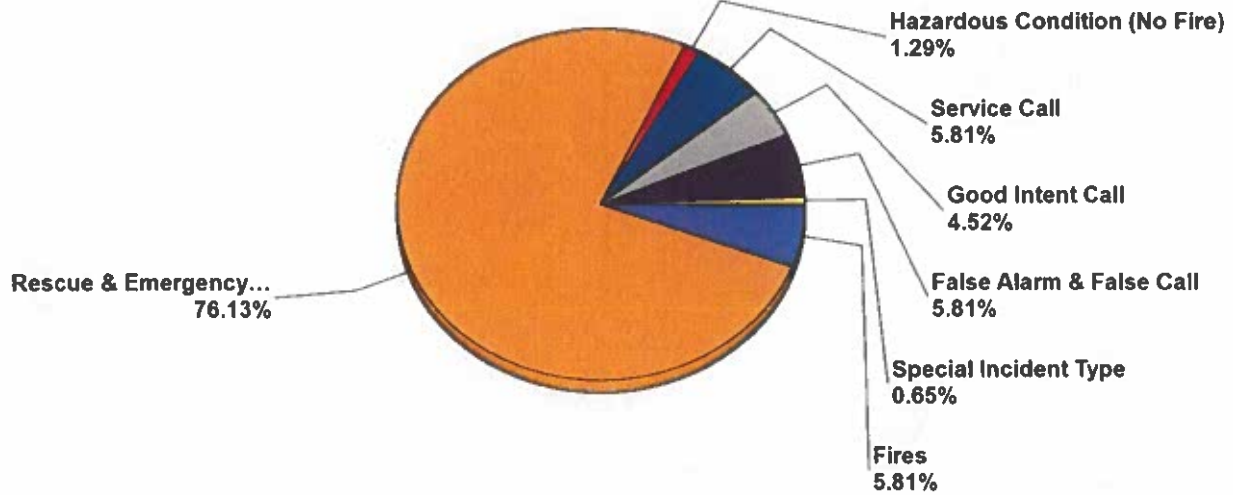
Fountain Inn, SC

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Breakdown by Major Incident Types for Date Range

Zone(s): All Zones | Start Date: 03/01/2022 | End Date: 03/31/2022



MAJOR INCIDENT TYPE	# INCIDENTS	% of TOTAL
Fires	9	5.81%
Rescue & Emergency Medical Service	118	76.13%
Hazardous Condition (No Fire)	2	1.29%
Service Call	9	5.81%
Good Intent Call	7	4.52%
False Alarm & False Call	9	5.81%
Special Incident Type	1	0.65%
TOTAL	155	100%

Only REVIEWED and/or LOCKED IMPORTED incidents are included. Summary results for a major incident type are not displayed if the count is zero.



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Page # 1 of 2

Detailed Breakdown by Incident Type

INCIDENT TYPE	# INCIDENTS	% of TOTAL
111 - Building fire	1	0.65%
113 - Cooking fire, confined to container	1	0.65%
131 - Passenger vehicle fire	2	1.29%
141 - Forest, woods or wildland fire	1	0.65%
142 - Brush or brush-and-grass mixture fire	1	0.65%
143 - Grass fire	1	0.65%
151 - Outside rubbish, trash or waste fire	1	0.65%
155 - Outside stationary compactor/compacted trash fire	1	0.65%
300 - Rescue, EMS incident, other	1	0.65%
311 - Medical assist, assist EMS crew	92	59.35%
320 - Emergency medical service, other	1	0.65%
321 - EMS call, excluding vehicle accident with injury	13	8.39%
322 - Motor vehicle accident with injuries	5	3.23%
324 - Motor vehicle accident with no injuries.	6	3.87%
400 - Hazardous condition, other	1	0.65%
412 - Gas leak (natural gas or LPG)	1	0.65%
500 - Service Call, other	3	1.94%
541 - Animal problem	1	0.65%
551 - Assist police or other governmental agency	1	0.65%
552 - Police matter	1	0.65%
554 - Assist invalid	1	0.65%
561 - Unauthorized burning	1	0.65%
571 - Cover assignment, standby, moveup	1	0.65%
611 - Dispatched & cancelled en route	4	2.58%
622 - No incident found on arrival at dispatch address	2	1.29%
651 - Smoke scare, odor of smoke	1	0.65%
700 - False alarm or false call, other	3	1.94%
711 - Municipal alarm system, malicious false alarm	1	0.65%
735 - Alarm system sounded due to malfunction	2	1.29%
740 - Unintentional transmission of alarm, other	1	0.65%
744 - Detector activation, no fire - unintentional	2	1.29%
911 - Citizen complaint	1	0.65%
TOTAL INCIDENTS:	155	100%

Only REVIEWED and/or LOCKED IMPORTED incidents are included. Summary results for a major incident type are not displayed if the count is zero.



Fuel Report-Summary by Sub-Agency

By: Actual Transaction Dates 3/1/2022 to 3/31/2022

South Carolina

Report is restricted to City of Fountain Inn

Agency	Level 1	Level 2	Purchase Type	Quantity	
T23001	City of Fountain Inn				
	GAS		Other:	30.03	\$140.15
	ADMIN		Other:	15.82	\$57.33
	Code Enf		Other:	38.82	\$149.65
	FIRE		Other:	450.41	\$1,879.50
	FIRE DEPT		Other:	62.06	\$237.88
	GAS		Other:	1,125.54	\$4,218.08
	Gas Dept		Other:	205.13	\$761.14
	POLICE		Other:	2,202.22	\$8,229.65
	PUBLIC WORKS		Other:	52.27	\$193.52
	RECREATION		Other:	115.28	\$431.86
	Sanitation		Other:	547.61	\$2,219.43
	SEWER		Other:	727.19	\$3,067.59
	SOLID WASTE		Other:	281.13	\$1,154.06
	STREET		Other:	249.31	\$1,094.62
	STREETS		Other:	740.14	\$3,169.37
Total for T23001:				6,842.96	\$27,003.83
Grand Total:				30.03	\$27,003.83

March Fuel Cost \$2117.38

BUDGET REPORT BY ACCOUNT - EXPENDITURE

Fiscal Year Start Date: 07/01/2021

Current Period End Date: 12/31/2021

City Of Fountain Inn

FY 2021-2022

Ideal Remaining Percent: 50 %

Account	Budgeted	Current	Year To Date	Encumbrance	Remaining Balance	PCT
100-422-110-001 Salaries - Fire	1,142,616.24	334,132.59	840,344.96	0.00	302,271.28	26
100-422-130-001 Overtime	6,000.00	999.11	8,905.39	0.00	-2,905.39	-48
100-422-130-003 Salaries - Special Events	0.00	0.00	612.50	0.00	-612.50	0
100-422-140-001 Year End Bonus	6,891.70	6,340.24	6,340.24	0.00	551.46	8
100-422-210-001 Employee Health Insurance	188,118.00	12,845.54	86,762.06	0.00	101,355.94	54
100-422-220-002 Payroll Taxes - Social Security	88,396.36	25,957.33	64,127.93	0.00	24,268.43	27
100-422-230-001 State Retirement	217,902.56	19,335.93	117,148.71	0.00	100,753.85	46
100-422-260-001 Workers Compensation	42,089.96	0.00	19,822.48	0.00	22,267.48	53
100-422-261-001 Workers Comp Deductible	2,500.00	0.00	2,285.62	0.00	214.38	9
100-422-270-001 Drug Testing / Physical/Screen	5,000.00	0.00	0.00	0.00	5,000.00	100
100-422-430-001 Portable Radio Maintenance	2,000.00	31.07	682.97	0.00	1,317.03	66
100-422-430-005 Operating Equipment Maintenance	16,000.00	3,145.21	11,509.27	0.00	4,490.73	28
100-422-431-001 Station Maintenance	20,000.00	764.22	8,232.83	0.00	11,767.17	59
100-422-431-002 Landscaping	1,150.00	0.00	0.00	0.00	1,150.00	100
100-422-432-001 Computer Support	24,000.00	1,060.82	6,904.04	0.00	17,095.96	71
100-422-435-001 Vehicle Maintenance	35,000.00	526.34	15,875.58	6,183.03	12,941.39	37
100-422-471-003 2018 Lease Purchase Principal	6,621.75	0.00	0.00	0.00	6,621.75	100
100-422-471-004 2018 Lease Purchase Interest	408.72	0.00	0.00	0.00	408.72	100
100-422-471-005 2019 Iprb Principal	126,000.00	126,000.00	126,000.00	0.00	0.00	0
100-422-471-006 2019 Iprb Interest	37,516.00	37,516.00	37,516.00	0.00	0.00	0
100-422-520-001 General Liability - Scmirf	28,000.00	0.00	17,818.95	0.00	10,181.05	36
100-422-530-001 Telephone	7,400.00	593.32	3,800.90	0.00	3,599.10	49
100-422-530-002 Cell Phones	1,500.00	462.26	2,546.65	0.00	-1,046.65	-70
100-422-580-002 Conferences	7,000.00	0.00	0.00	0.00	7,000.00	100
100-422-583-002 Training	5,000.00	340.00	1,317.60	0.00	3,682.40	74
100-422-610-001 General Supplies	6,000.00	503.94	4,912.35	0.00	1,087.65	18
100-422-610-002 Office Supplies/Printing	5,800.00	174.29	899.65	0.00	4,900.35	84
100-422-610-003 Prevention	1,500.00	0.00	585.19	0.00	914.81	61
100-422-622-001 Utilities	15,000.00	1,171.18	5,504.50	0.00	9,495.50	63
100-422-626-001 Vehicle Gas	18,000.00	3,815.84	12,022.92	0.00	5,977.08	33
100-422-640-001 Publications Dues/Subscription	3,690.00	0.00	908.92	0.00	2,781.08	75
100-422-656-001 Uniforms	16,000.00	1,035.42	13,425.86	0.00	2,574.14	16
100-422-743-010 Scmit Grant	4,000.00	0.00	0.00	0.00	4,000.00	100
100-422-810-001 Miscellaneous	0.00	0.00	-300.00	0.00	300.00	0
100-422-810-002 Innovapad Expenditures	13,000.00	0.00	2,237.67	0.00	10,762.33	83
100-422-860-010 Equipment (Non-Depreciable)	0.00	901.76	901.76	901.76	-1,803.52	0
100-422-860-015 Furniture, Fix.&Computers (No	7,500.00	0.00	0.00	0.00	7,500.00	100
Report Total Expenditure	\$2,107,601.29	\$577,652.41	\$1,419,653.50	\$7,084.79	\$680,863.00	32

**CITY OF FOUNTAIN INN
DETAIL ACCOUNT INQUIRY BY FUND**

FY 2021-2022

PERIOD: 03/01/2022 TO 03/31/2022

100-422-435-001 VEHICLE MAINTENANCE

100-422-435-001 VEHICLE MAINTENANCE			BUDGET	PERIOD TO DATE	ENC AMT	REM BAL	
			35,000.00	1,284.05	11,430.03	4,932.43	
DATE	MOD	REFERENCE	JE # or VOUCHER#	CHECK#	DEBIT	CREDIT	BALANCE
		BALANCE FORWARD					17,353.49
03/14/2022	AP	O'REILLY AUTO PARTS 4562-241572	162530	1327	108.10		17,461.59
		NOTES:	#324 - BALL MOUNT & LIOCK				
03/14/2022	AP	O'REILLY AUTO PARTS 4562-241573	162531	1327		26.50	17,435.09
		NOTES:	#324 - BALL MOUNT EXCHANGED				
03/14/2022	AP	O'REILLY AUTO PARTS 4562-242571	162532	1339	66.75		17,501.84
		NOTES:	E-30 & E-30A - BATTERY CHARGER & HEAT SHRINK				
03/31/2022	AP	AMAZON CAPITAL SERVICES, INC 1MCH-4I	162713		138.49		17,640.33
		NOTES:	DUAL DASH CAM				
03/31/2022	AP	SAFE INDUSTRIES INV65168	162806		282.05		17,922.38
		NOTES:	LADDER TRUCK - LOOSE BOLT				
03/31/2022	AP	SAFE INDUSTRIES INV65166	162807		715.16		18,637.54
		NOTES:	FD-H6135 - DIAGNOSE 7 REPAIR Q NOT WORKING AS IT SHOULD				
SUBTOTALS FOR ACCOUNT 100-422-435-001 :					1,310.55	26.50	
					1,310.55	26.50	

RONNIE

fl-DetailAccountInquiry

04/04/2022 6:31:24AM

Page 1 of 1

Memorandum

To: Fountain Inn Mayor & City Council
Shawn Bell, City Administrator
Sandra Woods, City Clerk

From: Eduardo Noriega
Fountain Inn Natural Gas Director

Date: April 8, 2022

The following is the gas department update for the month of March 2022.

- **Delivery of natural gas**
 - Gas volume moved through our system: 95,668 Dths.
 - Gas consumption for March was down 1.7% from last March, and down over 2.5% from the March 5-year average.
- **Service Applications**
 - 32 applications for new service lines
- **New main/service line installations**
 - We have 10,448 active customers.
 - New gas main lines installed; 2022 YTD: 11,639 feet.
 - New service lines installed; 2022 YTD: 107 services, 5,929 feet.
- **Gas Supply**
 - The price of natural gas for the month of April settled at \$5.336 per Dekatherm, an unexpected price jump even though we are entering the warmer months. This increase represents an increase from March's price of \$0.77 per Dekatherm.
 - The price of natural gas going forward is unstable due to the Russian-Ukraine war and increase liquified gas exports to the EU.
- **Gas Operations**
 - April is Safe Digging Month" we encourage all to call 811 for located before digging.
 - FING still waiting on the permits to cross the railroad tracks to install the new 6" feed line from Clinton-Newberry interconnect.
 - We have started the gas line relocations for the Woodside Street beautification project.
 - We are making initial preparations for the annual phone safety survey in early June.

- SC/NC Gas Rates Comparisons

NORTH CAROLINA/SOUTH CAROLINA/VIRGINIA GAS RATE COMPARISONS					
March 2022					
COMPANY	SERVICE CLASS	METER CHARGE PER MONTH	AVEWRAGE RATE PER THERM	AVG. USAGE THERMS	TOTAL COST PER MONTH
GREER CPW, SC	Residential	\$10.00	\$0.93700	100.00	\$103.70
CITY OF DANVILLE, VA	Residential	\$11.15	\$0.93253	100.00	\$104.40
YORK NATURAL GAS, SC	Residential	\$9.25	\$0.96295	100.00	\$105.55
GREENWOOD CPW, SC	Residential	\$10.00	\$0.97653	100.00	\$107.65
LANCASTER COUNTY, SC	Residential	\$5.00	\$1.06000	100.00	\$111.00
CHESTER COUNTY, SC	Residential	\$6.50	\$1.07240	100.00	\$113.74
DOMINION, NC	Residential	\$10.00	\$1.16090	100.00	\$145.54
CITY OF ORANGEBURG, SC	Residential	\$10.00	\$1.04028	100.00	\$114.03
FORT HILL NATURAL GAS, SC	Residential	\$10.00	\$1.05000	100.00	\$115.00
FOUNTAIN INN, SC	Residential	\$8.00	\$1.11510	100.00	\$119.51
PIEDMONT, SC	Residential	\$10.00	\$1.13558	100.00	\$123.56
CLINTON-NEWBERRY, SC	Residential	\$12.00	\$1.11930	100.00	\$123.93
CITY OF SHELBY, NC	Residential	\$8.50	\$1.25794	100.00	\$134.29
DOMINION, SC	Residential	\$10.90	\$1.35541	100.00	\$146.44
PIEDMONT, NC	Residential	\$10.00	\$1.46744	100.00	\$146.74
GREENVILLE UTILITIES, NC	Residential	\$14.00	\$1.40431	100.00	\$154.43
CITY OF LEXINGTON, NC	Residential	\$10.00	n/a	100.00	#VALUE!
CITY OF MONROE, NC	Residential	\$10.00	n/a	100.00	#VALUE!
PUBLIC SERVICE OF NC	Residential	\$10.00	n/a	100.00	#VALUE!



City of Fountain Inn - Human Resources Monthly Report - March 2022

Home Department**	February Headcount	March Hires / Transfers In	March Terms	March Transfers Out	March Headcount	DIVERSITY				
						Asian	Black or African American	Hispanic or Latino	White	Pacific Islander
000411 / Administration	5	0	0	0	5	0	1	0	4	0
000412 / Judicial	5	0	0	0	5	0	1	0	3	1
000413 / Council	7	0	0	0	7	0	0	1	6	0
000414 / Special Events	3	2	0	0	5	0	0	0	5	0
000417 / Human Resources	2	0	0	0	2	0	0	1	1	0
000421 / Police	37	0	0	0	37	0	3	1	33	0
000422 / Fire	27	2	0	0	29	0	0	0	29	0
000424 / Public Works	12	2	0	0	14	0	7	0	7	0
000435 / Planning & Development	3	1	0	0	4	0	0	0	4	0
000434 / Sewer	3	0	0	0	3	0	0	0	3	0
000451 / Recreation	23	0	0	0	23	0	6	0	17	0
000510 / Gas Billing	4	1	1	0	4	0	0	0	4	0
000510 / Gas Field	14	0	0	0	14	0	0	1	13	0
Totals:	145	8	1	0	152	0	18	4	129	1

**Based on Home Departments

FULL TIME 123 / PART TIME 29

Recruitment Status

411 Administration: Staff Accountant (1) Vacancy; currently filled by a temporary employee

510 Gas Billing: Customer Service Representative (1) Vacancy; currently filled by a temporary employee

412 Deputy Clerk of Court (1) Vacancy; POSTED 4/6/2022

421 Police: Patrol Officer (1) Vacancy; candidate interviews in process

Police Dispatcher (1) Vacancy; soft background checks on selected candidates in process

424 Public Works: CDL Truck Driver (2) Vacancies; (1) start date May 4, (1) offer pending

Sanitation Supervisor (1) Vacancy; offer accepted & screenings in process

510 Gas Underground Installation Tech I (2) - Vacancies; (1) offer accepted & screenings in process, (1) Pending Offer Acceptance

MARCH HIRES:

3/04/2022 FIRE; JEFFREY ALLEN, Firefighter

3/14/2022 GAS BILLING; TRACEY LOWE, Customer Service Representative

3/14/2022 COMMUNITY RELATIONS; ELIZABETH CARPENTER, Neighborhood Services Coordinator

3/14/2022 COMMUNITY RELATIONS; AUSTIN WATTERS, Community Engagement Specialist

3/21/2022 CITY ACTIVITY SUPPORT STAFF; NIKKI SORACE, Temporary Permit Technician

3/22/2022 FIRE; MARK VAND DER FEYST, Firefighter

3/28/2022 PUBLIC WORKS; MATTHEW COLLINS, Facilities Maintenance Tech I

3/28/2022 PUBLIC WORKS; LAROY LUSTER, Maintenance Worker I

**FOUNTAIN INN POLICE DEPARTMENT
MONTHLY COUNCIL REPORT
MARCH 2022**

Crimes Against Property			
Burglary	March	YTD	
Total:	1	6	March Clearance Rate 0%
Active	0	0	YTD Clearance Rate 50%
Administratively Closed	1	3	
Cleared By Arrest	0	1	
Exceptionally Cleared	0	1	
Unfounded	0	1	
Larceny	March	YTD	
Total:	13	32	March Clearance Rate 38%
Active	4	6	YTD Clearance Rate 31%
Administratively Closed	4	16	
Cleared By Arrest	2	4	
Exceptionally Cleared	1	4	
Unfounded	2	2	
<i>Includes 1 from January that was Active, now Adm.Closed</i>			
<i>Includes 1 from February that was Active, now Adm.Closed</i>			
Motor Vehicle Theft	March	YTD	
Total:	2	7	March Clearance Rate 0%
Active	0	0	YTD Clearance Rate 14%
Administratively Closed	2	6	
Cleared By Arrest	0	0	
Exceptionally Cleared	0	1	
Unfounded	0	0	
Property Value	March	YTD	
Grand/Petit Larceny/Fraud	\$ 35,386.00	\$ 103,163.00	<i>Includes \$1876 from February, not reported</i>
Cleared/Recovered	\$ 12,948.00	\$ 65,440.00	
	March	YTD	
Total Calls for Service	910	2502	
Business/Security Checks	9,624	30,780	
Number of Reports Written	233	636	<i>Includes 1 from Jan/3 from Feb, not submitted</i>

Crimes Against Persons			
Assault & Battery (Simple)	March	YTD	
Total:	14	29	March Clearance Rate 71%
Active	0	1	YTD Clearance Rate 69%
Administratively Closed	4	8	
Cleared by Arrest	3	4	
Exceptionally Cleared	7	15	
Unfounded	0	1	
<i>Includes 1 from February that was Adm.Closed, now Unfounded</i>			
<i>Includes 1 from February that was Active, now Adm.Closed</i>			
Aggravated Assault	March	YTD	March Clearance Rate 33%
Total:	3	4	YTD Clearance Rate 25%
Active	0	0	
Administratively Closed	2	3	
Cleared by Arrest	0	0	
Exceptionally Cleared	1	1	
Unfounded	0	0	
Domestic Violence	March	YTD	March Clearance Rate 60%
Total:	5	12	YTD Clearance Rate 83%
Active	0	0	
Administratively Closed	2	2	
Cleared by Arrest	3	4	
Exceptionally Cleared	0	6	
Unfounded	0	0	
Robbery	March	YTD	March Clearance Rate N/A
Total:	0	0	YTD Clearance Rate N/A
Active	0	0	
Administratively Closed	0	0	
Cleared by Arrest	0	0	
Exceptionally Cleared	0	0	
Unfounded	0	0	
Murder	March	YTD	March Clearance Rate N/A
Total	0	0	YTD Clearance Rate N/A
Active	0	0	
Administratively Closed	0	0	
Cleared by Arrest	0	0	
Exceptionally Cleared	0	0	
Unfounded	0	0	
TRAFFIC	March	YTD	
Citations	121	272	<i>Includes 1 from February, not submitted</i>
Warnings	149	373	<i>Includes 1 from February, not submitted</i>
Accidents	29	82	
Accidents/Private Property	6	20	
Driving Under the Influence 1st Offense	1	5	
Driving Under the Influence 2nd Offense	0	0	
Driving Under the Influence 3rd & Above	0	0	
Driving Under Suspension 1st Offense	7	21	
Driving Under Suspension 2nd Offense	2	7	<i>Includes 1 from January, not reported</i>
Driving Under Suspension 3rd & Above	1	4	
Failure to Stop for Blue Light & Siren	3	12	

Narcotics Violations					
	March	YTD			
Marijuana					
Simple Possession	12	25			
Possession with Intent to Distribute	1	2			
PWID within 1/2 mile of School	1	1			
Distribution	0	0			
Distribution Near School	0	0			
Trafficking	0	0			
Manufacturing	0	0			
Cocaine					
Possession	0	1			
Possession with Intent to Distribute	0	0			
PWID within 1/2 mile of School	0	0			
Distribution	0	0			
Distribution Near School	0	0			
Trafficking	0	0			
Manufacturing	0	0			
Crack Cocaine					
Possession	0	0			
Possession with Intent to Distribute	0	0			
PWID within 1/2 of School	0	0			
Distribution	0	0			
Distribution Near School	0	0			
Trafficking	0	0			
Manufacturing	0	0			
Methamphetamine					
Possession	1	3	<i>Includes 1 from February, not reported</i>		
Possession with Intent to Distribute	0	0			
PWID within 1/2 mile of School	0	0			
Distribution	0	0			
Distribution Near School	0	0			
Trafficking	1	2			
Manufacturing	0	0			
Controlled Substance					
Possession	2	4			
Possession with Intent to Distribute	0	0			
PWID within 1/2 mile of School	0	0			
Distribution	0	0			
Distribution Near School	0	0			
Trafficking	0	1			
Manufacturing	0	0			
Other Drugs					
Possession	0	1			
Possession with Intent to Distribute	0	0			
PWID within 1/2 mile of School	0	0			
Distribution	0	0			
Distribution Near School	0	0			
Trafficking	0	1			
Manufacturing	0	0			
Possession of Drug Paraphernalia	10	24	<i>Includes 1 from February, not reported</i>		
Underage Alcohol Violations	1	2			

April 2022 Council Report

Website by the Numbers



Views

#26,147



Top Pages

- # Special Events
- # Parks and Rec
- # Permits
- # Farmers Market
- # Spring Baseball
- # Solid Waste

Social Connection

Impressions

354,188 ^{^28.7%}

Avg. Engagement

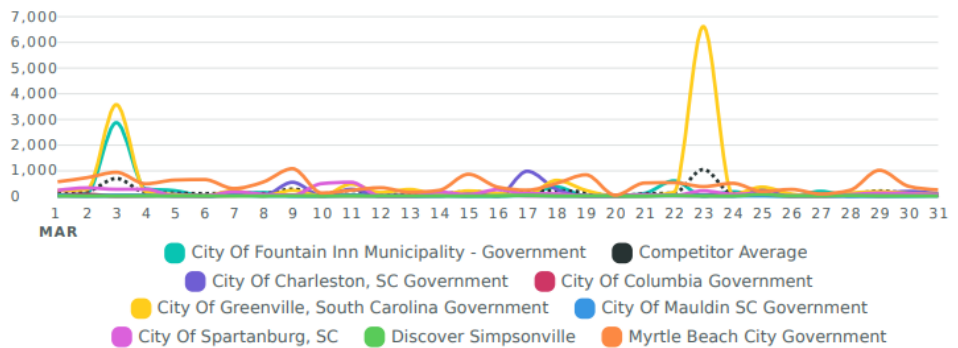
5,284



Engagement

Evaluate how people are engaging with posts based on published date.

Lifetime Post Public Engagements, by Day



Your Average



5,284.00

Competitor Average



5,113.43

1 City of Greenville...



14,420

2 Myrtle Beach Cit...



13,854

3 City of Fountai...



5,284

4 City of Spartanb...



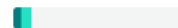
3,696

5 City of Charlesto...



2,928

6 City of Columbia ...



536

Newsletter by the Numbers

Views

#1,513

New Subscribers

#275

Fountain Inn in the News

- Greenville County towns gear up for festivals and farmers markets (greenvilleonline.com)
- Fountain Inn plans first juried art show - GREENVILLE JOURNAL
- Fountain Inn taps into mill town legacy for downtown transformation | Greenville News | postandcourier.com
- Stay close: Visit small towns around Greenville - TOWN Carolina
- Photos: Swanky Steer grand opening in Fountain Inn (greenvilleonline.com)
- Swanky Steer Boutique (wsipa.com)
- Here's a look at the future of downtown Fountain Inn as glow-up project advances | Greenville Business | postandcourier.com

Downtown by the Numbers



Visits

#76.8K

Visitors

#43K

Visit Frequency 1.79

6.75% Increase from pre-pandemic (**March 2019**) numbers

23.3% Increase from **March 2020**

Reinvestment Stats March



**Grant Applications
Awarded**

5



**Active
Renovations**

4



Value of Projects

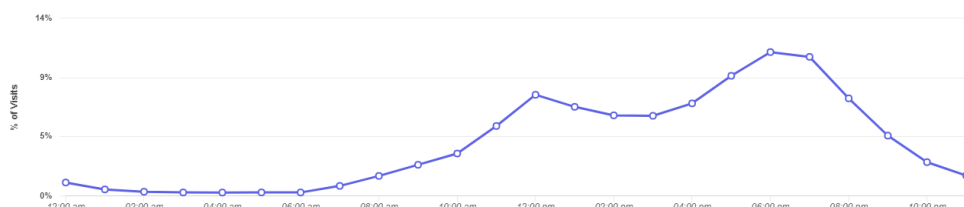
\$437,169

Facades Completed

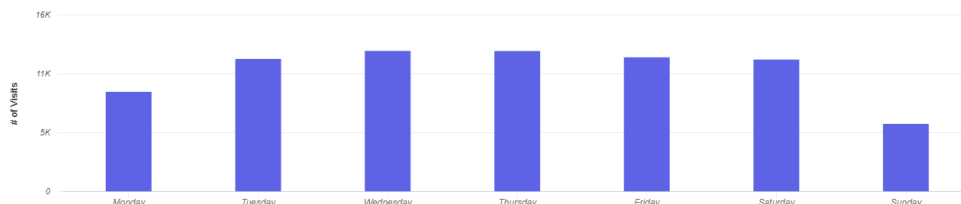
1

Visitor Information

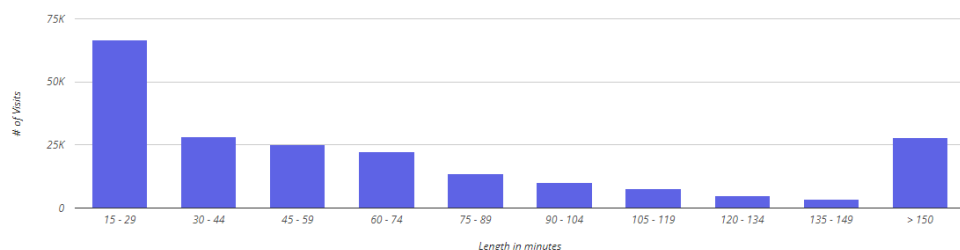
Time of Day



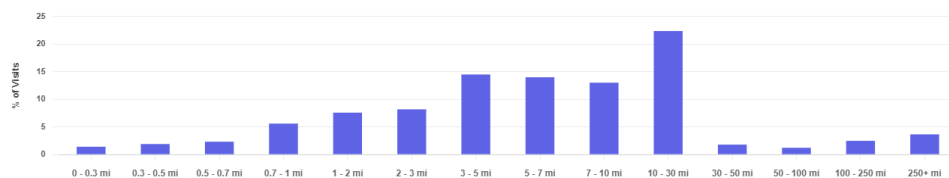
Day of the Week



Length of Stay



Distance Traveled



Past Events

Main Street
Merchant Meeting
with 40 Downtown
Business and
Property Owners



Events in April



Summer Events

**Sounds of
Summer**
FOUNTAIN INN
Fridays June - Aug. | 6-9 pm
Commerce Park (110 Depot St.)



FOUNTAIN INN
**FARMERS
MARKET**

Saturdays, June - Aug. | 8am -12pm
Commerce Park (110 Depot St.)



FOUNTAIN INN
**FOURTH OF JULY
SPECTACULAR!**

July 2nd | 6-9 pm
Main Street, Fountain Inn

Community Events

- April 30th- Italian Festival



**CITY OF FOUNTAIN INN
PUBLIC WORKS REPORT TO COUNCIL
MONTH OF MARCH 2022**

Sanitation

- Garbage and Recycling is on schedule. In the process of hiring two additional drivers and a Sanitation Supervisor. Should be 100% staffed by April's report. Started advertising for Spring Cleaning, which will be the month of May 2022. Pushing residents to sign up online to keep the project more organized.

Streets and Grounds

- Reconfigured the Splash Pad area, plan is to open the Splash Pad early May 2022. New facelift will include tropical plantings, seating with shade, and safety fencing near main street.
- Mulch for city properties has started to be distributed and spring/summer hanging baskets will be up in a couple of weeks.

Utilities

- All of the Utilities crew have received PACP, LACP, MACP NASSCO certification.
- Developed a Smoke Testing procedure as part of our CMOM program. Will continue to make programs to meet all the requirements of the CMOM program.
- Commenced Manhole inspection of the city's sewer system to identify future projects.

Facilities Maintenance

- New conference room has been completed, new conference room table has been installed and room is fully functional.
- City council chambers A/V suite has been installed, with the exception of the wireless microphones which are on back order.

Monday, April 11, 2022

Department: (Recreation)

What are the most significant accomplishments in your department in the last month?

2022 Spring Baseball & Softball Opening Day

7 Food trucks parked along Woodside Avenue

46 teams came out for pictures and games, along with about 2000-3000 people in attendance.

Excellent event!

SUMMARY OF MONTHLY EVENTS.

Games started on 4/9, nightly games will start up on 4/11 running every Monday – Thursday.

Continued CIP budgeting scheduled with Naomi for Parks & Recreation as we do a better job of prioritizing needs.

Upcoming:

Adult Softball planning, possibly moving to Winter League at City Park

Ongoing Projects; Completed Projects:

Fairview Street Basketball Court. IFP's will go out early Summer.

OBSTACLES- NONE

CAPITAL REQUESTS- NONE

FUTURE BUDGET NEEDS *(Please include a detailed explanation)*

OPEN POSITIONS: Athletics Supervisor (Full-Time)

Other Notes/Questions/Problems/Issues of significance? *(note: please submit confidential issues directly to the City Administrator)*

ZONING ADMINISTRATOR REPORT

Agenda Date: April 14, 2022

To: Mayor and City Council
From: Gregory Gordos, City Planner



Annexations/Rezoning

via **Planning Commission**

1 • FI 2022-003

- o Public Hearing Date: 3/7/2022
- o ✓ First Reading: 3/10/2022
- o Address: Patton Street, Chevy Drive
- o TMS: 0337000100806,
0337000106900
- o Applicant: CWK Holdings LLC
- o Owner: Padibo LLC
- o **Current Zoning: C-2 Commercial**
Future Zoning: R-15, Residential
and S-1, Services District
- o Motion: 6-0



Text Amendments

via **Planning Commission**

Permitting

via **Planning & Development Coordinator**

- **March 1 through March 31**

TOTAL CONSTRUCTION PERMITS: **141 (new record)**

- SINGLE FAMILY DETACHED: 76
- SF ATTACHED (TOWNHOMES): 32
- SIGN: 4
- REROOF: 3
- REPAIR: 10
- SOLAR: 4
- RENOVATION/ADDITION: 3
- COMMERCIAL: 2
- ...

TOTAL VALUATION: **\$27,118,287 (new record)**

INSPECTION REPORT TOTALS: **773 INSPECTIONS (new record)**



**MINUTES
FORMAL MEETING OF CITY COUNCIL**

**Thursday, March 10, 2022 - 6:00 PM
Meeting Location: Judicial Building, 300 Wall Street**

Citizens may access the meeting at the following YouTube address:
<https://www.youtube.com/channel/UC6JiYlrM1NUcM8Ea8BLXCfA>

1. Call to Order- Mayor McLeer

All Councilmembers were present.

Staff present: Shawn Bell, Sandra Woods, Naomi Reed, Rebecca Mejia-Ward, Greg Gordos, Ronnie Myers, Beth Ann Zivitski, Eduardo Noriega, Russ Slatton, Jared Atwood, Kate Kizito, Michael Hamilton, Clark Kunz

2. Invocation and Pledge of Allegiance

Councilmember Blackstone gave the invocation.

3. Introduce New Employees

Public Works: Danny Thomas, CDL and Anthony Brown, CDL

4. Public Forum - Persons wishing to speak may signup 15 minutes prior to the meeting. Signups will be on a first-come, first-served basis. Your remarks will be limited to 3 minutes.

No one signed up to speak.

5. Recognitions

a. Police Department, K9 Division - Donna Hotaling

Chief Hamilton presented Donna Hotaling with a plaque and a picture of K9 Deuce for her support and contribution to the Fountain Inn Police Department, K-9 Division.

6. City Administrator's Report- Shawn M. Bell

a. February Reports

Mr. Bell reviewed the February reports with Council.

7. Consent Agenda- There will be no discussion of Consent Agenda items unless a Councilmember so requests in which event the item in question will be considered separately.

**a. Approve February 10, 2022 Regular Council Meeting minutes
Approve February 19, 2022 Council Retreat Minutes**

Motion by Mayor Pro Tem Clemmer, second by Councilmember Blackstone to Approve the February 10, 2022 Regular Council Meeting minutes and the February 19, 2022 Council Retreat Minutes. The motion carried unanimously 7/0.

8. Unfinished Business -None

9. New Business -

a. R 2022-5 A Resolution Electing the Standard Allowance for lost revenues under the American Rescue Plan

Mr. Bell stated on January 6, 2022, the U.S. Department of the Treasury adopted a final rule implementing the American Rescue Plan's Coronavirus State and Local Fiscal Recovery Funds.

The final rule, which takes effect on April 1, 2022, provides local governments with broader flexibility to pursue a wider range of uses to respond to local public health and economic needs, as well as greater simplicity to focus on responding to the needs in their communities and maximizing the impact of their funds.

The treasury is now allowing governments the option to use a "standard allowance" of \$10 million to fund government services. The \$10 million standard allowance is for the period of performance, and local governments may use this standard allowance in lieu of calculating revenue loss using the formula prescribed in the Interim Final Rule. Local governments can choose to use either the standard allowance or the revenue loss calculation, but not both.

Motion by Councilmember Thomason, second by Mayor Pro Tem Clemmer to Approve R 2022-5 A Resolution Electing the Standard Allowance for lost revenues under the American Rescue Plan. The motion carried unanimously 7/0.

b. Z 2022-1 Rezone Lot 57 and Lot 58, Patton Street, containing approximately 0.94 acres, Greenville County Tax Map

0337000106900 and 0337000107000 from C-2, Commercial District to R-15, Residential District.

Mr. Bell explained there are two ordinances before Council tonight. Z 2022-1 would rezone two parcels from C-2, Commercial to R-15, Residential District. Z-2022-2 would rezone one 3.1 acre parcel from C-2, Commercial to S-1, Services District. All three parcels are directly adjacent, owned by Padibo LLC, and under contract for sale to the applicant. CKW Holdings was present at the meeting and stated the intended uses are two single-family homes on Patton Street (screened by evergreen trees from the larger tract) and warehousing or other service uses on two portions of the 3.1 acres.

The Planning Commission voted unanimously 6-0 in favor of the rezoning at the March 7, 2022 meeting.

Staff recommendation was approval for both zoning changes: from C-2 Commercial to S-1 Services on Chevy Drive, and from C-2 Commercial to R-15 Residential (single-family) on the two Patton Street lots.

Motion by Councilmember Sanders, second by Councilmember Thomason to Approve Z 2022-1 Rezone Lot 57 and Lot 58, Patton Street, containing approximately 0.94 acres, Greenville County Tax Map 0337000106900 and 0337000107000 from C-2, Commercial District to R-15, Residential District. The motion carried unanimously 7/0.

c. Z- 2022-2 Rezone Chevy Drive, containing approximately 3.1 acres, Greenville County Tax Map 0337000100806 from C-2, Commercial District to S-1, Services District

Motion by Councilmember Blackstone, second by Councilmember Garrett to Approve Z- 2022-2 Rezone Chevy Drive, containing approximately 3.1 acres, Greenville County Tax Map 0337000100806 from C-2, Commercial District to S-1, Services District. The motion carried unanimously 7/0.

10. Executive Session -

Motion by Mayor Pro Tem Clemmer, second by Councilmember Garrett to meet in Executive Session. The motion carried unanimously 7/0.

a. For the receipt of legal advice and discussion of negotiations incident to proposed contractual arrangements concerning property located at Greenville County Tax Map # 0345000100600

After coming out of executive session, council may vote on items discussed during executive session.

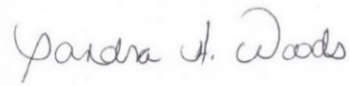
Motion by Councilmember Garrett, second by Councilmember Sanders for Council to come out of Executive Session.

Mayor McLeer stated no votes were taken while in Executive Session.

Motion by Mayor McLeer, second Mayor Pro Tem Clemmer to approve on First Reading, Ordinance 2022-2 tax parcel ending 80600. The motion carried unanimously 7/0.

11. Adjourn

Motion by Councilmember Thomason, second by Councilmember Blackstone to adjourn the meeting. The motion carried unanimously.

A handwritten signature in cursive script that reads "Sandra H. Woods". The ink is dark and the signature is written on a light-colored background.

Sandra H. Woods, CMC
Municipal Clerk



Application for Service
City of Fountain Inn - Boards and Commissions

Name: REGINA L. BAILEY Home Phone: 864-453-9887

Home Address: 3 FLAGSTAR CT Zip: 29644

Mailing Address (If different): _____

E-Mail Address: RBAILEY@DREAMTHIS.ORG

Board/Commission Preference: PLANNING OR OTHER OPEN SEATS

City of Fountain Resident ☒ Yes ☐ No County: GREENVILLE

City Ward (Please Circle One) 1 2 3 4 5 6 Mayor

Daytime/Business Telephone Number: 864-453-9887

Business/Firm: _____

Business Address: _____ Zip: _____

Position/Occupation: PROJECT MANAGER

How did you hear of City Boards and Commissions? ☒ City Staff ☒ City Council Member
Other _____

Background information you consider important to this application (including education, family, civic interest/organizations, etc.): I'm a PROJECT MANAGER, HAVE A MASTERS DEGREE, FAMILY & COMMUNITY ARE IMPORTANT TO ME, AND I'M AN ACTIVE COMMUNITY VOLUNTEER.

Reasons for wanting to serve on a City Board/Commission: I LOVE MY COMMUNITY AND I WANT TO BE PART OF THE AMAZING CHANGES WHILE BEING A VOICE OF REASON FOR SUSTAINABLE & SMART GROWTH.

List any governmental Boards/Commission on which you are currently serving on or have served on in the past: I'VE BEEN ON OTHER BOARDS IN MY PREVIOUS CITY AND AT UNIVERSITY/HIGHER ED.

Please read carefully the following statement before signing: I am willing to devote the time necessary to carry out the responsibilities and requirements of serving on a City of Fountain Inn Board/Commission.

Signature: [Signature] Date: 3/9/2022

RETURN APPLICATION AND/OR RESUME TO:

city.hall@fountaininn.org • City of Fountain Inn • 200 N. Main Street • Fountain Inn, SC 29644

**REQUEST FOR COUNCIL ACTION**

City of Fountain Inn, South Carolina

To: Mayor and Members of City Council
From: Shawn M. Bell, City Administrator

April 14, 2022

Regular City Council Meeting

☐ Ordinance/First Reading☒ Ordinance/Second Reading☐ Resolution/First & Final Reading**Agenda Date Requested:** April 14, 2022**Ordinance/Resolution Caption:**

An Ordinance to Provide for the Amendment of the Official Zoning Map of the City of Fountain Inn; and Various Matters Related Thereto.

Summary Background:

Z 2022-1 would rezone ~~two parcels~~ **one parcel** from C-2, Commercial to R-15, Residential District. Z-2022-2 would rezone one 3.1 acre parcel from C-2, Commercial to S-1, Services District. All ~~three~~ parcels are directly adjacent, owned by Padibo LLC, and under contract for sale to the applicant. CKW Holdings was present at the meeting and stated the intended uses are ~~two~~ single-family homes on Patton Street (screened by evergreen trees from the larger tract) and warehousing or other service uses on two portions of the 3.1 acres.

One resident spoke during the public comment period regarding freight traffic on Patton Street, off Fairview Street. Four residents called the Planning & Development office upon posting public notice signs with general inquiries.

The Planning Commission voted unanimously 6-0) in favor of the rezoning at the March 7, 2022 meeting.

Staff recommendation was approval for both zoning changes: from C-2 Commercial to S-1 Services on Chevy Drive, and from C-2 Commercial to R-15 Residential (single-family) on the ~~two~~ Patton Street ~~lots~~.

*** On 4/6/2022 the applicant withdrew the request to rezone one of the tax parcels, TM# 0337000107000 ***

Impact If Denied:

All ~~three~~ tax parcels would remain zoned C-2, Commercial District. The numerous land uses allowed in the C-2 zone would still be permitted on the Chevy Drive parcel. However, the ~~two~~ smaller parcels on Patton Street would be prohibited from constructing single-family houses. Ordinance TX2021-3 removed single-family detached uses from commercial zones. The Sunset Heights neighborhood would be limited to businesses or utility structures such as those under construction just south of the site.

Impact If Approved:

Two single-family homes could be built on Patton Street, buffering the more intense land uses allowable in the S-1 zone from Sunset Heights. Tax Map # 0337000100806, currently vacant, could be utilized in a way that is compatible with the surrounding land uses (freight, petroleum, outdoor storage). Commercial uses would remain on the road frontage of Fairview Road, as this tract is located behind an existing restaurant on an access drive.

Financial Impact:

All parcels are currently vacant. It is anticipated these rezoning changes would prompt immediate construction, at least for residential, given current demand (3/2022).

AN ORDINANCE

AN ORDINANCE TO AMEND THE OFFICAL ZONING MAP OF FOUNTAIN INN, SAID AMENDMENT BEING FOR THE PURPOSE OF CHANGING THE ZONING CLASSIFICATION OF THE PROPERTY HEREIN DESCRIBED.

WHEREAS, the City of Fountain Inn received a petition for re-zoning of the real property described herein; and

WHEREAS, The Fountain Inn Planning Commission conducted a public hearing on the re-zoning petition and after having duly considered same and the receiving a staff report voted to approve the re-zoning request from C-2, Commercial District to R-15, Residential District;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Fountain Inn, South Carolina:

SECTION 1: That the real property referred to herein is described fully in Docket Number FI-2022-003 and is located on Lot 57, Patton Street, containing approximately 0.47 acres, Greenville County Tax Map 0337000106900, located in the City of Fountain Inn, South Carolina and more fully described on Exhibit A attached hereto and made a part hereof by reference.

SECTION 2: The Property is hereby rezoned C-2, Commercial District to R-15, Residential District.

SECTION 3: This Ordinance shall be effective upon second and final reading by the City Council.

DONE IN REGULAR MEETING THIS ____ DAY OF _____, 2022.

SIGNATURE OF MAYOR:

George Patrick McLeer , Jr.

ATTEST:

APPROVED AS TO FORM:

Sandra H. Woods
City Clerk

David W. Holmes
City Attorney

FIRST READING: _____

SECOND READING: _____

AN ORDINANCE

AN ORDINANCE TO AMEND THE OFFICAL ZONING MAP OF FOUNTAIN INN, SAID AMENDMENT BEING FOR THE PURPOSE OF CHANGING THE ZONING CLASSIFICATION OF THE PROPERTY HEREIN DESCRIBED.

WHEREAS, the City of Fountain Inn received a petition for re-zoning of the real property described herein; and

WHEREAS, The Fountain Inn Planning Commission conducted a public hearing on the re-zoning petition and after having duly considered same and the receiving a staff report voted to approve the re-zoning request from C-2, Commercial District to S-1, Services District;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Fountain Inn, South Carolina:

SECTION 1: That the real property referred to herein is described fully in Docket Number FI-2022-003 and is located on Chevy Drive, containing approximately 3.1 acres, Greenville County Tax Map 0337000100806, located in the City of Fountain Inn, South Carolina and more fully described on Exhibit A attached hereto and made a part hereof by reference.

SECTION 2: The Properties are hereby rezoned C-2, Commercial District to S-1, Services District.

SECTION 3: This Ordinance shall be effective upon second and final reading by the City Council.

DONE IN REGULAR MEETING THIS ____ DAY OF _____, 2022.

SIGNATURE OF MAYOR:

George Patrick McLeer, Jr.

ATTEST:

APPROVED AS TO FORM:

Sandra H. Woods
City Clerk

David W. Holmes
City Attorney

FIRST READING: _____

SECOND READING: _____

Exhibit "A"

PARCEL 1:

ALL that piece, parcel or lot of land lying being and situate near the Town of Fountain Inn, Fairview Township, Greenville County, South Carolina, fronting on South Carolina Highway 418 and access road to US Highway 276, being more fully described in accordance with plat made by C.O. Riddle dated August 1965, to-wit:

BEGINNING at an iron pin on the northern side of SC Highway 418, at the joint property line with Sunset Subdivision, and running thence N 12-17 W for 491.5 feet to an iron pin; thence N 9-30 E for 145.1 feet to an iron pin; thence S 72-0 W for 156.4 feet to an iron pin; thence N 9-30 E for 118 feet to an iron pin; thence S 78-23 W for 202.3 feet to an iron pin; thence S 8-56 E for 685.15 feet to an iron pin on access road to US Highway 276; thence S 72-26 E for 100 feet to an iron pin; thence S 88-10 E for 100 feet to an iron pin; thence N 57-0 E for 79.5 feet to an iron pin; thence N 38-22 E for 57.4 feet to an iron pin, being the point of beginning.

ALSO: ALL that certain tract of land containing **0.21 ACRE** in Fairview Township, Greenville County, South Carolina, being more fully described in accordance with plat made for W.P. Fowler by J.D. Calmes dated February 1959, to-wit:

BEGINNING at an iron pin on the southern edge of SC Highway 14 and running thence S 12-17 E for 229.2 feet to iron pin; thence N 89-0 W for 29 feet to iron pin on edge of access road right-of-way; thence along said access road right-of-way N 24-51 W for 155.51 feet to iron pin; thence N 28-35 E for 93.3 feet to iron pin, being the point of beginning.

This being the same property conveyed to Robert L. Plexico by deed of Jean G. Willis, Personal Representative of the Estate of William L. Willis dated April 29, 2010 and recorded May 17, 2010 in Book 2372 at Page 2762 in the Greenville County Register of Deeds Office. Subsequently Robert L. Plexico died testate on September 7, 2015, Greenville County Probate Case No. 2015ES2302080. Said property was conveyed to Diane P. Meacham, Patricia P. Boutwell and Robert L. Plexico, Jr. by Deed of Distribution dated 11/15/16 and recorded 11/17 in Book 2504 at Page 1086 in the Greenville County Register of Deeds Office.

Tax Map Number: 0337000100806

Street/Property Address: 3.1 Acres +/- Chevy Drive, Fountain Inn, SC

PARCEL 2:

ALL those pieces, parcels or lots of land lying, being and situate, near the Town of Fountain Inn, Fairview Township, Greenville County, South Carolina, being known and designated as **LOTS 57, 58, AND 59** in **SUNSET HEIGHTS**, and shown on a plat of Sunset Heights, which plat is recorded in Plat Book 00 at Page 314, in the Office of the Register of Deeds for Greenville County, and having, according to said plat, the following metes and bounds, to wit:

BEGINNING at an iron pin on Patton Road, at the joint front corners of Lots 56 and 57 and running thence along said road, S 10-45 W for 110 feet to an iron pin; thence S 10-45 W for 92.5 feet to an iron pin; thence S 11 E for 17.5 feet to an iron pin; thence S 11 E for 100 feet to an iron

pin at the joint front corners of Lots 59 and 60; thence S 80 W for 189.3 feet to an iron pin; thence N 11 W for 100 feet to an iron pin; thence N 11 W for 68 feet to an iron pin; thence N 10-45 E for 38.8 feet to an iron pin; thence N 10-45 E for 100 feet to an iron pin; thence N 80 E for 209.6 feet to an iron pin at the point of beginning.

This being the same property conveyed to Robert L. Plexico by deed of Jean G. Willis, Personal Representative of the Estate of William L. Willis dated April 29, 2010 and recorded May 17, 2010 in Book 2372 at Page 2762 in the Greenville County Register of Deeds Office. Subsequently Robert L. Plexico died testate on September 7, 2015, Greenville County Probate Case No. 2015ES2302080. Said property was conveyed to Diane P. Meacham, Patricia P. Boutwell and Robert L. Plexico, Jr. by Deed of Distribution dated 11/15/16 and recorded 11/11/17 in Book 2504 at Page 1090 in the Greenville County Register of Deeds Office.

Tax Map Number: 0337000106900, 0337000107000, 0337000107100

Street/Property Address: Lots 57, 58 & 59 Patton Street, Fountain Inn, SC

PARCEL 3:

ALL that certain piece, parcel or tract of land lying, being and situated in the State of South Carolina, County of Greenville, near the Town of Fountain Inn, being known and designated as Tract A – 21.69 ac., more or less as shown on a plat of survey as entitled “Boundary Survey for WILLIAM E. COBLE, JR.” dated March 16, 1998 and prepared by Thomas P. Dowling, PLS and recorded in the Register of Deeds Office for Greenville County, SC in Plat Book 43-T, Page 41. Reference is hereby made to said recorded Plat for the metes and bounds as contained thereon.

This being the same property conveyed to William L. Willis and Robert L. Plexico by deed dated February 24, 2005 and recorded February 25, 2005 in Book 2131 at Page 1783 in the Greenville County Register of Deeds Office. Subsequently Robert L. Plexico died testate on September 7, 2015, Greenville County Probate Case No. 2015ES2302080. His one-half interest in said property was conveyed to Diane P. Meacham, Patricia P. Boutwell and Robert L. Plexico, Jr. by Deed of Distribution dated 11/15/16 and recorded 11/11/17 in Book 2504 at Page 1088 in the Greenville County Register of Deeds Office.

Tax Map Number: 0568020100101

Street/Property Address: 21.69 +/- Acres, Fairview Road

PARCEL 4:

ALL that certain piece, parcel or tract of land lying, being and situated in the State of South Carolina, County of Greenville, near the Town of Fountain Inn, containing 5.024 Acres more or less in accordance with Survey entitled “Boundary Survey for Robert L. Plexico” prepared by Terry A. Bragg, RLS No. 8623, dated January 4, 2008 and recorded January 23, 2008 in Plat Book 1059 at Page 52 in the Greenville County Register of Deeds Office. Reference is hereby made to said plat for a more exact metes and bounds description thereof.