



TOWN OF GREELEYVILLE, SOUTH CAROLINA

BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

Year ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Greeleyville, South Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Greeleyville, South Carolina's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Greeleyville, South Carolina as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flow thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Town of Greeleyville, South Carolina and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Greeleyville, South Carolina's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Greeleyville, South Carolina's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Greeleyville, South Carolina's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison – General Fund, schedule of the proportionate share of the net pension liability and schedule of contributions, as listed in the foregoing 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. My opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Greeleyville, South Carolina's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 my opinion, the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Greeleyville, South Carolina's basic financial statements. The schedule of fines, assessments and surcharges is presented for the purpose of additional analysis and is not a required part of the financial statements. The schedule of fines, assessment and surcharges is required by the State of South Carolina.

The schedule of fines, assessments and surcharges is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report. In my opinion, the schedule of fines, assessments and surcharges is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 1, 2023, on my consideration of the Town of Greeleyville, South Carolina's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Greeleyville, South Carolina's 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 Town of Greeleyville, South Carolina's internal control over financial reporting and compliance.

Samantha Salisbury

Moncks Corner, South Carolina
June 1, 2023

TOWN OF GREELEYVILLE, SOUTH CAROLINA

STATEMENT OF NET POSITION

June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 220,750	\$ 572,785	\$ 793,535
Receivables, net	28,422	50,623	79,045
Restricted cash and cash equivalents	1,750	3,099	4,849
Internal balance	(185)	185	-
Investments	14,633	156,585	171,218
Prepaid expenses	5,273	-	5,273
Right-of-usage asset, net of accumulated amortization			
Equipment	2,805	-	2,805
Capital assets not being depreciated			
Land	28,124	47,534	75,658
Construction in progress	16,166	1,582,344	1,598,510
Capital assets, net of accumulated depreciation			
Buildings and system	1,216,404	-	1,216,404
Equipment and furniture	15,649	-	15,649
Infrastructure	63,205	2,829,361	2,892,566
Vehicles	50,782	-	50,782
Total Assets	<u>1,663,778</u>	<u>5,242,516</u>	<u>6,906,294</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension charges	71,824	-	71,824
Total Deferred Outflows of Resources	<u>71,824</u>	<u>-</u>	<u>71,824</u>
LIABILITIES			
Accounts payable and accrued expenses	6,935	214,310	221,245
Accrued interest	15	949	964
Customer deposits	-	26,759	26,759
Unearned revenue	58,647	2,422	61,069
Net pension liability	208,201	-	208,201
Noncurrent liabilities:			
Due within one year	9,129	473,263	482,392
Due in more than one year	26,387	124,348	150,735
Total Liabilities	<u>309,314</u>	<u>842,051</u>	<u>1,151,365</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension credits	65,787	-	65,787
Total Deferred Outflows of Resources	<u>65,787</u>	<u>-</u>	<u>65,787</u>
NET POSITION			
Net investment in capital assets	1,367,546	3,861,628	5,229,174
Restricted for capital projects	16,383	3,099	19,482
Committed for capital projects	-	47,390	47,390
Unrestricted	(23,428)	488,348	464,920
Total Net Position	<u>\$ 1,360,501</u>	<u>\$ 4,400,465</u>	<u>\$ 5,760,966</u>

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

TOWN OF GREELEYVILL, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
Year ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position			
	Expenses	Charges for Services	Operating	Capital	Primary Government		Total	
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities		
Governmental Activities								
General government	\$ 346,823	\$ 97,155	\$ 104,690	\$ 17,763	\$ (127,215)	\$ -	\$ (127,215)	
Police	78,009	19,082	-	32,316	(26,611)	-	(26,611)	
Municipal court	43,541	-	-	-	(43,541)	-	(43,541)	
Kennedy senior center	48,019	17,125	9,600	-	(21,294)	-	(21,294)	
Dr. C. E. Murray library	20,589	-	-	-	(20,589)	-	(20,589)	
Nondepartmental	32,370	-	2,339	-	(30,031)	-	(30,031)	
Total Governmental Activities	569,351	133,362	116,629	50,079	(269,281)	-	(269,281)	
Business-Type Activities								
Water and sewer	335,029	316,309	-	1,142,563	-	1,123,843	1,123,843	
Total Business-type Activities	335,029	316,309	-	1,142,563	-	1,123,843	1,123,843	
TOTAL GOVERNMENT	\$ 904,380	\$ 449,671	\$ 116,629	\$ 1,192,642	(269,281)	1,123,843	854,562	
General Revenues and Transfers								
Property taxes					115,584	-	115,584	
Unrestricted intergovernmental revenue					102,989	-	102,989	
Investment earnings					168	6,003	6,171	
Other					16,153	16,943	33,096	
Transfers in (out)					47,100	(47,100)	-	
Total general revenues and transfers					281,994	(24,154)	257,840	
Change in net position					12,713	1,099,689	1,112,402	
Net Position - beginning					1,347,788	3,300,776	4,648,564	
Net Position - ending					\$ 1,360,501	\$ 4,400,465	\$ 5,760,966	

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	General	Special Revenue	Total
ASSETS			
Cash and cash equivalents	\$ 205,721	\$ 15,031	\$ 220,752
Investments	14,633	-	14,633
Receivables			
Property taxes, less allowance for doubtful accounts	20,954	-	20,954
Due from other governmental agencies	5,196	-	5,196
Other	2,272	-	2,272
Prepaid expenses	5,273	-	5,273
Restricted cash and cash equivalents	1,750	-	1,750
Due from other funds	-	1,765	1,765
Total Assets	<u>\$ 255,799</u>	<u>\$ 16,796</u>	<u>\$ 272,595</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities			
Accounts payable and accrued expenses	6,935	-	6,935
Due to other funds	1,950	-	1,950
Unearned revenue	58,647	-	58,647
Total Liabilities	<u>67,532</u>	<u>-</u>	<u>67,532</u>
Deferred inflows			
Unavailable property taxes	7,517	-	7,517
Total Deferred Inflows	<u>7,517</u>	<u>-</u>	<u>7,517</u>
Fund balances			
Nonspendable	5,273	-	5,273
Restricted	16,383	-	16,383
Unassigned	159,094	16,796	175,890
Total Fund Balances	<u>180,750</u>	<u>16,796</u>	<u>197,546</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 255,799</u>	<u>\$ 16,796</u>	<u>\$ 272,595</u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS -
BALANCE SHEET TO NET POSITION
June 30, 2022

Total fund balances of governmental funds	\$ 197,546
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Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, reported at original cost (\$2,587,185) less accumulated depreciation of (\$1,194,050)	1,393,135
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Deferred revenues for delinquent property taxes deferred in the governmental funds because they will not be received within sixty days of year end.	7,517
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Other liabilities not due and payable in the current period and therefore are not reported in the funds	(15)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds

Finance lease obligation	(2,118)	
Note payable	(23,471)	
Compensated absences liability	<u>(9,929)</u>	(35,518)

Net pension liability, deferred outflows of resources, and deferred inflows of resources related to the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	<u>(202,164)</u>
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Net position of governmental activities.	<u><u>\$ 1,360,501</u></u>
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The notes to the financial statements are an integral part of the statements.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year ended June 30, 2022

	General	Special Revenue	Total
REVENUES			
Property taxes	\$ 113,917	\$ -	\$ 113,917
Licenses, permits and fees	97,155	-	97,155
Intergovernmental	267,358	2,339	269,697
Charges for services	17,125	-	17,125
Fines and forfeitures	19,082	-	19,082
Investment earnings	168	-	168
Other	16,153	-	16,153
Total Revenue	<u>530,958</u>	<u>2,339</u>	<u>533,297</u>
EXPENDITURES			
Current			
General government	315,762	-	315,762
Police	77,361	-	77,361
Municipal court	38,973	-	38,973
Kennedy Senior Center	24,715	-	24,715
Nondepartmental	16,370	16,000	32,370
Debt Service			
Principal	7,321	-	7,321
Interest	1,257	-	1,257
Capital Outlay	57,757	-	57,757
Total Expenditures	<u>539,516</u>	<u>16,000</u>	<u>555,516</u>
Excess (deficiency) of revenue over expenditures	<u>(8,558)</u>	<u>(13,661)</u>	<u>(22,219)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt	-	-	-
Transfers in/(out)	47,100	-	47,100
Total other financing sources (uses)	<u>47,100</u>	<u>-</u>	<u>47,100</u>
Net changes in fund balances	38,542	(13,661)	24,881
Fund Balances - beginning	<u>142,208</u>	<u>30,457</u>	<u>172,665</u>
Fund Balances - ending	<u><u>\$ 180,750</u></u>	<u><u>\$ 16,796</u></u>	<u><u>\$ 197,546</u></u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES -
GOVERNMENTAL FUNDS
Year ended June 30, 2022

Net changes in fund balances - total governmental funds	\$ 24,881
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Amounts reported for governmental activities in the statement of activities
are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of \$57,757 exceeded depreciation of \$67,612 in the current period. (9,855)

Long-term debt issued provides current financial resources to governmental funds, but incurring debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure or other financing use in the governmental funds, but the payment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeds repayment.

	Note payable	6,402	
	Capital lease	919	7,321

Changes in the Town's proportionate share of the net pension liability, deferred outflows or resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the statement of activities (9,539)

Revenues reported in the statement of activities that do not provide current financial resources and therefore are not reported as revenues in the funds. This amount represents the change in deferred revenues for the year. 1,667

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (1,762)

Total change in net position of governmental activities	\$ 12,713
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The notes to the financial statements are an integral part of the statements.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2022

	Water/ Sewer
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 575,884
Investments	156,585
Receivables - net	50,623
Internal balance	185
Total current assets	<u>783,277</u>
Noncurrent Assets	
Land	47,534
Equipment	95,406
Buildings and system	5,290,547
Construction in progress	1,582,344
Less accumulated depreciation	<u>(2,556,592)</u>
Total capital assets (net of accumulated depreciation)	<u>4,459,239</u>
Total noncurrent assets	<u>4,459,239</u>
Total Assets	<u>5,242,516</u>
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	215,259
Customer deposits	26,759
Deferred revenue	2,422
Note payable, current portion	473,263
Total current liabilities	<u>717,703</u>
Noncurrent Liabilities	
Note payable, net current portion	124,348
Total noncurrent liabilities	<u>124,348</u>
Total Liabilities	<u>842,051</u>
NET POSITION	
Invested in capital assets, net of related debt	3,861,628
Restricted for capital projects	3,099
Committed for capital projects	47,390
Unrestricted	488,348
Total Net Position	<u>\$ 4,400,465</u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION - PROPRIETARY FUND
Year ended June 30, 2022

	Water / Sewer
OPERATING REVENUES	
Current use charge	\$ 310,710
Water and sewer tap fees	5,012
Miscellaneous	588
Total Operating Revenue	<u>316,310</u>
OPERATING EXPENSES	
Purchased services	124,948
Supplies and materials	18,275
Other operating expenses	9,717
Depreciation	167,614
Total Operating Expenses	<u>320,554</u>
Operating income (loss)	<u>(4,244)</u>
NONOPERATING REVENUES (EXPENSES)	
Sale of capital assets	16,943
Investment earnings	6,003
Interest expense	(14,476)
Net nonoperating income (expenses)	<u>8,470</u>
Income (loss) before capital contributions and transfers	4,226
Capital contributions	<u>1,142,563</u>
Income before transfers	1,146,789
Tranfers In (Out)	
Transfer (Out)	(47,100)
Total transfers	<u>(47,100)</u>
Change in net position	1,099,689
Total Net Position - Beginning	<u>3,300,776</u>
Total Net Position - Ending	<u><u>\$ 4,400,465</u></u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year ended June 30, 2022

	<u>Water / Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 314,007
Payments to suppliers for goods and services	<u>(203,947)</u>
Net cash provided by Operating Activities	<u>110,060</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfer out to other fund	<u>(47,100)</u>
Net cash used by Noncapital Financing Activities	<u>(47,100)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payment on note payable	(20,473)
Interest paid on note payable	(14,476)
Proceeds from note payable	-
Proceeds from capital grants	1,142,563
Acquisition and construction of capital assets	<u>(1,391,985)</u>
Net cash used by Capital and Related Financing Activities	<u>(284,371)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>6,003</u>
Net cash provided for by Investing Activities	<u>6,003</u>
Net increase in cash and cash equivalents	(215,408)
Cash and cash equivalents at beginning of year	<u>947,877</u>
Cash and cash equivalents at end of year	<u><u>\$ 732,469</u></u>
RECONCILIATION TO STATEMENT OF NET ASSETS:	
Cash and cash equivalents	\$ 572,785
Investments, certificates	156,585
Restricted cash and cash equivalents	3,099
Total cash and cash equivalents	<u><u>\$ 732,469</u></u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND - MUNICIPAL COURT ESCROW
June 30, 2022

		Municipal Court
		<u> </u>
ASSETS		
Cash and cash equivalents		\$ 5,850
	Total Assets	<u>5,850</u>
		<u> </u>
LIABILITIES		
Due to others		55
	Total Liabilities	<u>\$ 55</u>
		<u> </u>
NET POSITION		
Restricted		
Individuals and other governments		5,795
	Total Net Position	<u>\$ 5,795</u>
		<u> </u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND - MUNICIPAL COURT ESCROW
June 30, 2022

	Municipal Court
	<u> </u>
ADDITIONS	
Court fines	\$ 46,819
	<u> </u>
Total Additions	<u>46,819</u>
 DEDUCTIONS	
Fees paid to other governments	45,113
Other fees	-
	<u> </u>
Total Deductions	<u>45,113</u>
 Change in Net Position	 1,706
 NET POSITION	
Beginning of the year, restated	4,089
	<u> </u>
Total Net Position	<u><u>\$ 5,795</u></u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION

A. Reporting Entity

The Town was incorporated December 12, 1893 and operates under the Mayor-Council form of government and provides the following services: police, the municipal court, the Kennedy Senior Center in cooperation with Vital Aging of Williamsburg County, the C.E. Murray Library with Williamsburg County, water and sewer, and general government. The Town complies with generally accepted accounting principles (GAAP).

B. Basis of Presentation

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all nonfiduciary activities of the Town. Governmental activities, which are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Taxes and other items not properly included among program revenue are reported instead as general revenues.

The accounts of the Town are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operation of each fund is accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriated. Governmental resources are allocated to and for individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the governmental-wide financial statements. Major individual funds and major enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are summarized in a single column. The various fund categories and fund types presented in the financial statements are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources other than major capital projects that are legally restricted to expenditures for certain purposes. The Town has only one special revenue fund.

Victims Advocate Fund

The Victims Advocate Fund is used to account for revenues and costs associated with the operations of the Victim's Assistance Program.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION (Continued)

Capital Project Funds

Capital project funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital projects and other capital assets (other than those financed by proprietary funds or assets that will be held in trust for individuals, private organizations, or other governments).

Proprietary Fund

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. In accordance with GASG Statement No. 20, the Town has elected to follow GASB statements issued after November 30, 1989, rather than the Financial Accounting Standards Board, in accounting for enterprise funds and business-type activities.

Water and Sewer Fund

The Water and Sewer Fund is used to account for the activities of providing water and sewer services to the public.

Fiduciary Funds (Not included in the government-wide statements)

Fiduciary funds account for assets held by the Town in trust for others. There are four basic types of fiduciary funds: 1) Pension Trust Funds; 2) Investment Trust Funds; 3) Private-Purpose Trust Funds; and 4) Custodial Funds. The Town has one fiduciary fund, a custodial fund. Custodial funds are used to report fiduciary activities that are not required to be reported as another fiduciary fund type.

Municipal Court Escrow Fund

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

Major

General Fund

Water/Sewer Fund

Nonmajor

Victims Advocate Fund

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recognized 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 programs are recognized as revenues as soon as eligibility requirements imposed by the provider have been met.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION (Continued)

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 measurable and available. Revenues are considered available when they are collected within the current period for soon enough thereafter to liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, interest and rents 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 the cash is received by the government.

Custodial funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposits. The Town is authorized to invest in obligations of the U.S. Treasury and U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposit and the state treasurer's investment pool.

Receivables and Payables

Activity between the funds are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding loans between funds are reported as "due to/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

In the government-wide statements, receivables consist of revenues earned at year-end and not yet received. In the fund financial statements, receivables consist of revenue accruals for grants in the governmental funds and revenues earned at year-end and not yet received in the enterprise fund.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. Within the governmental funds, restricted cash is related to funds restricted for operating and/or capital grants. Restricted cash in the enterprise fund is restricted for capital grants.

Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets, with an initial cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date donated.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION (Continued)

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following range of estimated useful lives by asset type:

Water/Sewer Lines	30 years	Vehicles	5 years
Land Improvements	15 years	Buildings	40 years
Equipment/Furniture	5 years		

Upon disposal of capital assets, the related cost and accumulated depreciation are removed for the accounts with gains or losses on disposal reported currently.

Deferred Outflows of Resources

The Town reports decreases in net assets that relate to future period(s) as deferred outflows of resources in a separate section of its government-wide statement of net position. The Town currently has one type of deferred outflow of resources, deferred pension charges, in connection with its participation in the South Carolina Retirement System. These deferred pension charges are either (1) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions after the measurement date) or (2) amortized in a systemic and rational method as pension expense in future periods in accordance with GAAP.

Deferred Inflows of Resources

The Town's government-wide statement of net position and governmental fund balance sheet both report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). The Town currently has two types of deferred inflows of resources, deferred pension credits, in connection with its participation in the South Carolina Retirement System, and unavailable revenue from property taxes, property taxes not received within sixty days of year-end.

Compensated Absences

It is the Town's policy to permit employees to accumulate a limited amount of earned, but unused vacation leave, which will be paid to employees upon separation from Town's service. Accumulated unpaid vacation leave pay is accrued when incurred in the government-wide and proprietary financial statements.

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize long-term debt as expenditure and other financing sources.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION (Continued)

Equity Classifications

Government-wide Financial Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All others that do not meet the definition of “restricted”.

Fund Statements

The Town has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In the fund financial statements, fund balance is reported in a hierarchy in any or all of the following five classifications: nonspendable; restricted; committed; assigned; and unassigned. Nonspendable fund balance cannot be spent because they are either *not in spendable form or legally or contractually required to be maintained intact*. Restricted fund balance can be spent only for *specific purposes stipulated by external parties or by law*. Committed fund balance can *only be used for specific purposes due to formal action of the Town’s Council by ordinance*. Assigned fund balance is *constrained by the Town’s Administrator’s intent to be used for specific purposes, but is not restricted or committed*. Unassigned fund balance is *the residual classification for the general fund*.

When restricted and other fund balance resources are available for use, it is the Town’s policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

Proprietary fund equity is classified the same as in the government-wide financial statements.

E. Revenues, Expenditures, and Expenses

Property Tax

Property taxes are levied in November of each year for property values assessed on December 31 of the preceding year. Taxes not by January 15 of the following year are assessed penalties and interest until paid. Taxes not paid by March 15 are considered delinquent. Williamsburg County bills and collects property taxes for the Town.

Operating Revenues and Expenses

Operating revenues and expenses for the proprietary fund are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental and business-type activities

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character	Current (further classified by function)
Proprietary Fund – By Operating and Nonoperating	
Debt Service	
Capital Outlay	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses related to the use of economic resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual funds have been eliminated.

F. Pensions

Financial reporting information pertaining to the Town’s participation in the South Carolina Retirement System (“SCRS”) And the Police Officers Retirement System (PORS) is prepared in accordance with Governmental Accounting Standards Board (“GASB”) Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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 SCRS and PORS and additions to and deductions from the Plans’ net positions have been determined on the same basis as they are reported by the Plans on economic resources measurement focus and accrual basis of accounting. 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.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimates.

H. Fair Value

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

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Town can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION (Continued)

- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The Town believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

I. Tax Abatement Agreements

This Town per Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures, is required to disclose information for any tax abatement agreements either entered into by the Town, or agreements entered into by other governments that reduce the Town's tax revenues. As of June 30, 2022, the Town did not have any such agreements, either entered into by the Town or other governments that exceeded the quantitative threshold for disclosure.

J. Recent Implementation of GASB Statements

Recently Implemented

GASB Statement No. 87, "Leases" requires the recognition of (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. A lessor government is required to recognize (1) a lease receivable and (2) a deferred inflow of resources. A lessor will continue to report the leased asset in its financial statements.

A lessee also will report the following in its financial statements:

- Amortization expense of using the leased asset (similar to depreciation) over the shorter of the term of the lease or the useful life of the underlying asset
- Interest expense on the lease liability
- Note disclosures about the lease, including a general description of the leasing arrangement, the amount of the assets recognized, and a schedule of future lease payments to be made.

A lessor also will report the following in its financial statements:

- Lease revenue, systematically recognized over the term of the lease, corresponding with the reduction of the deferred inflow
- Interest revenue on the receivable
- Note disclosures about the lease, including a general description of the leasing arrangement, the total amount of inflows of resources recognized from leases.

The Standard was implemented for the fiscal year ending June 30, 2022.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

One element of that reconciliation states that “Long-term debt issued provides current financial resources to governmental funds, but incurring debt increases long-term liabilities in the statement of net position. Payment of long-term debt principal is an expenditure in governmental funds, but the payment reduces long-term liabilities in the government-wide statement of net position.” The details of this difference are as follows:

Long-term debt issued	\$ -
Payment of long-term debt	<u>7,321</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 7,321</u>

Another element of that reconciliation states “That some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences - current year	\$ (9,929)
Compensated absences - prior year	8,163
Accrued interest - current year accrual	(15)
Accrued interest - prior year accrual	<u>19</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,762)</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Under the Mayor-Council form of government, the Town is required to adopt a fiscal year budget for the General Fund which itemizes estimated revenues and expenditures. The formal budgetary integration is employed as a management control device during the fiscal year. Original budgeted amounts may be amended by the Town Council; amendments were made during the year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that, in the event of bank failure, the Town’s deposits might not be recovered. State statutes require that all deposits in financial institutions be fully collateralized, obligations of the U.S. Treasury and U.S. Agencies and instrumentalities, State of South Carolina or South Carolina local governments, valued at market or par, whichever is lower, less the amount of insurance (FDIC). Deposits of the Town on June 30, 2022 are insured or collateralized by securities held by the pledging financial institution’s trust department in the name of the Town.

Restriction of \$16,373 on June 30, 2022, in the General Fund is comprised of grant and private contributions are for capital projects. Restrictions of \$3,099 in the Water/Sewer Fund includes the unspent revenue bonds for construction of capital projects.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments

As of June 30, 2022, the Town had the following investments.

	Fair Value	Investment Maturities (in years)		Credit Ratings
		Less than 1	1 - 5	
Certificates of Deposit	<u>\$ 171,218</u>	<u>\$ -</u>	<u>\$ 171,218</u>	N/A

Interest rate risk is managed by the Town limiting the maturity of its investment portfolio to less than two years.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Town's investment policy requires that securities be held by third-party custodian in the name of the Town.

The Town is authorized to invest in certificates of deposit with local financial institutions. As of June 30, 2022, none of the Town's investments are exposed to custodial credit risk.

NOTE 5 – RECEIVABLES

Receivables as of year-end for the Town's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible amounts are as follows:

	General	Victim's Advocate	Enterprise	Total
Receivables				
Property taxes	\$ 24,874	\$ -	\$ -	\$ 24,874
Intergovernmental	5,196	-	-	5,196
Other	2,272	-	-	2,272
Water/sewer fees	-	-	57,847	57,847
Less: Allowance for uncollectibles	(3,920)	-	(7,224)	(11,144)
Net receivables	<u>\$ 28,422</u>	<u>\$ -</u>	<u>\$ 50,623</u>	<u>\$ 79,045</u>

Credit risk for accounts receivables of property taxes and water/sewer fees is concentrated because all of the balances are receivable from individuals located within the Town's limits or franchise area for water and sewer services.

NOTE 6 – RIGHT-OF-USE AND CAPITAL ASSETS

RIGHT-OF USE ASSETS

	Balance 6/30/2021	Increases	Decreases	Balance 6/30/2022
Equipment - copier	\$ 5,672	\$ -	\$ -	\$ 5,672
Less, accumulated amortization	<u>1,733</u>	<u>1,134</u>	<u>-</u>	<u>2,867</u>
Governmental activities right-of-use assets, net	<u>\$ 3,939</u>	<u>\$ (1,134)</u>	<u>\$ -</u>	<u>\$ 2,805</u>

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 6 – RIGHT-OF-USE AND CAPITAL ASSETS (Continued)

Capital Assets

A summary of the changes in the Town's capital assets for governmental activities is as follows:

	Balances June 30, 2021	Increases	Decreases	Balances June 30, 2022
Capital assets not being depreciated:				
Land	\$ 28,124	\$ -	\$ -	\$ 28,124
Construction in progress	-	16,166	-	16,166
Total capital assets not being depreciated	<u>28,124</u>	<u>16,166</u>	<u>-</u>	<u>44,290</u>
Capital assets being depreciated				
Buildings	1,804,213	-	-	1,804,213
Infrastructure	488,175	-	-	488,175
Equipment/furniture	105,835	-	-	105,835
Vehicles	<u>97,359</u>	<u>41,614</u>	<u>-</u>	<u>138,973</u>
Total capital assets being depreciated	<u>2,495,582</u>	<u>41,614</u>	<u>-</u>	<u>2,537,196</u>
Less accumulated depreciation for:				
Buildings	543,019	44,790	-	587,809
Infrastructure	398,305	26,665	-	424,970
Equipment/furniture	88,148	2,038	-	90,186
Vehicles	<u>79,766</u>	<u>8,452</u>	<u>-</u>	<u>88,218</u>
Total accumulated depreciation	<u>1,109,238</u>	<u>81,945</u>	<u>-</u>	<u>1,191,183</u>
Total capital assets being depreciated, net	<u>1,386,344</u>	<u>(40,331)</u>	<u>-</u>	<u>1,346,013</u>
Governmental activities capital assets, net	<u>\$ 1,414,468</u>	<u>\$ (24,165)</u>	<u>\$ -</u>	<u>\$ 1,390,303</u>

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 6 – RIGHT-OF-USE AND CAPITAL ASSETS (Continued)

A summary of the changes in the Town’s capital assets for business-type activities is as follows:

	Balances June 30, 2021	Increases	Decreases	Balances June 30, 2022
Capital assets not being depreciated:				
Land	\$ 47,534	\$ -	\$ -	\$ 47,534
Construction in progress	228,230	1,354,115	-	1,582,345
Total capital assets not being depreciated	<u>275,764</u>	<u>1,354,115</u>	<u>-</u>	<u>1,629,879</u>
Capital assets being depreciated				
Equipment	95,406	-	-	95,406
Water/sewer system	<u>4,718,949</u>	<u>571,598</u>	<u>-</u>	<u>5,290,547</u>
Total capital assets being depreciated	<u>4,814,355</u>	<u>571,598</u>	<u>-</u>	<u>5,385,953</u>
Less accumulated depreciation for:				
Equipment	95,406	-	-	95,406
Water/sewer system	<u>2,293,572</u>	<u>167,614</u>	<u>-</u>	<u>2,461,186</u>
Total accumulated depreciation	<u>2,388,978</u>	<u>167,614</u>	<u>-</u>	<u>2,556,592</u>
Total capital assets being depreciated, net	<u>2,425,377</u>	<u>403,984</u>	<u>-</u>	<u>2,829,361</u>
Business-type activities capital assets, net	<u>\$ 2,701,141</u>	<u>\$ 1,758,099</u>	<u>\$ -</u>	<u>\$ 4,459,240</u>

Amortization and depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government	\$ 20,935
Law enforcement	2,784
Kennedy senior center	23,304
Dr. C. E. Murray Library	<u>20,589</u>
Total depreciation governmental activities	<u>\$ 67,612</u>
Business-type activities	
Water and sewer	<u>\$ 167,614</u>
Total depreciation business-type activities	<u>\$ 167,614</u>

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 7 – LONG-TERM DEBT

A summary of the changes in long-term liabilities for the year ended June 30, 2022, is as follows:

	Balances June 30, 2021	Increases	Decreases	Balances June 30, 2022	Due Within One Year
<u>Governmental Activities</u>					
Finance lease	\$ 4,226	\$ -	\$ 919	\$ 3,307	\$ 1,015
Note payable	29,873	-	6,402	23,471	6,614
Compensated absences	8,163	1,766	-	9,929	1,500
	<u>\$ 42,262</u>	<u>1,766</u>	<u>7,321</u>	<u>36,707</u>	<u>\$ 9,129</u>
<u>Business-type Activities</u>					
Notes payable	\$ 166,084	\$ -	\$ 20,473	\$ 145,611	\$ 21,263
Revenue Bonds	452,000	-	-	452,000	452,000
	<u>\$ 166,084</u>	<u>\$ -</u>	<u>\$ 20,473</u>	<u>\$ 597,611</u>	<u>\$ 473,263</u>

Note payable from governmental activities on June 30, 2022 is as follows:

5.25% note payable to the Bank of Greeleyville, due in monthly installments of \$639, including interest, through November 2025, secured by Town Hall.	\$ 23,471
	<u>\$ 23,471</u>

Governmental activities note payable debt service to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	6,614	665	7,279
2024	6,832	447	7,279
2025	7,057	221	7,278
2026 - 2028	2,969	24	2,993
	<u>\$ 23,472</u>	<u>\$ 1,357</u>	<u>\$ 24,829</u>

Revenue bond payables from business type activities on June 30, 2022 is as follows:

Secured by Water and Sewer Revenues

Date of Issue	Original Issue	Interest Rate	Maturity	Balance at June 30, 2022
6/12/2021	\$ 452,000	2.00%	6/1/2023	\$ 452,000

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 7 – LONG-TERM DEBT (Continued)

Note payable from business-type activities on June 30, 2022 is as follows:

3.5% note payable to the Bank of Greeleyville, due in quarterly installments of \$6,620, including interest, through July 2028, secured by water lines.	\$ 145,611
	<u>\$ 145,611</u>

Business-type activities note payable debt service to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	21,263	4,817	26,080
2024	22,017	4,063	26,080
2025	22,798	3,282	26,080
2026	23,607	2,473	26,080
2027	24,444	1,636	26,080
2028 - 2030	31,482	825	32,307
	<u>\$ 145,611</u>	<u>\$ 17,096</u>	<u>\$ 162,707</u>

NOTE 8 – LEASING ARRANGEMENTS

The Town leases a copier under a noncancelable lease that is classified as a finance lease that expires in 2024. The lease agreement contains a bargain purchase option at the end of the lease term.

The copier net of amortization equals \$2,805 on June 30, 2022.

Future minimum lease payments under the capital lease are as follows:

Year Ending June 30,	
2023	1,300
2024	1,300
2025	<u>1,217</u>
Total minimum lease payments	3,817
Less executory costs and related profit	<u>-</u>
Net minimum lease payments	3,817
Less amount representing interest	<u>510</u>
Present value of minimum lease payments	<u>\$ 3,307</u>

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9 – RETIREMENT PLAN DESCRIPTION

The Town participates in the state of South Carolina’s retirement plans, which are administered by the South Carolina Public Benefit Authority (PEBA), which was created July 1, 2012. PEBA has an 11-member Board of Directors (“PEBA Board”), appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the pension systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the pension systems and services as co-trustee of the pension systems in conducting the review.

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 a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the System’s Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits’ link on the PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the Comprehensive Annual Financial Report of the state.

Plan Descriptions

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

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

Memberships

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. Any employee member of the system with the 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 or 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.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9 – RETIREMENT PLAN DESCRIPTION (Continued)

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 with 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 the 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 service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

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

PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years credited 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 reduced deferred annuity at age 55 with five or eight years of 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. 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 the 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

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute or rates last adopted by the board are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding sources 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 eighty-five percent, then the board, effective on the following July first, may decrease

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9 – RETIREMENT PLAN DESCRIPTION (Continued)

the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent, if contribution rates are decreased pursuant to this provision, and most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates to 9.0 percent for SCRS and 9.75 percent for PORS. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislature's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced on year for each of the next 10 years to twenty-year amortization schedule.

Required employee contribution rates are as follows:

SCRS	<u>FY 2022¹</u>	<u>FY2021¹</u>
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%

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

Required employer contribution rates¹ are as follows:

SCRS	<u>FY 2022¹</u>	<u>FY2021¹</u>
Employer Class Two	16.41%	15.41%
Employer Class Three	16.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	18.84%	17.84%
Employer Class Three	18.84%	17.84%
Employer Accidental Death Program	0.20%	0.20%

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 of 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.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9 – RETIREMENT PLAN DESCRIPTION (Continued)

The June 30, 2021, total pension liability (TPL), net pension liability (NPL), and sensitivity information were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the actuarial valuations performed as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In FY2021, the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as permitted by Section 9-16-335, in the South Carolina Code.

The following provides a summary of actuarial assumptions and methods used to calculate the TPL as of June 30, 2021.

	SCRS	PORS
Actuarial cost method	Entry age	Entry age
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
Public Safety, and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Net Pension Liability

The net pension liability ('NPL') is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67 less the System's fiduciary net position. As of June 30, 2021 (measurement date of June 30, 2020), NPL amounts for the Town's proportionate share of the collective NPL for the SCRS (.000634%) and for the PORS (.002762%) are as follows:

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	\$ 349,534	\$ 212,402	137,132	60.7%
PORS	239,873	168,804	71,069	70.4%

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9 – RETIREMENT PLAN DESCRIPTION (Continued)

The TPL is calculated by the Systems’ 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 Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Systems’ actuary for the purpose of satisfying the requirements of GASB 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.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted in the beginning of the 2021 fiscal year. The long-term expected rate of returns is calculated by weighting the expected real rates of return by the target allocation percentage and adding expected inflation, which is summarized in the table below. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 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
Public Equity¹	40.6%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity^{1, 2}	9.0%	9.68%	0.87%
Private Debt ²	7.0%	5.47%	0.39%
Real Assets	12.0%	.	.
Real Estate ²	9.0%	6.01%	0.54%
Infrastructure ²	3.0%	5.08%	0.15%
	100.0%		
Total Expected Real Return ³			5.18%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.43%

¹ The target weight to Private Equity will be equal to its actual weight, reported by the custodial bank, as of prior month end. When flows have occurred, flow adjusted weights are used to more accurately reflect the impact of the asset class weight. Private Equity and Public Equity combine for 55% of the entire portfolio.

² Staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

³ Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 20% of total assets.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9 – RETIREMENT PLAN DESCRIPTION (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed the contributions from participating employers in SCRS will be made based on the actuarially determined rates base on the provisions in the South Carolina State Code of Laws. Based on these assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the collective net pension liability of the participating employers calculated using the discount rate of 7 %, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.0 % lower (6%) or 1.0% higher (8%) than the current rate.

**Sensitivity of the Town's Proportionate Share of Net Pension Liability to Changes
in the Discount Rate**

System	1.00 % Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	\$ 179,626	\$ 137,132	\$ 101,911
PORS	103,111	71,069	44,821

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows or Resources Related to the Retirement Plans

For the year ended June 30, 2022, the Town recognized it proportionate share of collective pension expense of \$10,014 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total employer contributions of \$11,406 for a total of \$21,420 for the SCRS plan. For the year ended June 30, 2022, the Town recognized it proportionate share of collective pension expense of \$7,775 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total employer contributions of (\$12,446) for a total of (\$4,671) for the PORS plan.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9 – RETIREMENT PLAN DESCRIPTION (Continued)

At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Liability experience	\$ 2,336	\$ 185
Assumption Changes	7,506	
Investment experience		
Net difference between projected and actual earnings on pension plan investments	10,109	30,029
Changes in proportion and differences between Town contributions and proportionate share of contributions	4,143	-
Town contributions subsequent to the measurement date	12,451	-
Total	<u>36,545</u>	<u>30,214</u>
PORS		
Differences between expected and actual experience	2,418	221
Assumption Changes	5,069	-
Net difference between projected and actual earnings on pension plan investments	7,829	23,760
Changes in proportion and differences between Town contributions and proportionate share of contributions	10,981	11,592
Town contributions subsequent to the measurement date	8,982	-
Total	<u>35,279</u>	<u>35,573</u>
Total SCRS and PORS	<u>\$ 71,824</u>	<u>\$ 65,787</u>

The contributions subsequent to the measurement date to SCRS and PORS, reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date:

Fiscal Year	SCRS	PORS
2023	\$ 1,450	\$ (5,908)
2024	946	2,470
2025	(1,063)	(249)
2026	(7,453)	(5,591)
	<u>\$ (6,120)</u>	<u>\$ (9,278)</u>

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 10 – INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2022 was as follows:

Due to/from other funds:

	Receivable Fund	Payable Fund
General Fund	\$ -	\$ 1,950
Victim's Assistance Fund	1,765	-
Water/Sewer Fund	185	
	<u>\$ 1,950</u>	<u>\$ 1,950</u>

Interfund Transfers

	Transfer in	Transfer out
General Fund	\$ 47,100	\$ 100
Water and Sewer Fund	100	47,100
	<u>\$ 47,200</u>	<u>\$ 47,200</u>

The transfer is a budgeted item.

NOTE 11 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains its insurance for tort liability, building and personal property, automobile comprehensive and collision and automobile liability with the South Carolina Insurance Reserve Fund. The Town maintains its employee surety bond with a private carrier. Workers' compensation coverage is maintained through the South Carolina State Accident Fund. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks.

NOTE 12 - CONTINGENT LIABILITIES

In the normal course of operations, the Town receives funds from various state and federal grants. The grant programs are subject to audit by the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not considered to be material.

LITIGATION

The Town Council and Town Attorney are not aware of any pending litigations or claims that would materially affect the financial statements of the Town.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 1, 2023, the date of the auditor's report, which is the date the financial statements were available to be issued. Management is unaware of any subsequent events requiring additional disclosure or changes in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GREELEYVILLE, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETS TO ACTUAL - GENERAL FUND
Year ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 120,000	\$ 120,000	\$ 113,917	\$ (6,083)
Licenses, permits, and fees	41,000	41,000	97,155	56,155
Intergovernmental	179,000	179,000	267,358	88,358
Charges for services	13,000	13,000	17,125	4,125
Fines and forfeitures	35,000	35,000	19,082	(15,918)
Investment earnings	1,500	1,500	168	(1,332)
Other	600	600	16,153	15,553
Total Revenue	<u>390,100</u>	<u>390,100</u>	<u>530,958</u>	<u>140,858</u>
EXPENDITURES				
Current				
General government	286,805	286,805	315,762	(28,957)
Police	67,860	67,860	77,361	(9,501)
Municipal court	39,235	39,235	38,973	262
Kennedy senior center	28,200	28,200	24,715	3,485
Nondepartmental	6,000	6,000	16,370	(10,370)
Debt Service				
Principal	7,500	7,500	7,321	179
Interest	1,500	1,500	1,257	243
Capital Outlay	-	-	57,757	(57,757)
Total Expenditures	<u>437,100</u>	<u>437,100</u>	<u>539,516</u>	<u>(102,416)</u>
Excess (deficiency) of revenue over expenditures	<u>(47,000)</u>	<u>(47,000)</u>	<u>(8,558)</u>	<u>38,442</u>
OTHER FINANCING SOURCES (USES)				
Transfers in/(out)	<u>47,000</u>	<u>47,100</u>	<u>47,100</u>	<u>-</u>
Total other financing sources (uses)	<u>47,000</u>	<u>47,100</u>	<u>47,100</u>	<u>-</u>
Net change in fund balances	-	100	38,542	38,542
Fund Balance - beginning	<u>142,208</u>	<u>142,208</u>	<u>142,208</u>	<u>-</u>
Fund Balance - ending	<u>\$ 142,208</u>	<u>\$ 142,308</u>	<u>\$ 180,750</u>	<u>\$ 38,542</u>

NOTE: 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.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND RELATED RATIOS
June 30, 2022

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
South Carolina Retirement System									
Town's proportion of the net pension liability (asset)	0.000634%	0.000621%	0.000611%	0.000609%	0.000421%	0.000261%	0.000247%	0.000115%	0.000115%
Town's proportionate share of the net pension liability (asset)	\$ 137,132	\$ 158,794	\$ 139,547	\$ 136,393	\$ 74,774	\$ 55,749	\$ 46,845	\$ 19,799	\$ 20,627
Town's covered-employee payroll	\$ 73,630	\$ 77,223	\$ 69,332	\$ 64,534	\$ 63,079	\$ 42,476	\$ 25,277	\$ 23,445	\$ 10,618
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	186.24%	205.63%	201.27%	211.35%	118.54%	131.25%	185.33%	84.45%	194.26%
Plan fiduciary net position as a percentage of the total pension liability.	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%	59.90%
Police Officers Retirement System									
Town's proportion of the net pension liability (asset)	0.002762%	0.002712%	0.002003%	0.00327%	0.00457%	0.00560%	0.00491%	0.00474%	0.00474%
Town's proportionate share of the net pension liability (asset)	\$ 71,069	\$ 89,927	\$ 57,392	\$ 92,535	\$ 125,280	\$ 141,992	\$ 107,079	\$ 90,801	\$ 98,321
Town's covered-employee payroll	\$ 43,264	\$ 45,226	\$ 41,419	\$ 23,368	\$ 63,079	\$ 63,832	\$ 72,422	\$ 61,785	\$ 57,954
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	164.27%	198.84%	138.56%	395.99%	198.61%	222.45%	147.85%	146.96%	169.65%
Plan fiduciary net position as a percentage of the total pension liability.	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%	67.50%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year. Until a full year 10-year trend is compiled, the Town will present the information for which those years which information is available.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
SCHEDULE OF REQUIRED CONTRIBUTIONS
AND RELATED RATIOS
June 30, 2022

	Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
South Carolina Retirement System										
Contractually required contribution	\$ 12,193	\$ 12,016	\$ 10,788	\$ 9,396	\$ 8,554	\$ 4,910	\$ 2,796	\$ 2,520	\$ 1,110	
Contributions in relation to the contractually required contribution	12,193	12,016	10,788	9,396	8,554	4,910	2,796	2,520	1,110	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Town's covered-employee payroll	\$ 73,630	\$ 77,223	\$ 69,332	\$ 64,534	\$ 63,079	\$ 42,476	\$ 25,277	\$ 23,445	\$ 10,618	
Contributions as a percentage of covered-employee payroll.	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.75%	10.45%	
Police Officers Retirement System										
Contractually required contribution	\$ 8,237	\$ 8,158	\$ 7,472	\$ 3,982	\$ 7,341	\$ 8,962	\$ 9,806	\$ 8,162	\$ 7,325	
Contributions in relation to the contractually required contribution	8,237	8,158	7,472	3,982	7,341	8,962	9,806	8,162	7,325	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Town's covered-employee payroll	\$ 43,264	\$ 45,226	\$ 41,419	\$ 23,368	\$ 45,766	\$ 63,832	\$ 72,422	\$ 61,784	\$ 57,954	
Contributions as a percentage of covered-employee payroll.	19.04%	18.04%	18.04%	17.04%	16.04%	14.04%	13.54%	13.21%	12.64%	

Notes to Schedule:

Until a full 10-year trend is compiled, the Town will present the information for which those years which information is available.

OTHER FINANCIAL INFORMATION

TOWN OF GREELEYVILLE, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
Year ended June 30, 2022

Court Fines

Court fines collected	\$ 19,082
Court fines retained by the Town	<u>(19,082)</u>
Court fines remitted to the State Treasurer	<u><u>\$ -</u></u>

Court Assessments, Surcharges and Pullouts

Court assessments collected	\$ 18,224
Court surcharges collected	5,467
Court pullouts collected	<u>-</u>
Court assessments remitted to the State Treasurer	<u><u>\$ 22,691</u></u> *

Victim Services

Court assessments allocated to Victim Services	\$ 2,339
Victim Service expenditures	<u>(16,000)</u>
Funds available for carry forward from prior year	<u>30,457</u>
Funds available for carry forward at the end of the year	<u><u>\$ 16,796</u></u>

* **Note:** The Town retained \$1,000 of Court Assessments for the audit of fiscal year 2022

COMPLIANCE SECTION

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Town of Greeleyville, South Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Town of Greeleyville, South Carolina's major federal programs for the year ended June 30, 2022. Town of Greeleyville, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, Town of Greeleyville, South Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Town of Greeleyville, South Carolina and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of Town of Greeleyville, South Carolina's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Town of Greeleyville, South Carolina's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Greeleyville, South Carolina's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Greeleyville, South Carolina's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town of Greeleyville, South Carolina's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town of Greeleyville, South Carolina's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Town of Greeleyville, South Carolina's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

Other Matters

The results of my auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-01 and 2022-2. My opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Town of Greeleyville, South Carolina's response to the noncompliance findings identified in my audit described in the accompanying schedule of findings and questioned costs. Town of Greeleyville, South Carolina's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Report on Internal Control over Compliance

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

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Samantha Salisbury

Moncks Corner, South Carolina
June 1, 2023

TOWN OF GREELEYVILLE, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	CFA Number	Pass-through Grantor's Number	Passed through to Subrecipients	Expenditures
U.S. Department of Agriculture				
Direct Program				
Water and Waste Disposal Systems for Rural Communities	10.760		-	\$ 846,114
Subtotal CFDA 10.760				
U.S. Department of the Treasury				
Passed through South Carolina Department of Administration				
Coronavirus State and Local Recovery Funds	21.027		-	36,438
Subtotal CFDA 21.027			-	36,438
Total Expenditures of Federal Awards			\$ -	\$ 882,552

See accompanying Notes to Schedule of Expenditures of Federal Awards.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

1. General

The accompanying Schedule of Expenditures of federal awards presents the activity of all federal awards programs of the Town of Greeleyville, South Carolina. All federal awards received directly from federal agencies, as well, as federal awards passed through other governmental agencies, are included on the schedule.

2. Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

3. Indirect Rate

The Town of Greeleyville, South Carolina elected not to use the 10% de minimus rate.

**TOWN OF GREELEYVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I—Summary of Auditor’s Results

Financial Statements:

I have issued an unmodified opinion dated June 1, 2023 on the financial statements on Town of Greeleyville, South Carolina.

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? No
- Noncompliance material to financial statements noted? No

Federal Awards:

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None Reported

I have issued an unmodified opinion dated June 1, 2023 on Town of Greeleyville, South Carolina compliance for its major programs.

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs

CFDA Number

Name of Federal Program

10.760

Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to be distinguished between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee? No

**TOWN OF GREELEYVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section II - Financial Statement Findings:

None Reported.

Section III - Federal Award Findings and Questioned Costs:

None Reported.

Summary Schedule of Prior Audit Findings:

None Reported.

Samantha A. Salisbury, CPA

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**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***

To the Honorable Mayor and Members of Town Council
Town of Greeleyville, South Carolina

I 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 Town of Greeleyville, South Carolina, (the "Town") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued my report thereon dated June 1, 2023.

Internal Control over Financial Reporting

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

My 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Town's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

Samantha Salisbury

Moncks Corner, South Carolina
June 1, 2023