

Town of Williston, South Carolina
Financial Statements
Year Ended June 30, 2022
(With Independent Auditor's Report Thereon)

Town of Williston, South Carolina
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Independent Auditor's Report

The Honorable Mayor and
Members of Town Council
Town of Williston
Williston, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Williston, 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 Williston, South Carolina's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Williston, South Carolina and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Williston, 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

Our 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 our 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 the 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*, we:

- 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 Williston, 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Williston, South Carolina's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Williston, South Carolina's basic financial statements. The accompanying Independent Accountant's Report is presented for purposes of additional analysis and is 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2023, on our consideration of the Town of Williston, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Williston, 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 Town of Williston, South Carolina's internal control over financial reporting and compliance.

Highsmith & Highsmith, LLC

Highsmith & Highsmith, LLC
Travelers Rest, South Carolina
July 14, 2023

Town of Williston
Management's Discussion and Analysis
June 30, 2022

This section of the Town of Williston, South Carolina (the "Town") annual financial report presents our discussion and analysis of the Town's financial performance for the year ended June 30, 2022. Please read it in conjunction with the Town's financial statements, which follow this section.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$9,283,071 (*net position*).
- The government's total net position increased by \$481,944.
- As of the close of the current fiscal year, the Town's governmental fund reported combined ending fund balance of \$2,213,139, an increase of \$695,075 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,053,877, or 120 percent of total general fund expenditures.

Overview of the Financial Statements

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

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. Financial information is presented in two statements – *statement of net position* and *statement of activities*.

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all of a significant portion of their costs through user fees and charges (*business-*

Town of Williston
Management's Discussion and Analysis
June 30, 2022

type activities). The governmental activities of the Town include general government, highways and streets, human services, economic development, culture and recreation activities.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

The Town maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the other governmental funds. Only the general fund is considered to be a major fund. Data from the other three governmental funds are combined into a single, aggregated presentation.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for the governmental funds.

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

Town of Williston
Management's Discussion and Analysis
June 30, 2022

Government-wide Financial Analysis

As noted earlier, net position may service over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$9,283,071 at the close of the most recent fiscal year. The largest portion of the Town's net position (91 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Net position of \$70,289 is restricted by state law for specific purposes. The remaining balance of unrestricted net position \$742,794 may be used to meet the government's ongoing obligations to citizens and creditors.

- During the current fiscal year, the government's net position increased by \$481,944.

Statement of Net Position Information

The following information is a condensed version of the Statement of Net Position.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 2,142,850	\$ 1,444,291	\$ 685,896	\$ 721,856	\$ 2,828,746	\$ 2,166,147
Capital assets, net	1,794,460	1,921,514	7,389,775	7,663,494	9,184,235	9,585,008
Restricted assets	70,289	70,267	-	-	70,289	70,267
Total assets	4,007,599	3,436,072	8,075,671	8,385,350	12,083,270	11,821,422
Deferred outflows	364,187	276,144	60,412	55,133	424,599	331,277
Total assets and deferred outflows	4,371,786	3,712,216	8,136,083	8,440,483	12,507,869	12,152,699
Liabilities and Net Position						
Current liabilities	110,175	108,061	584,667	591,869	694,842	699,930
Non-current liabilities	1,081,852	1,392,030	869,104	1,024,084	1,950,956	2,416,114
Total liabilities	1,192,027	1,500,091	1,453,771	1,615,953	2,645,798	3,116,044
Deferred inflows	456,171	180,836	122,829	54,692	579,000	235,528
Total liabilities and deferred inflows	1,648,198	1,680,927	1,576,600	1,670,645	3,224,798	3,351,572
Net Position						
Net investment in capital assets	1,738,140	1,838,641	6,731,848	6,967,956	8,469,988	8,806,597
Restricted	70,289	70,267	-	-	70,289	70,267
Unrestricted	915,159	122,381	(172,365)	(198,118)	742,794	(75,737)
Total net position	\$ 2,723,588	\$ 2,031,289	\$ 6,559,483	\$ 6,769,838	\$ 9,283,071	\$ 8,801,127

The Town's Total Net Position increased by \$481,944 during the fiscal year ended June 30, 2022.

Town of Williston
Management's Discussion and Analysis
June 30, 2022

Statement of Activities Information

The following information is a condensed version of the Statement of Activities.

Statement of Activities

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenue:						
Program Revenue						
Charges for services	\$ 529,775	\$ 637,196	\$ 1,125,585	\$ 1,069,447	\$ 1,655,360	\$ 1,706,643
Operating grants and contributions	743,282	32,184	-	-	743,282	32,184
Capital grants and contributions	-	271,749	108,275	20,279	108,275	292,028
General Revenue						
Property taxes	453,831	506,823	-	-	453,831	506,823
Local option sales taxes	524,691	246,940	-	-	524,691	246,940
State shared and unallocated intergovernmental	57,035	232,979	-	-	57,035	232,979
Other and transfers	96,047	163,829	118	116	96,165	163,945
Total Revenue	<u>2,404,661</u>	<u>2,091,700</u>	<u>1,233,978</u>	<u>1,089,842</u>	<u>3,638,639</u>	<u>3,181,542</u>
Expenses:						
Administrative	257,786	245,924	-	-	257,786	245,924
Police	786,499	882,806	-	-	786,499	882,806
Fire	166,764	116,185	-	-	166,764	116,185
Sanitation	204,448	174,240	-	-	204,448	174,240
Maintenance	101,488	123,721	-	-	101,488	123,721
Parks and recreation	70,600	60,264	-	-	70,600	60,264
Lights and beautification	124,777	111,204	-	-	124,777	111,204
Water and sewer	-	-	1,444,333	1,349,230	1,444,333	1,349,230
Total Expenses	<u>1,712,362</u>	<u>1,714,344</u>	<u>1,444,333</u>	<u>1,349,230</u>	<u>3,156,695</u>	<u>3,063,574</u>
Change in Net Position	692,299	377,356	(210,355)	(259,388)	481,944	117,968
Beginning net position	2,031,289	1,653,933	7,029,226	7,029,226	9,060,515	8,683,159
Ending net position	<u>\$ 2,723,588</u>	<u>\$ 2,031,289</u>	<u>\$ 6,818,871</u>	<u>\$ 6,769,838</u>	<u>\$ 9,542,459</u>	<u>\$ 8,801,127</u>

For governmental activities, 100% of the Town's expenses related to government and public activities.

Town of Williston
Management's Discussion and Analysis
June 30, 2022

Financial Analysis of the Government's Funds

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

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

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,053,877 and the restricted fund balance was \$70,289. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 120% of the total general fund expenditures.

During the current fiscal year, the Town's general fund balance increased \$695,075.

- Total revenues increased by \$380,394 from the prior year.
- Total expenditures decreased by \$183,551.

General Fund Budgetary Highlights

The Town adopted a budget with budgeted expenditures less than budgeted revenues for the fiscal year ended June 30, 2022. There were no changes between the original budget and the final budget.

Capital Asset Administration

Capital assets - The Town's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$9,184,235 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, and streets and sidewalks. Capital assets, net of accumulated depreciation are comprised of the following:

	Governmental Activities	Business-type Activities	Total
Land and land improvements	\$ 1,041,366	\$ 1,367,003	\$ 2,408,369
Construction in progress	118,472	-	118,472
Buildings	798,041	3,548,486	4,346,527
Wells and waterline improvements	-	7,299,236	7,299,236
Vehicles and equipment	2,688,296	1,034,846	3,723,142
Accumulated depreciation	(2,851,715)	(5,859,796)	(8,711,511)
Totals	\$ 1,794,460	\$ 7,389,775	\$ 9,184,235

Town of Williston
Management's Discussion and Analysis
June 30, 2022

The total decrease of \$400,779 in net capital assets is the net of asset additions of \$0 and depreciation expense of \$400,779.

Debt Administration

As of June 30, 2022, the Town had \$736,931 in outstanding debt (revenue bonds, lease purchase note and compensated absences) compared to \$822,927 in the prior fiscal year, a 14% decrease.

	Governmental Activities <u>June 30, 2022</u>	Business-type Activities <u>June 30, 2022</u>	Totals <u>June 30, 2022</u>
Revenue bond payable	\$ -	\$ 646,926	\$ 646,926
Lease purchase note	56,320	11,001	67,321
Compensated absences	<u>15,560</u>	<u>7,124</u>	<u>22,684</u>
Totals	\$ <u>71,880</u>	\$ <u>665,051</u>	\$ <u>736,931</u>

Economic Factors and Next Year's Budgets and Rates

Inflationary trends in the region compare favorably to national indices. This factor, among others, was considered in preparing the Town's budget for the 2022 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Williston, South Carolina 29063.

Town of Williston

**Statement of Net Position
June 30, 2022**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,603,184	\$ 519,349	\$ 2,122,533
Receivables, net	55,166	112,081	167,247
Due from other governments	42,479	-	42,479
Prepaid expenses and inventory	-	54,466	54,466
Due from other funds	442,021	-	442,021
Restricted cash	70,289	-	70,289
Capital assets, net of accumulated depreciation	1,794,460	7,389,775	9,184,235
Total assets	\$ 4,007,599	\$ 8,075,671	\$ 12,083,270
Deferred outflows			
Deferred outflows for pensions	364,187	60,412	424,599
Total assets and deferred outflows	\$ 4,371,786	\$ 8,136,083	\$ 12,507,869
Liabilities and Net Position			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 82,899	\$ 27,591	\$ 110,490
Due to General Fund	-	442,021	442,021
Deposits payable	-	65,008	65,008
Current portion of non-current liabilities	27,276	50,047	77,323
Total current liabilities	110,175	584,667	694,842
Non-Current Liabilities			
Revenue bonds payable	-	607,880	607,880
Lease purchase note	29,044	-	29,044
Compensated absences	15,560	7,124	22,684
Net pension liability	1,037,248	254,100	1,291,348
Total non-current liabilities	1,081,852	869,104	1,950,956
Total liabilities	1,192,027	1,453,771	2,645,798
Deferred inflows			
Deferred inflows for pensions	456,171	122,829	579,000
Total liabilities and deferred inflows	1,648,198	1,576,600	3,224,798
Net Position			
Invested in capital assets, net of related debt	1,738,140	6,731,848	8,469,988
Restricted	70,289	-	70,289
Unrestricted	915,159	(172,365)	742,794
Total net position	\$ 2,723,588	\$ 6,559,483	\$ 9,283,071

Town of Williston

Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental activities:							
Administrative	\$ (257,786)	\$ 315,461	\$ 743,282	\$ -	\$ 800,957	\$ -	\$ 800,957
Police	(786,499)	19,977	-	-	(766,522)	-	(766,522)
Fire	(166,764)	-	-	-	(166,764)	-	(166,764)
Sanitation	(204,448)	194,337	-	-	(10,111)	-	(10,111)
Maintenance	(101,488)	-	-	-	(101,488)	-	(101,488)
Parks and recreation	(70,600)	-	-	-	(70,600)	-	(70,600)
Lights and beautification	(124,777)	-	-	-	(124,777)	-	(124,777)
Total governmental activities	(1,712,362)	529,775	743,282	-	(439,305)	-	(439,305)
Business-type activities:							
Water and sewer	(1,444,333)	1,125,585	-	108,275	-	(210,473)	(210,473)
Total business-type activities	(1,444,333)	1,125,585	-	108,275	-	(210,473)	(210,473)
Total functions and programs	<u>\$ (3,156,695)</u>	<u>\$ 1,655,360</u>	<u>\$ 743,282</u>	<u>\$ 108,275</u>	<u>(439,305)</u>	<u>(210,473)</u>	<u>(649,778)</u>
General revenues and transfers							
Property taxes					453,831	-	453,831
Local option sales tax					524,691	-	524,691
State shared and unallocated intergovernmental					57,035	-	57,035
Unrestricted investment earnings					959	118	1,077
Miscellaneous					95,088	-	95,088
Total general revenues and transfers					1,131,604	118	1,131,722
Change in net position					692,299	(210,355)	481,944
Net position, beginning					2,031,289	7,029,226	9,060,515
Net position, ending					<u>\$ 2,723,588</u>	<u>\$ 6,818,871</u>	<u>\$ 9,542,459</u>

Town of Williston

**Balance Sheet
Governmental Funds
June 30, 2022**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Assets		
Cash and cash equivalents	\$ 1,603,184	\$ 1,603,184
Receivables, net	55,166	55,166
Due from other governments	42,479	42,479
Due from other funds	442,021	442,021
Restricted cash	70,289	70,289
Total assets	\$ <u>2,213,139</u>	\$ <u>2,213,139</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable and accrued liabilities	\$ <u>82,899</u>	<u>82,899</u>
Total liabilities	<u>82,899</u>	<u>82,899</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	<u>6,074</u>	<u>6,074</u>
Total deferred inflows of resources	<u>6,074</u>	<u>6,074</u>
Fund balances:		
Restricted	70,289	70,289
Unassigned	<u>2,053,877</u>	<u>2,053,877</u>
Total fund balances	<u>2,124,166</u>	<u>2,124,166</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>2,213,139</u>	\$ <u>2,213,139</u>

Town of Williston

**Reconciliation of the Governmental Funds - Balance Sheet
to the Statement of Net Position
June 30, 2022**

Total fund balance - Governmental Funds \$ 2,124,166

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources
and therefore, are not reported in these funds. 1,794,460

Revenues in the Statement of Activities that do not provide current financial
resources are reported as unavailable revenues in the funds. 6,074

Long-term liabilities are not due and payable in the current period and
therefore are not reported in these funds.

Capital leases (56,320)

Compensated absences (15,560)

Net pension liability (1,037,248)

Deferred outflows for pensions 364,187

Deferred inflows for pensions (456,171)

Total net position of Governmental Activities \$ 2,723,588

Town of Williston

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds

Year Ended June 30, 2022

	General Fund	Total Governmental Funds
Revenues		
Local option sales tax	\$ 524,691	\$ 524,691
Licenses and permits	315,461	315,461
State shared revenue	57,035	57,035
Fines and forfeitures	19,977	19,977
Taxes	447,757	447,757
Grants	743,282	743,282
Interest income	959	959
Sanitation fees	194,337	194,337
Other revenue	89,838	89,838
Total revenues	<u>2,393,337</u>	<u>2,393,337</u>
Expenditures		
Current		
Administrative	244,204	244,204
Police	832,015	832,015
Fire	127,846	127,846
Sanitation	204,448	204,448
Maintenance	85,679	85,679
Parks and recreations	58,701	58,701
Lights and beautification	116,559	116,559
Capital outlay	-	-
Debt service	28,810	28,810
Total expenditures	<u>1,698,262</u>	<u>1,698,262</u>
Excess (deficiency) of revenues over expenditures	<u>695,075</u>	<u>695,075</u>
Other Financing Sources (Uses)		
Transfers in (out)	-	-
Net change in fund balance	<u>695,075</u>	<u>695,075</u>
Fund balance, beginning of year	1,429,091	1,429,091
Fund balance, end of year	<u>\$ 2,124,166</u>	<u>\$ 2,124,166</u>

Town of Williston

**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
Year Ended June 30, 2022**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds	\$ 695,075
Governmental 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 depreciation exceeded capital outlay in the current period.	(127,054)
The issuance of long-term debt provides current financial resources, while repayment of principal are expenditures in the governmental funds. Repayment of principal reduces long-term liabilities in the statement of net position	
Principal payments on lease purchase note	26,553
Net revenues and expenses in the statement of activities that do not provide or use current financial resources are not reported in these funds.	<u>97,725</u>
Change in net position of governmental activities	<u>\$ 692,299</u>

Town of Williston

**Statement of Net Position
Proprietary Fund - Water and Sewer
June 30, 2022**

Assets

Current Assets

Cash and cash equivalents	\$	519,349
Receivables, net of allowance		112,081
Prepaid expenses and inventory		54,466
Total current assets		<u>685,896</u>

Non-Current Assets

Capital Assets, less accumulated depreciation		<u>7,389,775</u>
Total non-current assets		<u>7,389,775</u>
Total assets	\$	<u><u>8,075,671</u></u>

Deferred Outflows

Deferred outflows for pensions		<u>60,412</u>
Total assets and deferred outflows		<u><u>8,136,083</u></u>

Liabilities and Net Position

Current Liabilities

Accounts payable and accrued expenses		27,591
Due to General Fund		442,021
Deposits payable		65,008
Current portion of revenue bonds payable		<u>50,047</u>
Total current liabilities		<u>584,667</u>

Non-Current Liabilities

Revenue bonds payable		607,880
Compensated absences		7,124
Net pension liability		<u>254,100</u>
Total non-current liabilities		<u>869,104</u>
Total liabilities		<u><u>1,453,771</u></u>

Deferred Inflows

Deferred inflows for pensions		<u>122,829</u>
Total liabilities and deferred inflows		<u><u>1,576,600</u></u>

Net Position

Invested in capital assets, net of related debt		6,731,848
Unrestricted		<u>(172,365)</u>
Total net position		<u>6,559,483</u>
Total liabilities and net position	\$	<u><u>8,136,083</u></u>

Town of Williston

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund -Water and Sewer Fund
Year Ended June 30, 2022**

Operating Revenues

Charges for services:	
Water and sewer fees	\$ 974,026
Water and sewer taps	2,380
Service connection fees	2,925
Reconnection fees and penalties	52,172
Grant revenue	108,275
Miscellaneous	94,082
Total operating revenues	<u>1,233,860</u>

Operating Expenses

Salaries	284,263
Employee benefits	59,024
Contract labor	122,957
Vehicle expense	21,087
Repairs and maintenance	173,845
Office supplies and expenses	22,033
Travel and training	1,461
Insurance	14,755
Utilities	123,511
Professional fees	128,760
Chemicals and lab supplies	103,623
Membership fees and permits	17,927
Miscellaneous	33,439
Depreciation	273,718
Water tank renovation	38,902
Total operating expenses	<u>1,419,305</u>
Operating income	<u>(185,445)</u>

Non-Operating Revenue (Expenses)

Interest income	118
Interest expense	(25,028)
Transfers in (out)	-
Total non-operating revenue (expenses)	<u>(24,910)</u>
Change in net position	<u>(210,355)</u>

Net position, beginning of year	6,769,838
Net position, end of year	<u><u>\$ 6,559,483</u></u>

Town of Williston

Statement of Cash Flows
Proprietary Fund - Water and Sewer
Year Ended June 30, 2022

Cash Flows from Operating Activities

Receipts from customers and others	\$ 1,196,717
Payments to suppliers	(834,552)
Payments to employees	(285,886)
Net cash provided (used) by operating activities	<u>76,279</u>

Cash Flows from Capital and Related Financing Activities

Principal paid on capital debt	(48,611)
Interest paid on capital debt	(25,028)
Net cash provided (used) by financing activities	<u>(73,639)</u>

Cash Flows from Investing Activities

Interest income	<u>118</u>
Net cash provided (used) by investing activities	<u>118</u>

Net decrease in cash and cash equivalents 2,758

Balance, beginning of year	<u>516,590</u>
Balance, ending of year	<u>519,348</u>

Reconciliation of operating income (loss) to net cash provided
(used) by operating activities:

Operating income (loss)	(185,445)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	273,718
Change in assets and liabilities:	
Accounts receivable, net	19,706
Prepaid expense and inventory	19,013
Deferred outflows for pensions	(5,279)
Accounts payable and accrued expenses	(68,478)
Due to general fund	89,185
Deposits payable	(29,344)
Compensated absences	(1,623)
Net pension liability	(103,310)
Deferred inflows for pensions	68,137
Net cash provided (used) by operating activities	<u>76,280</u>

Town of Williston, South Carolina

Notes to the Financial Statements Year Ended June 30, 2022

Note 1 – Description of Entity

The Town of Williston, South Carolina, (the “Town”) is a municipal corporation of the State of South Carolina, and operates pursuant to the provisions of the Home Rule Act, Act No. 283 of 1975, codified in Title 5 of the South Carolina Code, as amended. The Town operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general and administrative services. The Town also owns and operates a utility system which provides water and sewer services. The financial statements of the Town include all of the above operations. No other organizations are included in the financial statements and the Town is not included in any other governmental “reporting entity” as defined by GASB, since Council members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and have primary accountability for fiscal matters.

The financial statements of the Town of Williston, South Carolina have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The Town’s reporting entity applies all relevant GASB pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) Statements and Interpretations and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based on the application of these criteria, there were no organizations which met the criteria described above.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Town’s basic financial statements consist of government-wide financial statements that include a statement of net position, a statement of activities and fund financial statements that provide a more detailed level of financial information.

Government-wide financial statements

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Town that are governmental in nature, which normally are supported by taxes and intergovernmental revenues, and those that are considered business-type activities, which rely to a significant extent on fees and charges for support. The statement of net

Town of Williston, South Carolina

Notes to the Financial Statements Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies, continued

Government-wide financial statements, continued

position presents the financial condition of the governmental and business-type activities of the Town at year-end.

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

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, then unrestricted resources as they are needed.

Fund Financial Statements

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

Town of Williston, South Carolina

Notes to the Financial Statements Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies, continued

Fund Accounting

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes collected within this sixty-day period is an example of such revenue. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Expenditures generally are recorded when a liability is incurred, except for debt service expenditures, as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Property taxes, licenses, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

Governmental funds include the following types:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government.

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

Town of Williston, South Carolina

Notes to the Financial Statements Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies, continued

Fund Accounting, continued

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

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

Cash and Cash Equivalents

The Town considers all highly liquid investments, including cash on hand, demand deposits and short-term investments to be cash and cash equivalents. The Town's investment policy is designed to operate within existing statutes of the State of South Carolina.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Receivables

The Town has an agreement with Barnwell County to maintain property tax rolls and to levy and collect property taxes. The taxes collected are remitted to the Town at the end of each month. The County charges per notice for collection.

Property taxes become a lien on real and personal property (except vehicles) owned on December 31. These taxes are usually levied on or before October 31 and are due without penalty by January 15.

Town of Williston, South Carolina

Notes to the Financial Statements Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies, continued

Receivables, continued

Penalties are added to the taxes depending on the date paid as follows:

January 16 through February 1	3% of tax
February 2 through March 16	10% of tax
March 17 through March 31	15% of tax

Both lien and the collection date for motor vehicles taxes are the last day of the month in which the motor vehicle license expires.

An annual millage rate is established by town council as part of the budget process. All the Town's real and personal property taxes are assessed and collected by Barnwell County.

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

Inventory

Inventories are carried at average cost and are used on a first-in, first-out basis, and are charged to expenses when consumed rather than when purchase. Proprietary fund inventories include supplies and materials required for the repair, maintenance, and extension of the utility plants, as well as small tools.

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

Restricted Assets

Restricted assets include cash and investments of both governmental activities and business-type activities that are legally restricted as to their use by applicable laws, grant agreements, contributors, or bond covenants.

Capital Assets

The Town's capital assets are recorded at cost for the government-wide financial statements but are not capitalized in the Town's fund financial statements. Capital assets in the Water and Sewer Department are capitalized at cost in the proprietary fund statements. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of land is not depreciated. Depreciation is calculated

Town of Williston, South Carolina

**Notes to the Financial Statements
Year Ended June 30, 2022**

Note 2 – Summary of Significant Accounting Policies, continued

Capital Assets, continued

principally on the straight-line method over the estimated useful lives of the respective assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of property, plant, equipment and vehicles is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20 - 30
Improvements	10 - 50
Machinery and equipment	3 - 10
Utility system	25 - 50
Infrastructure	25 - 50

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it in accordance with accounting principles generally accepted in the United States of America.

Long-term obligations

In the government-wide financial statements and proprietary fund type 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 type statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Town of Williston, South Carolina

Notes to the Financial Statements Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies, continued

Fund Balance Reporting

In the fund financial statements, the Town implemented GASB No. 54 Fund Balance Reporting and Governmental Fund Type Definitions for the year ended June 30, 2015. GASB No. 54 established that fund balance for governmental funds should be reported in the classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purpose for which the amounts in these funds can be spent. These classifications may consist of the following:

Non-spendable – generally, amounts that are not expected to be converted to cash, such as inventories or prepaid amounts. This classification also includes some long-term amounts such as property acquired for resale or the long-term portion of loans receivable. However, if the eventual proceeds or collections from these would be restricted, committed, or assigned, these amounts would be included in that other classification.

Legally or Contractually Required to be Maintained Intact – amounts that are required to be maintained intact, such as the principal of a permanent fund.

Restricted – amounts that can be used only for specific purpose because of (a) constitutional provisions of enabling legislation of (b) externally imposed constraints. (External constraints might be imposed by creditors, grantors, contributors, or even the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes because of a formal action by the government's highest level of decision-making authority. This classification might also include contractual obligation if existing resources have been committed for use in satisfying those contractual requirements. The formal action to establish constraints should be taken before year-end, even if the amount might not be determined until the subsequent period.

Assigned – amounts intended to be used for specific purposes but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a finance committee), or by an official to whom that authority has been given. This is the residual fund balance classification for all governmental funds except the general fund. Assigned fund balances should not be reported in the general fund if doing so causes the government to report a negative unassigned general fund balance.

Unassigned - this is the residual classification for the general fund (i.e., everything that is not in another classification or in another fund). The general fund is the only governmental fund that can report a positive unassigned fund balance. Other governmental funds might have a negative unassigned fund balance as a result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Town Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

Town of Williston, South Carolina

Notes to the Financial Statements Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies, continued

Fund Balance Reporting, continued

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, followed by the unrestricted, committed, assigned and unassigned resources as they are needed.

Net Position

Net position represents the difference between assets and liabilities in the statement of net position. Net position is classified as invested in capital assets net of related debt, restricted and unrestricted. Net position invested in capital assets, net of related debt; consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt that has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts or other commitments for expenditures are recorded to reserve a portion of an applicable appropriation, is utilized in governmental funds, primarily the General Fund. Encumbrances outstanding at year-end are reported as reservations of fund balance as they do not constitute expenditures or liabilities under accounting principles generally accepted.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Financial Instruments

Financial instruments that potentially subject the Town to concentration of credit risk are trade receivables, interest bearing investments and cash. Due to the large number of diversities of the Town's proprietary fund customer base, concentrations of credit risk with respect to receivables are limited. The Town places all of its cash and cash equivalents with high-quality financial institutions and requires deposits to be collateralized.

Town of Williston, South Carolina

Notes to the Financial Statements Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies, continued

Fair Value Measurement

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2022, the Town's carrying values of cash and cash equivalents, accounts receivable, materials and supplies, prepaid expenses, accounts payable, and accrued expenses approximate fair value due to the terms and relatively short maturity of financial instruments. The carrying values of notes payable approximate their fair values, as interest approximates market rates.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at fiscal yearend.

Note 3 – Deposits and Investments

The State of South Carolina General Statutes permits the Town to invest in certain types of financial instruments. Cash is maintained in demand deposits or savings accounts, certificates of deposits, repurchase agreements, or U.S. Government Securities. There were no deposit or investment transactions during the year that were in violation of the state statutes. The Town has not formally adopted a policy governing deposits and investments.

Interest rate risk – The Town manages its exposure to declines in fair values by limiting its investments to certificates of deposit and federal notes which can be sold and withdrawn on demand.

Credit risk – As of June 30, 2022, the Town's investment with the federal agencies is allowed under state laws.

Concentration of credit risk – The Town's investment policy currently involves investment in multiple federal notes. It limits investments in certificates of deposit to amounts covered by FDIC or the National Credit Union Share Insurance Fund (NCUSIF).

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2022, the Town did not have any deposits exposed to custodial credit risk.

Town of Williston, South Carolina

Notes to Financial Statements Year Ended June 30, 2022

Note 3 – Deposits and Investments, continued

Custodial credit risk – investments – For an investment, this 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.

Note 4 - Receivables

Receivables as of June 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities	Total
Receivables:			
Taxes (net of allowance for uncollectibles of \$8,963)	\$ 7,798	\$ -	\$ 7,798
Accounts (net of allowance for uncollectibles of \$0 for Governmental and \$14,718 for Business- type Activities)	47,368	112,081	159,449
	55,166	112,081	167,247
Due from other governments:			
State Treasurer's Office	42,479	-	42,479
Total receivables	\$ 97,645	\$ 112,081	\$ 209,726

Note 5 – Capital Assets

A summary of capital assets accounted for in the governmental funds is as follows:

	Balance July 1, 2021	Additions	Dispositions	Balance June 30, 2022
Governmental Activities				
Non-depreciable capital assets:				
Land	\$ 1,041,366	\$ -	\$ -	\$ 1,041,366
Construction in progress	118,472	-	-	118,472
Total non-depreciable capital assets	1,159,838	-	-	1,159,838
Depreciable capital assets:				
Buildings	798,041	-	-	798,041
Vehicles and equipment	2,688,296	-	-	2,688,296
Total depreciable capital assets	3,486,337	-	-	3,486,337
Less accumulated depreciation	(2,724,661)	(127,054)	-	(2,851,715)
Total capital assets, being depreciated, net	761,676	(127,054)	-	634,622
Governmental activities capital assets, net	\$ 1,921,514	\$ (127,054)	\$ -	\$ 1,794,460

Town of Williston, South Carolina

**Notes to Financial Statements
Year Ended June 30, 2022**

Note 5 – Capital Assets, continued

Depreciation expense for the year ended June 30, 2022 was charged to functions/programs of the primary government as follows:

Governmental Activities

Administrative	\$ 15,974
Police	33,123
Fire	39,622
Maintenance	15,809
Parks and recreation	14,308
Lights and beautification	8,218
Total depreciation expense - governmental activities	<u>\$ 127,054</u>

A summary of capital assets accounted for in the proprietary fund is as follows:

	Balance July 1, 2021	Additions	Dispositions	Balance June 30, 2022
Business-Type Activities				
Non-depreciable capital assets:				
Land and land improvements	\$ 1,367,003	\$ -	\$ -	\$ 1,367,003
Total non-depreciable capital assets	<u>1,367,003</u>	<u>-</u>	<u>-</u>	<u>1,367,003</u>
Depreciable capital assets:				
Buildings	3,548,486	-	-	3,548,486
Water and sewer infrastructure	7,299,236	-	-	7,299,236
Vehicles and equipment	1,034,846	-	-	1,034,846
Total depreciable capital assets	<u>11,882,568</u>	<u>-</u>	<u>-</u>	<u>11,882,568</u>
Less accumulated depreciation	<u>(5,586,071)</u>	<u>(273,725)</u>		<u>(5,859,796)</u>
Total capital assets, being depreciated, net	<u>6,296,497</u>	<u>(273,725)</u>	<u>-</u>	<u>6,022,772</u>
Business-type activities capital assets, net	<u>\$ 7,663,500</u>	<u>\$ (273,725)</u>	<u>\$ -</u>	<u>\$ 7,389,775</u>

Town of Williston, South Carolina

Notes to Financial Statements Year Ended June 30, 2022

Note 6 – Long-Term Debt

Changes in long-term debt for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities					
Lease purchase note	\$ 82,873	\$ -	\$ (26,553)	\$ 56,320	\$ 27,276
Compensated absences	24,768	-	(9,208)	15,560	-
Governmental activities long-term liabilities	<u>\$ 107,641</u>	<u>\$ -</u>	<u>\$ (35,761)</u>	<u>\$ 71,880</u>	<u>\$ 27,276</u>
Business-Type Activities					
Revenue bond	\$ 684,538	\$ -	\$ (37,612)	\$ 646,926	\$ 50,047
Lease purchase note	22,001	-	(11,000)	11,001	11,001
	<u>706,539</u>	<u>-</u>	<u>(48,612)</u>	<u>657,927</u>	<u>61,048</u>
Compensated absences	8,747	-	(1,623)	7,124	-
Business-type activities long-term liabilities	<u>\$ 715,286</u>	<u>\$ -</u>	<u>\$ (50,235)</u>	<u>\$ 665,051</u>	<u>\$ 61,048</u>

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund.

On September 18, 2016, the Council entered into a lease purchase note with a financial institution in the amount of \$182,230. The lease is payable in seven annual installments of \$28,810 at an interest rate of 2.69 percent. Equipment of the Town is pledged as collateral.

On July 11, 2011, the Council adopted an ordinance providing for the issuance and sale of Series 2011 Waterworks and Sewer System Refunding and Improvement Bond (the "Series 2011 Bond") in an amount not exceeding \$1,600,000. The ordinance provides for the cost of certain improvements and for the advance refunding and defeasance of Series 2003 revenue bonds. All gross revenues of the System are pledged as security for the Series 2011 Bond.

On July 22, 2021, the Council adopted an ordinance providing for the issuance and sale of Series 2021 Waterworks and Sewer System Refunding Revenue Bond (the "Series 2021 Bond") in the amount of \$717,800. They have monthly principal and interest installments. The interest rate of the Series 2021 refunding bonds is 3.75%. The proceeds of this issue were used to refund the Series 2011 revenue bonds which were issued to refund the Series 2003 revenue bonds. The Series 2011 bonds were currently refunded resulting in no defeased debt.

Town of Williston, South Carolina

Notes to Financial Statements **Year Ended June 30, 2022**

Note 6 – Long-Term Debt, continued

On August 14, 2017, the Council entered into a lease purchase note with a financial institution in the amount of \$55,200. The lease is payable in five annual installments of \$11,000 at an interest rate of 4.20 percent. Equipment of the Town is pledged as collateral.

The annual debt service requirements to maturity as of June 30, 2022 are as follows:

Fiscal year ending June 30,	Principal	Interest
Governmental Activities:		
2023	\$ 27,276	\$ 1,534
2024	29,044	791
	<u>\$ 56,320</u>	<u>\$ 2,325</u>
Business-type Activities:		
2023	\$ 50,047	\$ 22,103
2024	40,537	20,559
2025	42,081	18,950
2026	43,690	17,284
2027	45,356	17,285
Thereafter	<u>436,216</u>	<u>101,462</u>
	<u>\$ 657,927</u>	<u>\$ 197,643</u>

Note 7 – Interfund receivables, payables and transfers

As of June 30, 2022, interfund receivables and payables that resulted from regularly recurring operational transfers were as follows:

	Due from Other funds	Due to Other funds
General fund	\$ 442,021	\$ -
Water sewer enterprise fund	<u>-</u>	<u>442,021</u>
	<u>\$ 442,021</u>	<u>\$ 442,021</u>

The amount due to the General fund from the Water Sewer Enterprise fund is a result of amounts paid for expenditures by the General fund on behalf of the Water Sewer Enterprise fund.

Town of Williston, South Carolina

Notes to Financial Statements Year Ended June 30, 2022

Note 8 – Fund Balances

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned and unassigned (see Note 2 for a description of each of these categories). A detailed schedule of fund balance at June 30, 2022 is as follows:

	General Fund	Total Governmental Funds
Fund Balances		
Restricted for		
Victim's Fund	\$ 70,289	\$ 70,289
Total restricted	70,289	70,289
Unassigned	2,053,877	2,053,877
Total fund balances	\$ 2,124,166	\$ 2,124,166

Note 9 – Retirement Plan

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

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

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the

Town of Williston

Notes to Financial Statements Year Ended June 30, 2022

Note 9 – Pension Plan, continued

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 Description

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

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

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

Membership

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

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the

Town of Williston

Notes to Financial Statements Year Ended June 30, 2022

Note 9 – Pension Plan, continued

Membership, continued

Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key

elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

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

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

- PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of

Town of Williston

Notes to Financial Statements Year Ended June 30, 2022

Note 9 – Pension Plan, continued

Benefits, continued

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

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

Town of Williston

**Notes to Financial Statements
Year Ended June 30, 2022**

Note 9 – Pension Plan, continued

Contributions, continued

the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

Required employee contribution rates for fiscal year 2021-2022 are as follows:

	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contributions rates (1) are as follows:

	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>
SCRS		
Employer Class Two	16.41%	15.41%
Employer Class Three	16.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution (2)	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 Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

Town of Williston

Notes to Financial Statements Year Ended June 30, 2022

Note 9 – Pension Plan, continued

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2021, for SCRS and PORS are presented below.

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 55,131,579,363	\$ 33,490,305,970	\$ 21,641,273,393	60.7%
PORS	\$ 8,684,586,488	\$ 6,111,672,064	\$ 2,572,914,424	70.4%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' 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 Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Actuarial Assumptions

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

The June 30, 2021, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2021, 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 FY 2021 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 provided by Section 9-16-335 in South Carolina State Code.

Town of Williston

Notes to Financial Statements Year Ended June 30, 2022

Note 9 – Pension Plan, continued

Actuarial Assumptions, continued

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

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return (1)	7.00%	7.00%
Projected salary increases (1)	3.0% to 11% (varies by service) Lesser of 1% or \$500 annually	3.5% to 10.5% (varies by service) Lesser of 1% or \$500 annually
Benefit adjustments		

(1) Includes inflation at 2.25%

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. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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

Town of Williston

**Notes to Financial Statements
Year Ended June 30, 2022**

Note 9 – Pension Plan, continued

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 at the beginning of the 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 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	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity	9.0%	9.68%	0.87%
Private Debt	7.0%	5.47%	0.39%
Real Assets	12.0%		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
Total Expected Real Return	100.0%		5.18%
Inflations for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.43%

Town of Williston

Notes to Financial Statements Year Ended June 30, 2022

Note 9 – Pension Plan, continued

Discount Rate

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

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6 percent) or 1.00 percent higher (8 percent) than the current rate.

Sensitivity of the 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	\$ 924,552	\$ 705,832	\$ 524,030
PORS	\$ 849,508	\$ 585,516	\$ 369,265

Net Pension Liability

At June 30, 2022, the Town reported a net pension liability of \$705,832 and \$585,516 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively. The net pension liability was measured as of July 1, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportionate shares of the net pension liabilities were based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Town's proportionate shares of the SCRS and PORS plans were .003262 percent and .022757 percent respectively.

Pension Expense

For the year ended June 30, 2022, the Town recognized pension expense for the SCRS plan of \$(46,694). For the year ended June 30, 2022, the Town recognized pension expense for the PORS plan of \$57,653.

Town of Williston

Notes to Financial Statements Year Ended June 30, 2022

Note 9 – Pension Plan, continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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

For the SCRS plan, there were total deferred outflows of resources of \$167,811 consisting of differences between expected and actual experience of \$50,658, the net difference between projected and actual earnings on pension plan investments of \$52,032, changes in proportion and differences between employer contributions and proportionate share of contributions of \$0, and Town contributions subsequent to the measurement date of \$65,121. There were deferred inflows of resources of \$341,193 for the SCRS plan consisting of differences between expected and actual experience.

For the PORS plan, there were total deferred outflows of resources of \$256,788 consisting of differences between expected and actual experience of \$61,681, the net difference between projected and actual earnings on pension plan investments of \$64,481, changes in proportion and differences between employer contributions and proportionate share of contributions of \$62,550, and Town contributions subsequent to the measurement date of \$68,076. There were deferred inflows of resources of \$237,807 for the PORS plan consisting of differences between expected and actual experience.

The \$65,121 and \$68,076 reported as deferred outflows of resources resulting from the Town's contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2022 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2022.

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

For the SCRS plan, \$(82,770) will be recognized for the fiscal years 2023. For fiscal year 2024 \$(74,425) will be recognized. For fiscal year 2025 \$(42,941) will be recognized and \$(38,367) will be recognized in 2026.

For the PORS plan, \$(2,638) will be recognized for the fiscal years 2023. For fiscal year 2024 \$(4,398) will be recognized. For fiscal year 2025 \$2,223 will be recognized and \$(44,281) will be recognized in 2026.

Covered Payroll and Contributions

The payroll for Town employees covered by the SCRS totaled \$396,837 and \$368,684 for the year ended June 30, 2022 and 2021, while the payroll for PORS covered employees totaled \$361,339 and \$327,078, respectively.

The Town's contributions to SCRS and PORS are summarized as follows:

Town of Williston

Notes to Financial Statements Year Ended June 30, 2022

Note 9 – Pension Plan, continued

Covered Payroll and Contributions, continued

Year Ended	Employer			Employee		
	Percent	SCRS	PORS	Percent	SCRS	PORS
June 30, 2022	100%	\$ 65,121	\$ 68,076	100%	\$ 35,715	\$ 35,231
June 30, 2021	100%	\$ 56,814	\$ 58,351	100%	\$ 33,182	\$ 31,890
June 30, 2020	100%	\$ 66,799	\$ 54,066	100%	\$ 39,013	\$ 29,548

Note 10 – Post-Employment Benefits

As of June 30, 2022, the Town does not offer any post-employment retirement benefits to its employees.

Note 11 – Risk Management

The Town is exposed to various risks of loss relating to liability, theft or impairment of assets, errors or omissions, injuries to employees and natural disasters. Commercial liability and property insurance coverage is purchased to protect against losses from these risks. The Town does not maintain a self-insurance fund.

The Town pays premiums semi-annually to SCMIRF for its general insurance coverage. The SCMIRF is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event.

The Town also has joined together with other municipalities in the state to form the South Carolina Municipal Insurance Trust (SCMIT), a public entity risk pool operating as a common risk management and insurance program for workers' compensation. The Town pays premiums quarterly to SCMIT for its workers' compensation coverage. The SCMIT is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$2,000,000 for each insured event.

During the fiscal year ended June 30, 2022, the Town did not experience any significant uninsured claims. Accordingly, there was no liability or expense recorded for actual claims, and management does not believe any provision for unasserted claims is necessary.

Note 12 – Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Town of Williston

**Notes to Financial Statements
Year Ended June 30, 2022**

Note 13 – Subsequent Events

Subsequent events were evaluated through July 14, 2023, which is the date the financial statements were available to be issued.

Town of Williston

**Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund
Budget and Actual
Year Ended June 30, 2022**

		2022			
		Budgeted Amounts			
		Original	Final	Actual Amounts	Variance With Final Budget
Revenues					
Local option sales tax	\$	301,196	\$ 301,196	\$ 524,691	\$ 223,495
Licenses and permits		430,770	430,770	315,461	(115,309)
State shared revenue		76,314	76,314	57,035	(19,279)
Fines and forfeitures		35,000	35,000	19,977	(15,023)
Taxes		426,840	426,840	447,757	20,917
Grants		-	-	743,282	743,282
Interest income		100	100	959	859
Sanitation fees		200,464	200,464	194,337	(6,127)
Other revenue and appropriation of fund balance		141,119	141,119	89,838	(51,281)
Total revenues		1,611,803	1,611,803	2,393,337	781,534
Expenditures					
Current:					
Administrative		312,535	312,535	244,204	68,331
Police		805,151	805,151	832,015	(26,864)
Fire		69,997	69,997	127,846	(57,849)
Sanitation		168,323	168,323	204,448	(36,125)
Maintenance		93,271	93,271	85,679	7,592
Parks and recreations		47,616	47,616	58,701	(11,085)
Lights and beautification		86,100	86,100	116,559	(30,459)
Capital outlay		-	-	-	-
Debt service		28,810	28,810	28,810	-
Total expenditures		1,611,803	1,611,803	1,698,262	(86,459)
Excess of revenues over expenditures		-	-	695,075	695,075
Other Financing Sources (Uses)					
Transfers in (out)		-	-	-	-
Net change in fund balances		-	-	695,075	695,075
Fund balance, beginning of year		1,429,091	1,429,091	1,429,091	-
Fund Balance, end of year	\$	1,429,091	\$ 1,429,091	\$ 2,124,166	\$ 695,075

Town of Williston

**Schedule of Proportionate Share of the Net Pension Liability
Employee Pension Plan
Year Ended June 30, 2022**

System	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
SCRS					
2015	0.005525%	\$ 950,510	\$ 488,855	194.44%	59.90%
2016	0.005214%	\$ 988,860	\$ 545,274	181.35%	56.99%
2017	0.005892%	\$ 1,258,523	\$ 499,698	251.86%	52.90%
2018	0.004953%	\$ 1,115,000	\$ 477,421	233.55%	53.30%
2019	0.004607%	\$ 1,032,299	\$ 477,438	216.22%	54.10%
2020	0.004521%	\$ 1,032,400	\$ 433,477	238.17%	54.40%
2021	0.003885%	\$ 992,806	\$ 368,684	269.28%	50.70%
2022	0.003262%	\$ 705,832	\$ 396,837	177.86%	60.70%
PORS					
2015	0.02097%	\$ 401,455	\$ 261,237	154.00%	67.50%
2016	0.02095%	\$ 456,496	\$ 309,817	147.34%	64.57%
2017	0.02462%	\$ 624,582	\$ 322,463	193.69%	60.40%
2018	0.02395%	\$ 655,988	\$ 277,786	236.15%	60.90%
2019	0.021445%	\$ 607,657	\$ 332,377	182.82%	61.70%
2020	0.022915%	\$ 656,737	\$ 303,060	216.70%	62.70%
2021	0.020371%	\$ 675,546	\$ 327,078	206.54%	58.80%
2022	0.022757%	\$ 585,516	\$ 361,339	162.04%	70.40%

See Notes to Required Supplementary Information.

Schedule is intended to show information for 10 years.

Additional information will be displayed as they become available.

Town of Williston

**Schedule of Contributions to Employee Pension Plan
Year Ended June 30, 2022**

SCRS

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 65,121	\$ 56,814	\$ 66,799	\$ 68,799	\$ 64,022	\$ 57,016	\$ 59,489	\$ 52,552
Contributions in relation to the contractually required contribution	65,121	56,814	66,799	68,799	64,022	57,016	59,489	52,552
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 396,837	\$ 368,684	\$ 433,477	\$ 477,438	\$ 477,421	\$ 499,698	\$ 545,274	\$ 488,855
Contributions as a percentage of covered payroll	16.41%	15.41%	15.41%	14.41%	13.41%	11.41%	10.91%	10.75%

PORS

Contractually required contribution	\$ 68,076	\$ 58,351	\$ 54,066	\$ 55,972	\$ 44,001	\$ 44,629	\$ 41,329	\$ 33,987
Contributions in relation to the contractually required contribution	68,076	58,351	54,066	55,972	44,001	44,629	41,329	33,987
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 361,339	\$ 327,078	\$ 303,060	\$ 332,377	\$ 277,786	\$ 322,463	\$ 309,817	\$ 261,237
Contributions as a percentage of covered payroll	18.84%	17.84%	17.84%	16.84%	15.84%	13.84%	13.34%	13.01%

See Notes to Required Supplementary Information.
Schedule is intended to show information for 10 years.
Additional information will be displayed as they become available.

Town of Williston
Notes to Required Supplementary Information
June 30, 2022

Budgets and Budgetary Accounting

The approved budget and amendments are legally enacted through passage of an ordinance authorizing the Town Administrator to administer the budget and to transfer necessary appropriations among departments. Additional budget appropriations must be approved by Council.

The legal level of budget is at the fund level for the Town of Williston. The budgetary comparison schedule displays detail at the department level as additional information.

Net Pension Liability

	SCRS	PORS
Valuation date	July 1, 2019	July 1, 2019
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	5-year smoothed	5 yearer-smoothed
Amortization method	Level percent of payroll	Level percent of payroll
Remaining amortization period	28-year maximum, closed period	28- year maximum, closed period
Inflation rate	2.25%	2.25%
Projected salary increases	3.0% plus step-rate increases for memebbers with less than 21 years of service.	3.5% plus step-rate increases for memebbers with less than 15 years of service.
Investment rate of return	7.25%	7.25%
Mortality	The 2016 public retirees of South Carolina mortality tables for males and females, both projected at Scale AA from the year 2016. Male rates multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	The 2016 public retirees of South Carolina mortality tables for males and females, both projected at Scale AA from the year 2016. Male rates multiplied by 125% and female rates are multiplied by 111%.
Comment on the development of the actuarially determined and actual contribution rate	Contribution rate for fiscal year 2021 is determined in accordance with the Retirement System Funding and Administration Act of 2017.	Contribution rate for fiscal year 2021 is determined in accordance with the Retirement System Funding and Administration Act of 2017.

Town of Williston
Attachment S
Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96)
For Year Ended June 30, 2022

For the State Treasurer's Office:

Municipal Funds Collected by Clerk of Court

Court Fines and Assessments:

Court fines and assessments collected	\$ 12,534
Court fines and assessments remitted to State Treasurer	11,291
Total Court Fines and Assessments retained	1,243

Surcharges and Assessments retained for victim services:

Surcharges and assessments collected and retained	350
Assessments retained	881
Total Surcharges and Assessments retained for victim services	1,231

For the Department of Crime Victim Compensation (DCVC):

Victim Service Funds Collected

Carryforward from Previous Year - Beginning Balance	70,267
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Victim Service Revenue:

Victim Service Surcharges and Assessments Retained by Town	1,231
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	71,498

Expenditures for Victim Service Program:

Operating Expenditures	1,209
Total Expenditures from Victim Service Fund/Program (B)	1,209
Total Victim Service Funds Retained by Town (A-B)	70,289
Carryforward Funds - End of Year	\$ 70,289