

**TOWN OF DUE WEST**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**YEAR ENDED JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of Town Council  
Town of Due West  
Due West, South Carolina

### Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Due West, South Carolina (the "Town") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Due West as of June 30, 2023, and the respective changes in its 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. 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 Due West 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 opinion.

### Responsibilities of Management for the Financial Statements

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

To the Honorable Mayor and Members of Town Council  
Town of Due West  
March 5, 2024

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 Due West's ability to continue as a going concern within one year 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 opinion. 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 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, 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 Due West, 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 Due West, South Carolina's ability to continue as 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.

To the Honorable Mayor and Members of Town Council  
Town of Due West  
March 5, 2024

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Phillips CPAs and Advisors*

Greenville, South Carolina  
March 5, 2024

## Management's Discussion and Analysis

As management of the Town of Due West (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023.

### Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$2,377,618 (*net position*). Of this amount, \$(33,453) (*unrestricted net position*) is available to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$271,262.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$664,947 an increase of \$33,554 from the prior year.
- As of the close of the current fiscal year, the Town's proprietary fund reported an ending net position of \$1,670,681. This was a decrease of \$286,697 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$588,761, or 69 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.

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).

**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. All of the funds of the Town can be divided into two categories: governmental funds and the proprietary fund.

**Governmental funds.** *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 two 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 fund. Only the general fund is considered to be a major fund.

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.

**Proprietary fund.** The Town maintains one proprietary fund. The *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses the enterprise fund to account for its utility services provided to the Town's residents.

**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.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$2,377,618 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position (64 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 reserved for specific uses total \$894,318. The balance of unrestricted net position \$(33,453) represents the amount available to meet the government's ongoing obligations to citizens and creditors.

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The following table presents a summary of the Town's net position as of June 30, 2023, with comparative data for fiscal year 2022:

Town of Due West's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$ 700,254	\$ 648,930	\$ 1,364,332	\$ 1,489,882	\$ 2,064,586	\$ 2,138,812
Capital assets	469,494	477,644	1,047,259	1,188,363	1,516,753	1,666,007
<b>Total Assets</b>	<u>1,169,748</u>	<u>1,126,574</u>	<u>2,411,591</u>	<u>2,678,245</u>	<u>3,581,339</u>	<u>3,804,819</u>
<b>Deferred Outflows of Resources</b>	<u>86,638</u>	<u>112,250</u>	<u>95,870</u>	<u>81,495</u>	<u>182,508</u>	<u>193,745</u>
<b>Liabilities</b>						
Long-term liabilities outstanding	37,255	28,589	35,223	40,871	72,478	69,460
Other liabilities	35,307	17,537	235,027	207,212	270,334	224,749
Net pension liability	453,879	405,566	558,992	475,032	1,012,871	880,598
<b>Total Liabilities</b>	<u>526,441</u>	<u>451,692</u>	<u>829,242</u>	<u>723,115</u>	<u>1,355,683</u>	<u>1,174,807</u>
<b>Deferred Inflows of Resources</b>	<u>23,008</u>	<u>95,630</u>	<u>7,538</u>	<u>79,247</u>	<u>30,546</u>	<u>174,877</u>
<b>Net Position</b>						
Invested in capital assets, net of related debt	469,494	477,644	1,047,259	1,188,363	1,516,753	1,666,007
Restricted	32,902	37,388	861,416	921,097	894,318	958,485
Unrestricted	204,541	176,470	(237,994)	(152,082)	(33,453)	24,388
<b>Total Net Position</b>	<u>\$ 706,937</u>	<u>\$ 691,502</u>	<u>\$ 1,670,681</u>	<u>\$ 1,957,378</u>	<u>\$ 2,377,618</u>	<u>\$ 2,648,880</u>

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The following table shows a recap of revenues and expenses for fiscal year 2023, with comparative data for fiscal year 2022:

**Town of Due West's Statement of Activities**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2021</u>
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 282,995	\$ 295,237	\$ 1,616,313	\$ 1,577,482	\$ 1,899,308	\$ 1,872,719
General Revenues						
Taxes	134,821	214,618	-	-	134,821	214,618
Other	365,810	342,593	113,241	126,918	479,051	469,511
Total revenues	<u>783,626</u>	<u>852,448</u>	<u>1,729,554</u>	<u>1,704,400</u>	<u>2,513,180</u>	<u>2,556,848</u>
<b>Expenses</b>						
General Government	182,815	140,930	-	-	182,815	140,930
Public safety	657,528	677,142	-	-	657,528	677,142
Street and sanitation	33,410	29,280	-	-	33,410	29,280
Combined electric, water, and sewer utilities	<u>-</u>	<u>-</u>	<u>1,910,689</u>	<u>1,749,142</u>	<u>1,910,689</u>	<u>1,749,142</u>
Total expenses	<u>873,753</u>	<u>847,352</u>	<u>1,910,689</u>	<u>1,749,142</u>	<u>2,784,442</u>	<u>2,596,494</u>
<b>Change in net position before transfers</b>	(90,127)	5,096	(181,135)	(44,742)	(271,262)	(39,646)
<b>Transfers</b>	<u>105,562</u>	<u>(8,722)</u>	<u>(105,562)</u>	<u>8,722</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	15,435	(3,626)	(286,697)	(36,020)	(271,262)	(39,646)
<b>Net position beginning of year</b>	<u>691,502</u>	<u>695,128</u>	<u>1,957,378</u>	<u>1,993,398</u>	<u>2,648,880</u>	<u>2,688,526</u>
<b>Net position , end of year</b>	<u>\$ 706,937</u>	<u>\$ 691,502</u>	<u>\$ 1,670,681</u>	<u>\$ 1,957,378</u>	<u>\$ 2,377,618</u>	<u>\$ 2,648,880</u>

At the end of the current fiscal year, the Town is able to report positive balances in both categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government's net position decreased by \$271,262 during the current fiscal year.

**Governmental activities.** Governmental activities decreased the Town's net position by \$90,127 prior to transfers in of \$105,562 from the proprietary fund. This is due to expense in excess of revenue.

**Business-type activities.** Business-type activities decreased the Town's net position by \$181,135 prior to transfers out of \$105,562 to the general fund. This is due to expense in excess of revenue.

### **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, the total fund balance of \$647,923 consists of \$43,285 nonspendable, \$15,877 restricted, and \$588,761 unassigned.

The fund balance of the Town's general fund increased by \$32,765 during the current fiscal year. Expenditures exceeded revenues by \$72,797, the transfer in of PILOT revenues in the amount of \$105,562 from the utility fund resulted in a net increase in the fund balance.

### **Capital Asset Administration**

**Capital assets.** The Town's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$469,494 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, machinery, and equipment. The total decrease of \$8,150 in net capital assets is the net of asset additions of \$119,606, and depreciation expense of \$127,756.

Capital asset additions during the current fiscal year included the addition of assets in the police and fire departments of the Town.

The Town's investment in capital assets for its business-type activities as of June 30, 2023, amounts to \$1,047,259 (net of accumulated depreciation and related debt). The net decrease in capital assets of \$141,104 is the net of asset additions of \$34,401 and depreciation expense of \$175,505.

Additional information on the Town's capital assets can be found in the notes of this report.

**Long-term debt.** The long-term debt of the Town consists of accumulated vacation days payable. The activity in long-term debt can be found in the notes of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- Inflationary trends in the region compare favorably to national indices.

This was considered in preparing the Town's budget for the 2023 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 Due West, Post Office Box 278, Due West, South Carolina 29639.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

TOWN OF DUE WEST

STATEMENT OF NET POSITION  
JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash	\$ 545,951	\$ 67,705	\$ 613,656
Certificates of deposit	50,276	261,083	311,359
Receivables (net of allowance for uncollectibles)			
Utility billings	-	172,782	172,782
Other	3,279	-	3,279
Internal balances	14,095	(14,095)	-
Due from other governments	27,491	-	27,491
Prepays	43,285	15,441	58,726
Restricted assets			
Cash	15,877	848,249	864,126
Savings accounts	-	13,167	13,167
Capital assets (net of accumulated depreciation)			
Land	5,000	39,200	44,200
Buildings and system	20,556	963,252	983,808
Improvements other than buildings	-	6,540	6,540
Machinery and equipment	443,938	38,267	482,205
Total assets	1,169,748	2,411,591	3,581,339
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	86,638	95,870	182,508
Total deferred outflows of resources	86,638	95,870	182,508
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	35,307	183,735	219,042
Customer deposits	-	51,292	51,292
Noncurrent liabilities			
Due within one year	37,255	35,223	72,478
Net pension liability	453,879	558,992	1,012,871
Total liabilities	526,441	829,242	1,355,683
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	23,008	7,538	30,546
Total deferred inflows of resources	23,008	7,538	30,546
<b>NET POSITION</b>			
Net investment in capital assets	469,494	1,047,259	1,516,753
Restricted for victims' assistance	3,615	-	3,615
Restricted for Town Park	12,262	-	12,262
Restricted for Firemen's Fund	17,025	-	17,025
Restricted other	-	861,416	861,416
Unrestricted	204,541	(237,994)	(33,453)
Total net position	\$ 706,937	\$ 1,670,681	\$ 2,377,618

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

TOWN OF DUE WEST

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government</b>							
Governmental activities							
General government	\$ 182,815	\$ 232,673	\$ -	\$ -	\$ 49,858	\$ -	\$ 49,858
Police	475,915	19,847	-	-	(456,068)	-	(456,068)
Fire	181,613	-	-	-	(181,613)	-	(181,613)
Street and sanitation	33,410	30,475	-	-	(2,935)	-	(2,935)
Total governmental activities	873,753	282,995	-	-	(590,758)	-	(590,758)
Business-type activities							
Utility system	1,910,689	1,616,313	-	-	-	(294,376)	(294,376)
Total business-type activities	1,910,689	1,616,313	-	-	-	(294,376)	(294,376)
<b>Total primary government</b>	<b>\$ 2,784,442</b>	<b>\$ 1,899,308</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(590,758)</b>	<b>(294,376)</b>	<b>(885,134)</b>
General revenues							
Local taxes					134,821	-	134,821
State-shared revenues					28,924	-	28,924
Unrestricted investment earnings					369	1,232	1,601
Other revenues					336,517	112,009	448,526
Transfers					105,562	(105,562)	-
Total general revenues and transfers					606,193	7,679	613,872
Change in net position					15,435	(286,697)	(271,262)
Net position, beginning of year					691,502	1,957,378	2,648,880
Net position, end of year					<u>\$ 706,937</u>	<u>\$ 1,670,681</u>	<u>\$ 2,377,618</u>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

## **FUND FINANCIAL STATEMENTS**

**TOWN OF DUE WEST**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 528,927	\$ 17,024	\$ 545,951
Certificates of deposit	50,276	-	50,276
Receivables	3,279	-	3,279
Prepays	43,285	-	43,285
Due from utility system	14,095	-	14,095
Due from other governments	27,491	-	27,491
Restricted assets			
Cash	15,877	-	15,877
Total assets	<u>\$ 683,230</u>	<u>\$ 17,024</u>	<u>\$ 700,254</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable and accrued liabilities	\$ 35,307	\$ -	\$ 35,307
Total liabilities	<u>35,307</u>	<u>-</u>	<u>35,307</u>
Fund Balances			
Nonspendable	43,285	-	43,285
Restricted	15,877	17,024	32,901
Unassigned	588,761	-	588,761
Total fund balances	<u>647,923</u>	<u>17,024</u>	<u>664,947</u>
Total liabilities and fund balances	<u>\$ 683,230</u>	<u>\$ 17,024</u>	<u>\$ 700,254</u>

*The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.*

**TOWN OF DUE WEST**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

Fund Balance - Governmental Funds		\$ 664,947
Amounts reported for Governmental Activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.		
Cost of capital assets	2,870,681	
Accumulated depreciation	<u>(2,401,187)</u>	469,494
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.		
		(453,879)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	86,638	
Deferred inflows of resources related to pensions	<u>(23,008)</u>	63,630
Long-term liabilities, including bonds payable and capital lease obligations, are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds balance sheet. Long-term liabilities at yearend consist of:		
Compensated absences payable	<u>(37,255)</u>	<u>(37,255)</u>
<b>Total Net Position - Governmental Activities</b>		<b><u>\$ 706,937</u></b>



**TOWN OF DUE WEST**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Local option sales tax - rollback	\$ 91,948	\$ -	\$ 91,948
Local option sales tax - new	33,761	-	33,761
Licenses and permits	232,673	-	232,673
Accommodations tax	9,112	-	9,112
State-shared revenue	28,924	-	28,924
Fines	19,847	-	19,847
Interest	369	-	369
Other	12,275	6,226	18,501
Garbage collection	30,475	-	30,475
Victims' assistance reimbursement	557	-	557
Civic events	2,131	-	2,131
Grant revenue	312,803	-	312,803
Sale of property	2,525	-	2,525
Total revenues	<u>777,400</u>	<u>6,226</u>	<u>783,626</u>
<b>EXPENDITURES</b>			
Current			
Police	445,390	-	445,390
Fire	114,310	5,437	119,747
Street and sanitation	33,410	-	33,410
Administrative	137,481	-	137,481
Capital outlay	119,606	-	119,606
Total expenditures	<u>850,197</u>	<u>5,437</u>	<u>855,634</u>
Excess of Revenues Over (Under) Expenditures	<u>(72,797)</u>	<u>789</u>	<u>(72,008)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in from Utility Fund	109,617	-	109,617
Transfers out to Utility Fund	(4,055)	-	(4,055)
Total other financing sources	<u>105,562</u>	<u>-</u>	<u>105,562</u>
Net change in fund balances	32,765	789	33,554
<b>FUND BALANCE, beginning of year</b>	<u>615,158</u>	<u>16,235</u>	<u>631,393</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 647,923</u>	<u>\$ 17,024</u>	<u>\$ 664,947</u>

*The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.*

**TOWN OF DUE WEST**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

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

Net change in fund balances - total governmental funds	\$ 33,554
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.	(8,150)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(8,666)
Changes in the Town's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year for its participation in the State Retirement Plan are not reported in the governmental funds but are reported in the statement of activities.	<u>(1,303)</u>
Change in net position of governmental activities	<u>\$ 15,435</u>

TOWN OF DUE WEST

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Local option sales tax - rollback	\$ 100,357	\$ 100,357	\$ 91,948	\$ (8,409)
Local option sales tax - new	39,505	39,505	33,761	(5,744)
Licenses and permits	310,000	310,000	232,673	(77,327)
Accommodations tax	16,318	16,318	9,112	(7,206)
Franchise Fees	36,803	36,803	-	(36,803)
State-shared revenue	38,000	38,000	28,924	(9,076)
Fines and forfeitures	34,483	34,483	19,847	(14,636)
Interest	225	225	369	144
Other	6,719	6,719	12,275	5,556
Garbage collection	31,100	31,100	30,475	(625)
Victims' assistance reimbursement	-	-	557	557
Grants	319,453	319,453	312,803	(6,650)
Civic events	-	-	2,131	2,131
Fall festival	3,000	3,000	-	(3,000)
Sale of property	-	-	2,525	2,525
Total revenues	935,963	935,963	777,400	(158,563)
<b>EXPENDITURES</b>				
Current				
Police	483,908	483,908	445,390	38,518
Fire	83,466	83,466	114,310	(30,844)
Street and sanitation	50,500	50,500	33,410	17,090
Administrative	390,610	390,610	137,481	253,129
Capital outlay	48,000	48,000	119,606	(71,606)
Total expenditures	1,056,484	1,056,484	850,197	206,287
Excess of revenues (under) expenditures	(120,521)	(120,521)	(72,797)	47,724
<b>OTHER FINANCING SOURCES</b>				
Transfers in from Utility Fund	115,560	115,560	109,617	(5,943)
Transfers out to Utility Fund	-	-	(4,055)	(4,055)
Total other financing sources	115,560	115,560	105,562	(9,998)
Net change in fund balance	(4,961)	(4,961)	32,765	37,726
Fund balance, beginning of year	615,158	\$ 615,158	615,158	-
Fund balance, end of year	\$ 610,197	\$ 610,197	\$ 647,923	\$ 37,726

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

**TOWN OF DUE WEST**

**STATEMENT OF FUND NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2023**

**ASSETS**

Current Assets

Cash	\$ 67,705
Restricted cash	808,534
Certificates of deposit	261,083
Receivables (net of allowance for uncollectibles)	172,782
Prepays	15,441
Total current assets	<u>1,325,545</u>

Noncurrent Assets

Restricted	
Cash	39,715
Savings accounts	13,167
Capital assets (net of accumulated depreciation)	
Land	39,200
Buildings and system	963,252
Improvements other than buildings	6,540
Machinery and equipment	38,267
Total noncurrent assets	<u>1,100,141</u>
Total assets	<u>2,425,686</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows related to pensions	95,870
Total deferred outflows of resources	<u>95,870</u>

**LIABILITIES**

Current Liabilities

Accounts payable and other current liabilities	183,735
Due to General Fund	14,095
Customer deposits	51,292
Total current liabilities	<u>249,122</u>

Noncurrent Liabilities

Compensated absences	35,223
Net pension liability	558,992
Total noncurrent liabilities	<u>594,215</u>
Total liabilities	<u>843,337</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows related to pensions	7,538
Total deferred inflows of resources	<u>7,538</u>

**NET POSITION**

Net investment in capital assets	1,047,259
Restricted	861,416
Unrestricted	(237,994)
Total net position	<u>\$ 1,670,681</u>

*The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.*

**TOWN OF DUE WEST**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND  
NET POSITION - PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2023**

**OPERATING REVENUES**

Electric revenue	\$ 1,442,858
Sewer revenue	127,763
Penalties and fees	11,213
Street light rental	34,325
Other Income	154
Total operating revenues	<u>1,616,313</u>

**OPERATING EXPENSES**

Utility system	1,735,184
Depreciation	175,505
Total operating expenses	<u>1,910,689</u>
Operating (loss)	<u>(294,376)</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	1,232
Duke energy reserve	112,009
Total nonoperating revenues (expenses)	<u>113,241</u>
Income before operating transfers	(181,135)

**OPERATING TRANSFERS OUT**

	<u>(105,562)</u>
Change in net position	(286,697)
Net position, beginning of year	<u>1,957,378</u>
Net position, end of year	<u><u>\$ 1,670,681</u></u>

*The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.*

**TOWN OF DUE WEST**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 1,667,660
Payments to suppliers	(1,279,557)
Payments to employees	(434,023)
Net cash (used by) operating activities	<u>(45,920)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Operating transfers in, net	(105,562)
Duke Energy reserve	112,009
Net cash provided by noncapital financing activities	<u>6,447</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Purchase of property and equipment	(34,401)
Net cash (used by) capital and related financing activities	<u>(34,401)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income received	1,232
Short-term investments, net	(1,026)
Net cash provided by investing activities	<u>206</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS** (73,668)

**CASH AND CASH EQUIVALENTS, beginning of year** 1,002,789

**CASH AND CASH EQUIVALENTS, end of year** \$ 929,121

**Reconciliation of operating income to net cash provided by operating activities:**

Operating (loss)	\$ (294,376)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities (noncash items)	
Depreciation expense	175,505
Changes in assets and liabilities	
Decrease in accounts receivable	51,247
Decrease in prepaid expense	101
Increase in accounts payable and other current liabilities	27,715
Decrease in estimated liability for compensated absences	(5,648)
Increase in due to General Fund	1,560
Increase in customer deposit payable from restricted assets	100
Increase/(decrease) in deferred inflows/outflows- net pension liability	(86,084)
Increase in net pension liability	83,960
Total adjustments	<u>248,456</u>
Net cash (used by) operating activities	<u><u>\$ (45,920)</u></u>

*The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.*

## TOWN OF DUE WEST

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Reporting Entity**

The Town of Due West is a municipal corporation governed by an elected mayor and council. The Town of Due West provides the following services: public safety (police and fire) and sanitation, as well as electric and sewer utility services. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used to determine whether or not an organization is included in the financial statements are financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public service, and financing relationships. Based upon the application of these criteria, there are no component units that should be included along with the Town of Due West as part of the reporting entity.

The accounting policies of the Town of Due West conform to accounting principles generally accepted in the United States of America as applicable to governments.

The following is a summary of the more significant policies:

##### **Government-wide and Fund Financial Statements**

*Government-wide statements:* The statement of net position and the statement of activities display information about the primary government (the "Town"). These statements include the financial activities of the overall government. The effect of Interfund activity has been removed from these statements. These statements distinguish between the primary *governmental* and *business-type* activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

*Fund financial statements:* The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The Town reports the following major governmental fund:

*General Fund.* This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Town reports one major proprietary fund. This Fund accounts for the activities of the Town's sewer and electric services.

### **Measurement Focus, Basis of Accounting**

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

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after yearend.

Sales taxes, franchise fees and licenses are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds under general long-term debt are reported as other financing sources.

### **Proprietary Fund Financial Statements**

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as interest income, result from nonexchange transactions or ancillary activities.

### **Assets, Liabilities, and Net Position or Equity**

#### *Cash and Investments*

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are stated at cost, which approximates market value.

#### *Receivables and Payables*

Outstanding balances between funds are reported as "due to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

#### *Prepaid Items*

Payments made to vendors for services that will benefit periods beyond the end of the fiscal year are recorded as prepaid items.



### *Restricted Assets*

Restricted cash includes all fines, assessments, and surcharges retained by the Town for the purpose of victims' assistance required to be maintained in a separate account by the State of South Carolina. Customer deposits of the enterprise fund are classified as restricted assets on the balance sheet.

### *Capital Assets*

Capital assets, which include property, plant, and equipment, are reported in the governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Vehicles	5
Machinery and equipment	5-10

### *Compensated Absences*

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and salary-related payments including pension costs and employer's share of medicare and social security taxes are accrued when incurred and reported as a fund liability. Vacation and salary-related payments that are expected to be liquidated with expendable available financial resources are reported as a current liability. Amounts not expected to be liquidated with expendable available financial resources are reported as a noncurrent liability.

### *Long-term obligations*

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

## **Equity Classifications**

### *Government-wide Statements*

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

*Invested in capital assets, net of related debt* – consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, capital leases or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

*Restricted net position* – consists of net position with constraints placed on the use by either external groups such as creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation.

*Unrestricted net position* – All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt" are classified as unrestricted.

## Fund Equity

The Town reports fund balance classifications in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"). GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds.

The Town classifies governmental fund balances as follows:

*Nonspendable* – includes amounts that inherently cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

*Restricted* – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

*Committed* – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the Town Council, which is the highest level of decision making authority, before the end of the reporting period.

*Assigned* – includes amounts that are intended to be used for specific purposes as established by the Town Council or Town Mayor.

*Unassigned* – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories.

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

Below are the fund balance classifications for the governmental funds at June 30, 2023:

	General Fund	Other Governmental Fund	Total Governmental Fund
Fund Balances			
Nonspendable			
Prepaid Items	\$ 43,285	\$ -	\$ 43,285
Restricted			
Public Safety	3,615	-	3,615
Firemen's Fund	-	17,024	17,024
Town Park	12,262	-	12,262
Unassigned			
Other	588,761	-	588,761
Total Fund Balances	<u>\$ 647,923</u>	<u>\$ 17,024</u>	<u>\$ 664,947</u>

## Statement of Cash Flows

For purposes of the statement of cash flows, the Town's proprietary fund considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

## Estimates

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

## **NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **Budgetary Information**

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.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized in any of the funds.

#### *Due from Other Governments*

Amounts due from other Governments at June 30, 2023 consist of the following:

Due from State of South Carolina - General Fund:	
Franchise fee revenue	\$ 3,279
State shared revenue	27,491
Total General Fund	<u>\$ 30,770</u>

### **Deposits and Investments**

The State of South Carolina General Statutes permit the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

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

As of June 30, 2023, the Town had deposits as follows:

Deposits with financial institutions	<u>\$ 1,802,308</u>
--------------------------------------	---------------------

*Interest rate risk.* In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting its investments to demand deposits and investments with maturities ranging from six to twenty-four months.

*Concentration of credit risk.* The Town's investment policy currently does not involve investment in any individual issuers.

*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's policy is that all deposits in excess of federal insurance amounts be collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name. As of June 30, 2023, all deposits are either insured or fully collateralized.

**NOTE 3 – DETAILED NOTES ON ALL FUNDS****Capital Assets**

Capital asset activity for the year ended June 30, 2023 was as follows:

<b>Primary Government</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Total capital assets, not being depreciated	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Capital assets, being depreciated				
Buildings	219,182	-	-	219,182
Streetscape, machinery and equipment	<u>2,552,447</u>	<u>119,606</u>	<u>(25,554)</u>	<u>2,646,499</u>
Total capital assets, being depreciated	<u>2,771,629</u>	<u>119,606</u>	<u>(25,554)</u>	<u>2,865,681</u>
Less accumulated depreciation for				
Buildings	(192,019)	(6,607)	-	(198,626)
Streetscape, machinery and equipment	<u>(2,106,966)</u>	<u>(121,149)</u>	<u>25,554</u>	<u>(2,202,561)</u>
Total accumulated depreciation	<u>(2,298,985)</u>	<u>(127,756)</u>	<u>25,554</u>	<u>(2,401,187)</u>
Total capital assets, being depreciated, net	<u>472,644</u>	<u>(8,150)</u>	<u>-</u>	<u>464,494</u>
Governmental activities capital assets, net	<u>\$ 477,644</u>	<u>\$ (8,150)</u>	<u>\$ -</u>	<u>\$ 469,494</u>

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

<b>Governmental activities</b>	
General government	\$ 45,334
Police	20,556
Fire	<u>61,866</u>
Total depreciation expense - governmental activities	<u>\$ 127,756</u>

<b>Business-type activities</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 39,200	\$ -	\$ -	\$ 39,200
Total capital assets, not being depreciated	39,200	-	-	39,200
Capital assets, being depreciated				
Buildings	477,435	-	-	477,435
Improvements other than buildings	29,453	-	-	29,453
Electric system	556,347	19,210	-	575,557
Sewer system	2,558,426	15,191	-	2,573,617
Water system	22,500	-	-	22,500
Machinery and equipment	857,833	-	-	857,833
Total capital assets, being depreciated	4,501,994	34,401	-	4,536,395
Less accumulated depreciation for				
Buildings	(183,420)	(11,964)	-	(195,384)
Improvements other than buildings	(22,399)	(514)	-	(22,913)
Electric system	(499,483)	(5,784)	-	(505,267)
Sewer system	(1,875,451)	(87,255)	-	(1,962,706)
Water system	(22,500)	-	-	(22,500)
Machinery and equipment	(749,578)	(69,988)	-	(819,566)
Total accumulated depreciation	(3,352,831)	(175,505)	-	(3,528,336)
Total capital assets, being depreciated, net	1,234,239	(141,104)	-	1,093,135
Business-type activities, capital assets, net	\$ 1,188,363	\$ (141,104)	\$ -	\$ 1,047,259

In proprietary funds, the following estimated useful lives are used to compute depreciation:

Electric service	25 - 33 years
Sewer service	10 - 40 years
Water service	33 years
Service vehicles	3 - 10 years
Equipment	5 - 10 years

### Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023 is as follows:

Due to/from other funds:		
Receivable Fund	Payable Fund	Amount
General	Utility	\$ 14,095

### Long-term Debt

The following is a summary of the change in long-term debt owed by the Town during the year ended June 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Compensated absences	\$ 28,589	\$ 8,666	\$	\$ 37,255	\$ -
Governmental activity					
Long-term liabilities	<u>\$ 28,589</u>	<u>\$ 8,666</u>	<u>\$ -</u>	<u>\$ 37,255</u>	<u>\$ -</u>
<b>Business-type activities</b>					
Compensated absences	\$ 40,871	\$	\$ (5,648)	\$ 35,223	\$ -
Business-type activity					
Long-term liabilities	<u>\$ 40,871</u>	<u>\$ -</u>	<u>\$ (5,648)</u>	<u>\$ 35,223</u>	<u>\$ -</u>

#### **NOTE 4 – OTHER INFORMATION**

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit 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, and eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

#### **Plan Descriptions**

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

- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly. 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 Sections 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.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

## **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 first-term individuals elected to the South Carolina General Assembly. 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.
- State ORP – As an alternative to membership in SCRS, newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent) a direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective membership prior to July 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

## **Benefits**

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



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

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of 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 requirements, 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 July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

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

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 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. The Retirement Funding and Administrative Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.



Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuation of the plan. Finally, under the revised statute, the contribution rates for SCRS and POST may not be decreased until the plans are at least 85 percent funded.

Required employee contribution rates<sup>1</sup> are as follows:

	Fisal Year 2023 <sup>1</sup>	Fisal Year 2022 <sup>1</sup>
<b>SCRS</b>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<b>State ORP</b>		
Employee	9.00%	9.00%
<b>PORS</b>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates<sup>1</sup> are as follows:

	Fisal Year 2023 <sup>1</sup>	Fisal Year 2022 <sup>1</sup>
<b>SCRS</b>		
Employer Class Two	17.41%	16.41%
Employer Class Three	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>State ORP</b>		
Employer Contrubution <sup>2</sup>	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>PORS</b>		
Employer Class Two	19.84%	18.84%
Employer Class Three	19.84%	18.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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

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

## Actuarial Assumptions and Methods

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 and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022:

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return <sup>1</sup>	7.00%	7.00%
Projected salary increases	3.0% to 11% (varies by service) <sup>1</sup>	3.5% to 10.5% (varies by service) <sup>1</sup>
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
<sup>1</sup> 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.

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

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

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

At June 30, 2023, the Town reported a liability of \$1,012,871 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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 proportion of the net pension liability was 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 members, actuarially determined.

For the year ended June 30, 2023, the Town recognized pension expense totaling \$97,011, which consisted of contributions to the System of \$97,832 and decreases in expense of \$821, as a result of the increase in the net pension liability related to GASB 68 requirements. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences between expected and actual experience	\$ 4,857	\$ 2,436
Assumption changes	17,928	-
Net difference between projected and actual earnings on pension plan investments	862	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	18,980	5,102
Town contributions subsequent to the measurement date	53,243	-
Total SCRS	95,870	7,538
<b>PORS</b>		
Differences between expected and actual experience	7,615	8,972
Assumption changes	18,900	-
Net difference between projected and actual earnings on pension plan investments	1,370	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	14,164	14,036
Town contributions subsequent to the measurement date	44,589	-
Total PORS	86,638	23,008
Total SCRS and PORS	\$ 182,508	\$ 30,546

\$97,832 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2023	\$ 15,021	\$ 15,133	\$ 30,154
2024	13,462	5,825	19,287
2025	(7,972)	(19,557)	(27,529)
2026	14,578	17,640	32,218
Total	\$ 35,089	\$ 19,041	\$ 54,130

### Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that system's fiduciary net position. NPL totals, as of June 30, 2022, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Position Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 56,454,779,872	\$ 32,212,626,932	\$ 24,242,152,940	57.1%
PORS	8,937,686,946	5,938,707,767	2,998,979,179	66.4%

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 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

### Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 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 on the following page. 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.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity <sup>1</sup>	9.0%	8.75%	0.79%
Private Debt <sup>1</sup>	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate <sup>1</sup>	9.0%	4.12%	0.37%
Infrastructure <sup>1</sup>	3.0%	5.88%	0.18%
Total Expected Real Return <sup>2</sup>	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
			7.04%

<sup>1</sup> RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Estate exceeds 30 percent of total plan assets.

<sup>2</sup> Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

### 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 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%)	Current Discount Rate (7%)	1.00% Increase (8%)
SCRS	\$ 716,696	\$ 558,992	\$ 427,881
PORS	\$ 632,907	\$ 453,879	\$ 307,328

## Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2022 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2022.

### **NOTE 5 – OTHER ITEMS**

#### **Other Post-Employment Benefits**

At June 30, 2023, the Town does not provide employees with any post-employment benefits other than retirement.

#### **Economic Dependency**

The Utility System Enterprise Fund receives approximately forty-one percent of its operating revenue from one major customer, Erskine College.

#### **Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has joined together with other municipalities in the state to form the South Carolina Local Government Assurance Group (SCLGAG), which is a public entity risk pool currently operating as a common risk management and insurance program.

The Town pays a monthly premium to SCLGAG for its employee health, life and dental insurance coverage. The SCLGAG is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 for each insured event. For claims in excess of \$40,000 but less than \$100,000, the "stop loss" insurance is pooled with other members.

The Town also carries commercial insurance through the State of South Carolina Insurance Reserve Fund for its general liability insurance and through the State Accident Fund for its workers' compensation insurance. The Town pays annual premiums for these coverages. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

### **NOTE 6 – SUBSEQUENT EVENTS**

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF DUE WEST**

**SCHEDULE OF PENSION PLAN CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM  
LAST NINE FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>SCRS</u>									
Contractually required contribution	\$ 53,243	\$ 45,057	\$ 38,236	\$ 37,985	\$ 34,562	\$ 30,960	\$ 26,067	\$ 24,656	\$ 21,507
Contributions in relation to the contractually required contribution	(53,243)	(45,057)	(38,236)	(37,985)	(34,562)	(30,960)	(26,067)	(24,656)	(21,507)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 305,817	\$ 274,570	\$ 248,128	\$ 246,498	\$ 239,848	\$ 230,874	\$ 228,460	\$ 225,990	\$ 200,069
Contributions as a percentage of covered-employee payroll	17.4%	16.4%	15.4%	15.4%	14.4%	13.4%	11.4%	10.9%	10.7%
	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>PORS</u>									
Contractually required contribution	\$ 44,589	\$ 45,125	\$ 42,285	\$ 41,608	\$ 34,661	\$ 32,085	\$ 27,497	\$ 26,501	\$ 23,676
Contributions in relation to the contractually required contribution	(44,589)	(45,125)	(42,285)	(41,608)	(34,661)	(32,085)	(27,497)	(26,501)	(23,676)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 224,744	\$ 239,517	\$ 237,025	\$ 233,229	\$ 205,823	\$ 202,555	\$ 198,679	\$ 198,658	\$ 181,985
Contributions as a percentage of covered-employee payroll	19.8%	18.8%	17.8%	17.8%	16.8%	15.8%	13.8%	13.3%	13.0%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

**TOWN OF DUE WEST**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM**  
**LAST NINE FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>SCRS</b>									
Town's proportion of the net pension liability	0.002%	0.002%	0.002%	0.002%	0.002%	0.002%	0.002%	0.002%	0.002%
Town's proportionate share of the net pension liability	\$ 558,992	\$ 475,032	\$ 564,562	\$ 518,643	\$ 499,205	\$ 509,663	\$ 498,539	\$ 410,982	\$ 368,437
Town's covered-employee payroll	\$ 274,570	\$ 248,128	\$ 246,498	\$ 239,848	\$ 230,874	\$ 228,460	\$ 225,990	\$ 200,069	\$ 194,446
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	203.6%	191.5%	229.0%	216.2%	216.2%	223.1%	220.6%	205.4%	189.5%
Plan fiduciary net position as a percentage of the total pension liability	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%
<b>PORS</b>									
Town's proportion of the net pension liability	0.015%	0.015%	0.015%	0.014%	0.015%	0.015%	0.016%	0.015%	0.014%
Town's proportionate share of the net pension liability	\$ 453,879	\$ 405,566	\$ 511,991	\$ 406,682	\$ 414,658	\$ 404,167	\$ 395,259	\$ 337,451	\$ 307,093
Town's covered-employee payroll	\$ 239,517	\$ 237,025	\$ 233,229	\$ 205,823	\$ 202,555	\$ 198,679	\$ 198,658	\$ 181,985	\$ 192,728
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.5%	171.1%	219.5%	197.6%	204.7%	203.4%	199.0%	185.4%	159.3%
Plan fiduciary net position as a percentage of the total pension liability	66.4%	70.4%	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.



**TOWN OF DUE WEST**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

**Method and Assumptions Used in Calculations of Actuarially Determined Contributions:** The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, 2022, one year prior to the end of the fiscal year in which contributions are reported. The actuarial methods and assumptions used to determine the contractually required contributions for the year ended June 30, 2023 reported in that schedule can be found in Note 4 of the basic financial statements.

## **SUPPLEMENTARY INFORMATION**

**TOWN OF DUE WEST**

**GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>POLICE DEPARTMENT</b>				
Salaries	\$ 245,000	\$ 245,000	\$ 232,190	\$ 12,810
Payroll taxes	18,743	18,743	17,147	1,596
Retirement	52,038	52,038	43,373	8,665
Health and life insurance	46,030	46,030	42,047	3,983
General insurance	24,000	24,000	28,604	(4,604)
Professional fees	3,500	3,500	3,967	(467)
Utilities	2,300	2,300	2,276	24
Vehicle operations	23,500	23,500	21,373	2,127
Telephone	4,750	4,750	4,694	56
Uniforms and clothing	3,500	3,500	1,298	2,202
SC fine fees	14,000	14,000	6,591	7,409
Victims' assistance transfer	3,800	3,800	3,423	377
Supplies	2,500	2,500	2,363	137
Other Court Expenditures	5,550	5,550	280	5,270
Training	2,500	2,500	356	2,144
Jail detention	2,500	2,500	300	2,200
Software maintenance	3,500	3,500	2,950	550
Other expenditures	9,500	9,500	16,630	(7,130)
Municipal judge	14,697	14,697	15,368	(671)
Jury expenditures	500	500	160	340
Capital Outlay	-	-	37,998	(37,998)
Building improvements	1,500	1,500	-	1,500
Total police department	<u>483,908</u>	<u>483,908</u>	<u>483,388</u>	<u>520</u>
<b>FIRE DEPARTMENT</b>				
Salaries	12,719	12,719	12,273	446
Payroll taxes	973	973	939	34
Retirement	1,024	1,024	964	60
General insurance	13,750	13,750	16,465	(2,715)
Dues and subscriptions	1,500	1,500	1,264	236
Vehicle operations	19,000	19,000	46,126	(27,126)
OSHA physicals	5,500	5,500	5,007	493
Supplies and chemicals	1,500	1,500	893	607
Utilities	3,500	3,500	3,398	102
Miscellaneous	3,500	3,500	2,662	838
Other equipment and improvements	20,000	20,000	24,319	(4,319)
Fire truck savings	500	500	-	500
Capital outlay	48,000	48,000	60,806	(12,806)
Total fire department	<u>131,466</u>	<u>131,466</u>	<u>175,116</u>	<u>(43,650)</u>
<b>STREET AND SANITATION</b>				
Garbage collection	45,500	45,500	33,410	12,090
Sidewalk repairs	5,000	5,000	-	5,000
Total street and sanitation	<u>50,500</u>	<u>50,500</u>	<u>33,410</u>	<u>17,090</u>
<b>ADMINISTRATIVE</b>				
Salaries - mayor/council	6,000	6,000	5,200	800
Payroll taxes	963	963	377	586
Retirement	1,303	1,303	106	1,197
General insurance	12,000	12,000	10,040	1,960
Office supplies	1,000	1,000	1,073	(73)
Election	1,500	1,500	247	1,253
Town park	2,000	2,000	7,065	(5,065)
Zoning review	1,000	1,000	-	1,000
Advertising	800	800	1,795	(995)
Travel and business	2,000	2,000	391	1,609
Dues and subscriptions	2,200	2,200	1,305	895
Administrator	6,591	6,591	-	6,591
Civic events	4,000	4,000	1,922	2,078
Professional fees	10,300	10,300	8,655	1,645
MASC meeting	2,500	2,500	240	2,260
Fall festival	3,000	3,000	5,423	(2,423)
Building Improvements	6,000	6,000	4,543	1,457
Grant Expense	300,953	300,953	66,647	234,306
Capital Outlay	-	-	20,802	(20,802)
Other expenditures	26,500	26,500	22,452	4,048
Total administrative	<u>390,610</u>	<u>390,610</u>	<u>158,283</u>	<u>232,327</u>
<b>TOTAL DEPARTMENTAL EXPENDITURES</b>	<u>\$ 1,056,484</u>	<u>\$ 1,056,484</u>	<u>\$ 850,197</u>	<u>\$ 206,287</u>

TOWN OF DUE WEST

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS  
AND SURCHARGES (per ACT 96)  
YEAR ENDED JUNE 30, 2023

**FOR THE STATE TREASURER'S OFFICE**

COUNTY/MUNICIPAL FUNDS COLLECTED BY THE CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
<b>Court Fines and Assessments</b>				
Court fines and assessments collected	\$ -	\$ -	\$ 7,235	\$ 7,235
Court fines and assessments remitted to State Treasurer	-	-	6,591	6,591
<b>Total Court Fines and Assessments Retained</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644</u>	<u>\$ 644</u>
<b>Surcharges and Assessments Retained for Victim Services</b>				
Surcharges collected and retained	\$ -	\$ -	\$ 121	\$ 121
Assessments retained	-	-	523	523
<b>Total Surcharges and Assessments Retained for Victim Services</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644</u>	<u>\$ 644</u>

**FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)**

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
<b>Carryforward from Previous Year - Beginning Balance</b>	\$ 10,946	\$ -	\$ 10,946
<b>Victim Service Revenue</b>			
Victim Service fines retained by Town/County Treasurer	-	-	-
Victim Service assessments retained by Town/County Treasurer	523	-	523
Victim Service surcharges retained by Town/County Treasurer	121	-	121
Interest earned	-	-	-
Grant funds received	-	-	-
Grant from:	-	-	-
General funds transferred to Victim Service Fund	-	-	-
<b>Contribution Received from Victim Service Contracts</b>	-	-	-
(1) Town of	-	-	-
(2) Town of	-	-	-
(3) Town of	-	-	-
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	<u>\$ 11,590</u>	<u>\$ -</u>	<u>\$ 11,590</u>

TOWN OF DUE WEST

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS  
AND SURCHARGES (per ACT 96) - Continued  
YEAR ENDED JUNE 30, 2023

	<u>Municipal</u>	<u>County</u>	<u>Total</u>
<b>Expenditures for Victim Service Program</b>			
Salaries and benefits	\$ -	\$ -	\$ -
Operating expenditures	7,975	-	7,975
<b>Victim Service Contract(s)</b>	-	-	-
(1) Entity's name	-	-	-
(2) Entity's name	-	-	-
<b>Victim Service Donation(s)</b>	-	-	-
(1) Domestic Violence Shelter	-	-	-
(2) Rape Crisis Center	-	-	-
(3) Other local direct crime victims service agency	-	-	-
Transferred to General Fund	-	-	-
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	<u>7,975</u>	<u>-</u>	<u>7,975</u>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	3,615	-	3,615
Less: Prior Year Fund Deficit Repayment	-	-	-
<b>Carryforward Funds - End of Year</b>	<u><u>\$ 3,615</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,615</u></u>