

TOWN OF EUTAWVILLE
BASIC FINANCIAL STATEMENTS
AND
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023**

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REQUIRED SUPPLEMENTARY INFORMATION
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PARTNERSC.C. McGregor, CPA
1906–1968G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA*W.C. Stevenson, CPA
*B.T. Kight, CPAD.L. Richardson, CPA
E.C. Inabinet, CPAS.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA
D.K. Strickland, CPAJ.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hindsee, CPA
G.P. Davis, CPA
H.O. Crider, Jr, CPA**ASSOCIATES**V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPAH.S. Mims, CPA
C.W. Bolen, CPA
W.C. Sanders, CPAC.L.T. Valentine, CPA
C.B. Gamble, CPA
L.A. Wetherell, CPA

*Active Retired

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Town Council
Town of Eutawville, 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 Eutawville, South Carolina as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Eutawville, 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 Eutawville, South Carolina, as of December 31, 2023, and the respective budgetary comparison for the General Fund 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 Eutawville, 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 Eutawville, 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.

COLUMBIA3830 FOREST DRIVE | PO BOX 135 | COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299**ORANGEBURG**1190 BOULEVARD STREET | ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020**BARNWELL**340 FULDNER ROAD | PO BOX 1305 | BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

INDEPENDENT AUDITOR'S REPORT (continued)

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 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 Eutawville, 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 Eutawville, 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, the schedule of the Town's proportionate share of the net pension liability (SCRS) and (PORS), and the schedule of the Town's contributions (SCRS) and (PORS) 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 Eutawville, South Carolina's basic financial statements. The individual fund schedules and the additional schedule of court fines, assessments, and surcharges – victims' rights funds 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

INDEPENDENT AUDITOR'S REPORT

(continued)

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules and the additional schedule of court fines, assessments, and surcharges – victims' rights funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2024 on our consideration of the Town of Eutawville, 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 Eutawville, 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 Eutawville, South Carolina's internal control over financial reporting and compliance.

McGregor & Co. LLP

Orangeburg, South Carolina
August 21, 2024

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

As Mayor for the Town of Eutawville, we present this overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2023. This overview is to be read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

As of December 31, 2023, the government-wide assets and deferred outflows of the Town of Eutawville exceeded its liabilities and deferred inflows by \$1,158,856.

Also, as of December 31, 2023, unassigned fund balance of the General Fund was \$213,626, or 43% of total General Fund annual expenditures. This represents traditional fund balance reserve that may be utilized for emergencies, liquidity, unforeseen needs, and overall financial strength.

On the government-wide basis for business-type activities, the Town had program revenues, net of expenses and general revenues, of \$(31,672).

On the government-wide basis for governmental activities, the Town had program revenues, net of program expenses and general revenues, of \$(46,382).

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 basic 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 private-sector business.

The Statement of Net Position presents information on all of the Town's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases and 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 Town's net position changed during the fiscal year. All changes in net position are reported when 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 (i.e., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through usage fees and charges (business-type activities). The governmental activities of the Town include general government and administration, police protection, and the public works department. The business-type activities include Water operations. The government-wide financial statements can be found on pages 10 through 11 of this report.

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

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 financial-related legal requirements. The funds of the Town can be divided into two categories – governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses 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 financial 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 near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 three governmental funds. Information is presented in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Special Revenue- ARPA Funds, and Special Revenue Fund–Victims' Rights Fund. The basic governmental funds financial statements can be found on pages 12 through 15.

The budget to actual schedule also presents certain information concerning the Town's General Fund budget versus actual revenues and expenditures. This information can be found on page 19.

Proprietary Funds – The Town maintains one type of proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the proprietary fund to account for its water operations. The Proprietary Fund statements are found on pages 16 through 18.

Notes to the Basic 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. The notes to the basic financial statements can be found on pages 20 through 43.

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

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 of Eutawville, assets and deferred outflows exceeded liabilities and deferred inflows by \$1,158,856 at December 31, 2023.

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

**Condensed Statement of Net Position
(in thousands)
December 31, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current Assets	\$ 246	\$ 366	\$ 84	\$ 100	\$ 330	\$ 466
Non-Current Assets	137	25	33	33	170	58
Capital Assets (net)	<u>699</u>	<u>716</u>	<u>420</u>	<u>439</u>	<u>1,119</u>	<u>1,155</u>
Total Assets	<u>1,082</u>	<u>1,107</u>	<u>537</u>	<u>572</u>	<u>1,619</u>	<u>1,679</u>
Deferred Outflows of Resources	<u>78</u>	<u>105</u>	<u>-</u>	<u>-</u>	<u>78</u>	<u>105</u>
Current Liabilities	26	17	26	26	52	43
Non-Current Liabilities	<u>330</u>	<u>361</u>	<u>130</u>	<u>133</u>	<u>460</u>	<u>494</u>
Total Liabilities	<u>356</u>	<u>378</u>	<u>156</u>	<u>159</u>	<u>512</u>	<u>537</u>
Deferred Inflows of Resources	<u>26</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>26</u>	<u>10</u>
Net Position:						
Invested in Capital Assets	699	716	320	336	1,019	1,052
Restricted	139	153	33	33	172	186
Unrestricted	<u>(60)</u>	<u>(45)</u>	<u>28</u>	<u>44</u>	<u>(32)</u>	<u>(1)</u>
Total Net Position	<u>\$ 778</u>	<u>\$ 824</u>	<u>\$ 381</u>	<u>\$ 413</u>	<u>\$ 1,159</u>	<u>\$ 1,237</u>

The following significant current year transaction had an impact on the Statement of Net Position:

- Depreciation expense of \$86,987 reflected in the government-wide financial statements.

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

The Town's Governmental Activities had a decrease in net position in the amount of \$46,382 and Business-Type Activities had a decrease in net position in the amount of \$31,672 for a government-wide total decrease in net position of \$78,054.

**Condensed Statement of Activities
(in thousands)
For the Years Ended
December 31, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue						
Program revenues:						
Charges for services	\$ 163	\$ 195	\$ 124	\$ 131	\$ 287	\$ 326
Operating Contributions	-	55	-	-	-	55
Capital Contributions	15	17	-	-	15	17
General revenues:						
Property tax	105	101	-	-	105	101
Franchise fees	27	26	-	-	27	26
State shared revenue and sales tax	20	85	-	-	20	85
Other general revenues	94	92	-	-	94	92
Transfer	72	45	(72)	(45)	-	-
Gain (loss) of sale of capital assets	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total Revenue	<u>497</u>	<u>616</u>	<u>52</u>	<u>86</u>	<u>549</u>	<u>702</u>
Program expenses						
Administration	274	315	-	-	274	315
Police Department	269	272	-	-	269	272
Interest	-	-	6	6	6	6
Water and Sewer	<u>-</u>	<u>-</u>	<u>78</u>	<u>87</u>	<u>78</u>	<u>87</u>
Total Expenses	<u>543</u>	<u>587</u>	<u>84</u>	<u>93</u>	<u>627</u>	<u>680</u>
Change in Net Position	<u>\$ (46)</u>	<u>\$ 29</u>	<u>\$ (32)</u>	<u>\$ (7)</u>	<u>\$ (78)</u>	<u>\$ 22</u>

BUDGETARY HIGHLIGHTS

General Fund

The Town realized a decrease in the General Fund fund balance of \$949. Revenues were \$21,098 less than budgeted amounts. Expenditures were less than the budget by \$82,158.

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

Water Fund

The Water Fund realized a decrease of \$31,672 in its net position.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: At December 31, 2023, the Town had invested \$2,173,074 in capital assets, including land, buildings, construction in process, police equipment, water system, other furniture and equipment, and land improvements. Accumulated depreciation as of December 31, 2023, totaled \$1,054,019, and included \$86,987 in depreciation expense for the year.

The following schedule presents capital asset balances, net of depreciation, for the fiscal year ended December 31, 2023.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land and construction in progress	\$ 195,868	\$ 200	\$ 196,068
Buildings and improvements	358,713	-	358,713
Furniture and equipment	102,690	-	102,690
Vehicles	41,912	-	41,912
Water system	<u>-</u>	<u>419,672</u>	<u>419,672</u>
Total	<u>\$ 699,183</u>	<u>\$ 419,872</u>	<u>\$ 1,119,055</u>

Additional information on the Town's capital assets can be found in Note 4 of this report.

Debt Administration: At December 31, 2023, the Town had one revenue bond related to its business-type activities outstanding, of which \$3,509 is due within one year. Additional information on the Town's long-term debt can be found in Note 6 of this report.

ECONOMIC FACTORS

The Town has decided the tax millage will remain at 84.11 mills.

FUTURE DEVELOPMENTS

The Town is looking into the possibility of providing a sewer system for the Town's businesses and residents.

ECONOMIC OUTLOOKS

With increased growth in the Santee area, the Town of Eutawville looks to benefit economically from this new development. Growth in the Berkeley County area will also potentially start moving into areas affecting the Town.

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

CONTACTING THE TOWN'S MANAGEMENT

This financial report is designed to provide our citizens, grantors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the resources it receives. If you have any questions about this report or need additional information, contact the Town Clerk, Town of Eutawville, South Carolina, P.O. Box 372, Eutawville, SC 29048 (Telephone 803-492-3374).

BASIC FINANCIAL STATEMENTS

TOWN OF EUTAWVILLE, SOUTH CAROLINA
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 178,556	\$ 61,932	\$ 240,488
Receivables:			
Current taxes	28,749	-	28,749
Delinquent taxes	4,265	-	4,265
Customer receivables	-	37,558	37,558
Due from County-CPST funds	3,043	-	3,043
Grants receivable	15,369	-	15,369
Internal balances	15,341	(15,341)	-
Total Current Assets	245,323	84,149	329,472
Non-Current Assets:			
Restricted Assets:			
Cash and investments	137,137	33,365	170,502
Capital assets (net)	699,183	419,872	1,119,055
Total Non-Current Assets	836,320	453,237	1,289,557
TOTAL ASSETS	1,081,643	537,386	1,619,029
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	77,812	-	77,812
LIABILITIES			
Current Liabilities:			
Accounts payable and other accrued expenses	25,414	3,267	28,681
Customer deposits	500	19,585	20,085
Revenue bonds payable - current	-	3,509	3,509
Total Current Liabilities	25,914	26,361	52,275
Non-Current Liabilities:			
Net pension liability	330,283	-	330,283
Revenue bonds payable, Net of current portion	-	129,822	129,822
Total Non-Current Liabilities	330,283	129,822	460,105
TOTAL LIABILITIES	356,197	156,183	512,380
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	25,605	-	25,605
NET POSITION			
Net investment in capital assets	699,183	319,906	1,019,089
Restricted	138,655	33,365	172,020
Unrestricted	(60,185)	27,932	(32,253)
TOTAL NET POSITION	\$ 777,653	\$ 381,203	\$ 1,158,856

See Accompanying Notes to the Basic Financial Statements.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		Total
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Administrative	\$ 273,926	\$ 110,579	\$ -	\$ 15,369	\$ (147,978)	\$ -	\$ (147,978)
Police department	269,386	52,148	-	-	(217,238)	-	(217,238)
Total Governmental Activities	543,312	162,727	-	15,369	(365,216)	-	(365,216)
Business-Type Activities							
Water	78,515	124,428	-	-	-	45,913	45,913
Interest on long-term debt	5,585	-	-	-	-	(5,585)	(5,585)
Total Business-Type Activities	84,100	124,428	-	-	-	40,328	40,328
Total Government	\$ 627,412	\$ 287,155	\$ -	\$ 15,369	(365,216)	40,328	(324,888)
General Revenues and Transfers:							
Taxes:							
Property taxes, levied for general purposes					104,940	-	104,940
Sales tax					8,460	-	8,460
State shared revenue					10,794	-	10,794
Franchise fees					27,477	-	27,477
Interest income					85	-	85
Rent					57,489	-	57,489
Miscellaneous					36,539	-	36,539
Gain(loss) on sale of assets					1,050	-	1,050
Transfers					72,000	(72,000)	-
Total General Revenues and Transfers					318,834	(72,000)	246,834
Change in Net Position					(46,382)	(31,672)	(78,054)
Net Position - Beginning of Year					824,035	412,875	1,236,910
Net Position - End of Year					\$ 777,653	\$ 381,203	\$ 1,158,856

TOWN OF EUTAWVILLE, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	American Recovery Plan Act Fund	Non-major Fund Victims' Rights Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 178,556	\$ -	\$ -	\$ 178,556
Property Taxes Receivable	28,749	-	-	28,749
Due from County CPST	3,043	-	-	3,043
Grants Receivable	15,369	-	-	15,369
Delinquent Taxes Receivable	4,265	-	-	4,265
Due from Other Fund	15,341	-	-	15,341
Restricted Cash and Cash Equivalents	-	111,629	25,508	137,137
TOTAL ASSETS	\$ 245,323	\$ 111,629	\$ 25,508	\$ 382,460
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 18,930	\$ -	\$ -	\$ 18,930
Wages & Benefits Payable	6,484	-	-	6,484
Rental Security Deposits	500	-	-	500
Total Liabilities	25,914	-	-	25,914
Deferred Inflows of Resources:				
Unavailable Revenue-Property Taxes	4,265	-	-	4,265
Total Deferred Inflows of Resources	4,265	-	-	4,265
Fund Balances:				
Restricted	1,518	111,629	25,508	138,655
Unassigned	213,626	-	-	213,626
Total Fund Balances	215,144	111,629	25,508	352,281
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 245,323	\$ 111,629	\$ 25,508	\$ 382,460

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 352,281**

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

Delinquent taxes receivable will be collected after year-end, but are not
available soon enough to pay for the current period's expenditures and,
therefore, are reported as deferred inflows in the funds. 4,265

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported as assets in the
governmental funds.

The cost of capital assets	1,443,750
Accumulated depreciation	(744,567)

Net pension liability represents the proportionate share of the future unfunded costs
associated with the Town's participation in the South Carolina Retirement System.

Net pension liability and related deferred outflows/inflows	<u>(278,076)</u>
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TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 777,653**

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General Fund	American Recovery Plan Act Fund	Non-major Fund Victims' Rights Fund	Total Governmental Funds
REVENUES:				
Local Revenues				
Property Taxes	\$ 100,350	\$ -	\$ -	\$ 100,350
Homestead Exemption	6,370	-	-	6,370
Franchise Taxes (Fees)	27,477	-	-	27,477
MASC Tax	48,287	-	-	48,287
Business Licenses and Permits	62,292	-	-	62,292
Fines and Forfeitures	49,204	-	2,944	52,148
Capital Projects Sales Tax	8,460	-	-	8,460
Rental Property	57,489	-	-	57,489
Grants - PARD	15,369	-	-	15,369
Eutaw Festival Income and Accommodations tax	23,266	-	-	23,266
Interest Income	25	-	60	85
Other	13,273	-	-	13,273
State Revenues				
Intergovernmental Programs:				
State of South Carolina	10,794	-	-	10,794
TOTAL REVENUES	<u>422,656</u>	<u>-</u>	<u>3,004</u>	<u>425,660</u>
EXPENDITURES:				
Town Administration	229,069	-	29	229,098
Police Department	231,773	-	2,346	234,119
Capital Outlay	35,813	15,319	-	51,132
TOTAL EXPENDITURES	<u>496,655</u>	<u>15,319</u>	<u>2,375</u>	<u>514,349</u>
EXCESS (DEFICIENCY) OF REVENUES OVER/ (UNDER) EXPENDITURES	<u>(73,999)</u>	<u>(15,319)</u>	<u>629</u>	<u>(88,689)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	1,050	-	-	1,050
Transfer From (To) Other Funds:				
Transfer In/out - Water Fund	72,000	-	-	72,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>73,050</u>	<u>-</u>	<u>-</u>	<u>73,050</u>
NET CHANGE IN FUND BALANCES	(949)	(15,319)	629	(15,639)
FUND BALANCE - BEGINNING OF YEAR	<u>216,093</u>	<u>126,948</u>	<u>24,879</u>	<u>367,920</u>
FUND BALANCE - END OF YEAR	<u>\$ 215,144</u>	<u>\$ 111,629</u>	<u>\$ 25,508</u>	<u>\$ 352,281</u>

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ (15,639)**

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Capital outlays are reported in the governmental funds as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the period:

Capital outlays	51,132
Depreciation expense	(67,685)

Because some property taxes will not be collected for several months after the Town's fiscal year ends, they are not considered to be "available" and are deferred in the governmental funds. Deferred inflows increased by this amount this year. (1,780)

Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in government funds. (12,410)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (46,382)**

TOWN OF EUTAWVILLE, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023

	Enterprise Fund Water Department
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 61,932
Accounts Receivable, Net	37,558
Total Current Assets	<u>99,490</u>
Non-Current Assets	
Restricted Assets	
Cash and Cash Equivalents	33,365
Total Restricted Assets	<u>33,365</u>
Capital Assets	
Land and Improvements	200
Machinery and Equipment	14,101
Water System	715,023
Accumulated Depreciation	(309,452)
Total Capital Assets	<u>419,872</u>
Total Non-Current Assets	<u>453,237</u>
Total Assets	<u>552,727</u>
LIABILITIES	
Current Liabilities	
Accrued Payroll Liabilities	3,267
Customer Deposits	19,585
Bonds Payable, Current	3,509
Due to Governmental Funds	15,341
Total Current Liabilities	<u>41,702</u>
Non-Current Liabilities	
Bonds Payable, Non-Current	129,822
Total Non-Current Liabilities	<u>129,822</u>
Total Liabilities	<u>171,524</u>
NET POSITION	
Net Investment in Capital Assets	319,906
Restricted for Bond Covenant	33,365
Unrestricted	27,932
Total Net Position	<u>\$ 381,203</u>

See Accompanying Notes to the Basic Financial Statements.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Enterprise Fund Water Department
OPERATING REVENUES:	
Water Revenue	\$ 124,419
TOTAL OPERATING REVENUES	<u>124,419</u>
OPERATING EXPENSES:	
Personnel Services	6,202
Utilities	5,461
Repairs and Maintenance	688
Other Operating Costs	46,862
Depreciation Expense	19,302
TOTAL OPERATING EXPENSES	<u>78,515</u>
OPERATING INCOME (LOSS)	<u>45,904</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	9
Interest Expense	(5,585)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(5,576)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	40,328
Transfer to General Fund	(72,000)
CHANGE IN NET POSITION	(31,672)
NET POSITION - BEGINNING OF YEAR	<u>412,875</u>
NET POSITION - END OF YEAR	<u><u>\$ 381,203</u></u>

See Accompanying Notes to the Basic Financial Statements.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Enterprise Fund Water Department
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 122,211
Cash Payments to Suppliers for Goods and Services	(51,193)
Cash Payments to Employees for Services	(4,492)
	<u>66,526</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Transfers	(72,000)
	<u>(72,000)</u>
NET CASH USED BY NON CAPITAL FINANCING ACTIVITIES	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Retirement of Bonds	(3,367)
Interest on Bonds	(5,585)
	<u>(8,952)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Cash and Cash Equivalents	9
	<u>9</u>
NET CASH (USED) BY INVESTING ACTIVITIES	
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(14,417)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>109,714</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 95,297</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ 45,904
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:	
Depreciation and Amortization	19,302
(Increase) Decrease in Due from Bank	2,916
(Increase) Decrease in Accounts Receivable	(2,308)
Increase (Decrease) in Due to General Fund	200
Increase (Decrease) in Accounts Payable and Payroll Liabilities	512
	<u>66,526</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 66,526</u></u>
RECONCILIATION TO CASH ON STATEMENT OF FUND NET POSITION:	
Current Assets	
Cash and Cash Equivalents	\$ 61,932
Restricted Assets	
Cash and Cash Equivalents	<u>33,365</u>
Total Cash and Cash Equivalents	<u><u>\$ 95,297</u></u>

See Accompanying Notes to the Basic Financial Statements.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable
				(Unfavorable)
REVENUES				
Property Taxes	\$ 101,705	\$ 101,705	\$ 106,720	\$ 5,015
Franchise fees	26,222	26,222	27,477	1,255
MASC Tax	52,875	52,875	48,287	(4,588)
Business licenses and permits	50,600	50,600	62,292	11,692
Municipal fines	95,500	95,500	49,204	(46,296)
Rental Income	49,252	49,252	57,489	8,237
Grant Income	-	-	15,369	15,369
Eutaw Festival	35,502	35,502	23,266	(12,236)
Interest Income	-	-	25	25
Capital Projects Sales Tax	16,439	16,439	8,460	(7,979)
Other	-	-	13,273	13,273
Intergovernmental Programs:				
State of South Carolina	15,659	15,659	10,794	(4,865)
Total Revenues	<u>443,754</u>	<u>443,754</u>	<u>422,656</u>	<u>(21,098)</u>
EXPENDITURES				
Administration	274,237	274,237	229,069	45,168
Police Department	288,137	288,137	231,773	56,364
Capital Expenditures	16,439	16,439	35,813	(19,374)
TOTAL EXPENDITURES	<u>578,813</u>	<u>578,813</u>	<u>496,655</u>	<u>82,158</u>
TOTAL REVENUES OVER				
(UNDER) EXPENDITURES	<u>(135,059)</u>	<u>(135,059)</u>	<u>(73,999)</u>	<u>61,060</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	-	-	1,050	1,050
Transfer from Water and Sewer Fund	-	-	72,000	72,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>73,050</u>	<u>73,050</u>
NET CHANGE IN FUND BALANCE	<u>\$ (135,059)</u>	<u>\$ (135,059)</u>	<u>(949)</u>	<u>\$ 134,110</u>
FUND BALANCE BEGINNING OF				
YEAR			<u>216,093</u>	
FUND BALANCE END OF YEAR			<u>\$ 215,144</u>	

See Accompanying Notes to the Basic Financial Statements.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Eutawville, South Carolina is located in Orangeburg County. The Town provides a wide range of governmental services, including police protection for areas within the town limits and a municipal court system. The Town was incorporated on December 24, 1888, and operates under the Mayor-council form of government.

In evaluating the Town as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the Town may be financially accountable and, as such, should be included within the Town's financial statements. The Town (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide a specific financial burden on the Town. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, the Town does not have any component units.

Basis of Presentation

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund position, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The Town's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the Town accompanied by a total column. Fiduciary activities of the Town, if any, are not included in these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the Town are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

B. Governmental Funds Financial Statements

Governmental Funds Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for each major governmental fund and each non-major fund aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Town has presented all major funds that met those qualifications.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

C. Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Fund Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows for its major proprietary fund. The Town does not have any internal service funds to report in the Government-Wide financial statements.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The Town reports the following major governmental funds:

General Fund – The general fund is the general operating fund of the Town. The general fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are rent, state revenue, business licenses, property taxes, capital projects sales tax, and municipal court fines. The primary expenditures are for public safety and administration.

American Recovery Plan Act (ARPA) Fund – This fund is used to account for funds received from the United States Treasury related to recovery from coronavirus pandemic. These funds are used for replacement of revenue lost during the pandemic and for specific purposes related to recovery from the pandemic.

The Town reports the following special revenue fund as a non-major governmental fund:

Victims' Rights Fund – This fund is used to account for the monies received as a result of court ordered victims' services fines and the expenditures are for victims' services.

The non-major governmental fund listed above is reported as other governmental funds.

The Town reports the following major proprietary fund:

Water Department Fund – This fund is used to account for the activity of providing water services to the users of the system. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, operations, maintenance, finance and related debt service, and billing and collection.

Measurement Focus and Basis of Accounting

A. Government-Wide Financial Statements

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

A. Government-Wide Financial Statements (continued)

The financial statements of the Town have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting authority for governmental accounting and financial reporting principles in the United States of America. All applicable GASB statements have been implemented.

B. Governmental Fund Financial Statements

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. Governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Town, are property taxes, intergovernmental revenues, and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

C. Proprietary Fund Financial Statements

Proprietary funds are accounted for using the ‘economic resources’ measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. 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 available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

General capital assets are those assets not specifically related to activities reported in the Proprietary Funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Government-Wide Statement of Net Position, but are not reported in the fund basic financial statements. Capital assets utilized by the Proprietary Funds are reported both in the business-type activities column of the Government-Wide Statement of Net Position and in the respective fund basic financial statements.

Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. In connection with implementation of GASB Statement No. 34, the Town established a threshold of \$1,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Town are depreciated or amortized using the straight-line method over the following estimated lives:

Buildings and improvements	20 - 50 years
Furniture, machinery, equipment	5 - 10 years
Vehicles	5 years

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Town considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Use of Restricted Funds

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

Accounts Receivable

Accounts receivable represents amounts owed to the Town for current and delinquent taxes and utility services. All are reflected net of their allowance for uncollectible credit losses.

Property Taxes

The Town's ad valorem property tax is levied each October 1, on the assessed value listed as of the prior January 1, for all real and business personal property located in the Town. The assessed value of the certified roll, upon which the levy for the 2023 calendar year was based, was \$1,249,000. The property tax rate approved by ordinance for the 2023 year was 84.11 mills of assessed valuation. The taxes are due without penalty if paid by January 15 and become delinquent after March 16.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes (continued)

The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month. Motor vehicle taxes were levied based on an assessed value of \$88,850.

Accrued property taxes receivable represent delinquent property taxes outstanding that are due from the County Treasurer. \$4,265 has been recorded as uncollected property taxes as of December 31, 2023. There was no amount recorded by the Town for an allowance for doubtful accounts.

In the governmental funds, only the amount collected within sixty days of year-end has been recorded since this is the amount considered available to pay obligations of the current period. For the year ended December 31, 2023, \$28,749 has been recorded as a receivable on the governmental fund's balance sheet.

Use of Estimates

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

Unbilled Services Receivable

Water revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year end is not material and is not included in the financial statements.

Compensated Absences

As of January 1, 2021, the Town allows employees to carryover unused vacation or sick time to future periods. Full-time employees can carry over 40 hours and policemen can carry over 48 hours. At December 31, 2023, \$2,662 of compensated absences was carried over. Due to immateriality, the amount is not recorded in the financial statements.

Deferred Outflows\Inflows of Resources

In addition to assets, the statement of net 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 and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, contributions made to the pension plan during the year ended December 31, 2023, and deferrals of pension expense that result from the implementation of GASB Statement 68.

In addition to liabilities, the statement of net 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 and so will not be recognized as revenue until then. The Town has two items that meet this criterion for this category, deferrals of pension expense that result from the implementation of GASB Statement 68 and unavailable revenue related to property taxes.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Net Position

Net Position in government-wide financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, granters, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances – Governmental Funds

As of December 31, 2023, fund balances of the governmental funds are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - Amounts that can be used only for specific purposes determined by a formal action of the Town. The Town Council is the highest level of decision-making authority for the Town of Eutawville. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Council.

Assigned - Amounts the Town intends to use for a specific purpose. Intent can be expressed by the Town Council or by an official or body to which the Town Council delegates the authority.

Unassigned - All other spendable amounts.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balances – Governmental Funds (continued)

As of December 31, 2023, fund balances are composed of the following:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total Governmental Fund</u>
Restricted:			
Victims' Assistance	\$ -	\$ 25,508	\$ 25,508
Promotion – Palmetto Trail	1,518		1,518
American Rescue Plan Act (ARPA)	-	111,629	111,629
Unassigned	<u>213,626</u>	<u>-</u>	<u>213,626</u>
Total fund balances	<u>\$ 215,144</u>	<u>\$ 137,137</u>	<u>\$ 352,281</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Budgetary Comparisons

Under GASBS No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The Town only adopts an annual operating budget for the general fund.

NOTE 2 – DEPOSITS AND INVESTMENTS

At December 31, 2023, the Town's cash included demand deposits.

Under State Law, the Town of Eutawville is authorized to hold funds in deposit accounts with banking institutions and invest funds in the following: obligations of the United States and agencies thereof, obligations of the state of South Carolina or any of its political units, savings and loan associations to the extent insured by an agency of the federal government, and/or certificates of deposit where the certificates are federally insured or secured by collateral of the types in the previously mentioned items.

Custodial Credit Risk – Deposits

Custodial risk is the risk that in the event of bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At December 31, 2023, the carrying amount of the Town's deposits was \$410,990 and the bank balance was \$429,113. Of the bank balance, \$408,010 was covered by federal depository insurance, and \$21,103 was collateralized.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. The Town has no investment policy for credit risk, but follows the investment policy statutes of the State of South Carolina.

NOTE 3 – RECEIVABLES

Receivables as of year-end for the government's individual major funds in the aggregate including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Water Department</u>	<u>Total</u>
Receivables:			
Property Taxes	\$ 28,749	\$ -	\$ 28,749
Delinquent Taxes	4,265	-	4,265
Customer Receivable	<u>-</u>	<u>41,119</u>	<u>41,119</u>
Gross Receivables	33,014	41,119	74,133
Less: Allowance for Uncollectible Accounts	<u>-</u>	<u>3,561</u>	<u>3,561</u>
Net Total Receivables	<u>\$ 33,014</u>	<u>\$ 37,558</u>	<u>\$ 70,572</u>

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TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	December 31, 2022	Construction Completed	Increases	Decreases	December 31, 2023
<u>Government Activities</u>					
<i>Capital Assets, not being depreciated</i>					
Land	\$ 56,444	\$ -	\$ -	\$ -	\$ 56,444
Construction in Process	140,298	(20,000)	19,126	-	139,424
Total Capital Assets, not being depreciated	196,742	(20,000)	19,126	-	195,868
<i>Capital Assets, being depreciated</i>					
Buildings and Improvements	778,305	20,000	8,966	-	807,271
Furniture and Equipment	270,396	-	23,040	-	293,436
Vehicles	147,175	-	-	-	147,175
Total Capital Assets, being depreciated	1,195,876	20,000	32,006	-	1,247,882
<i>Less Accumulated Depreciation for:</i>					
Buildings and Improvements	423,043	-	25,515	-	448,558
Furniture and Equipment	171,956	-	18,790	-	190,746
Vehicles	81,883	-	23,380	-	105,263
Total Accumulated Depreciation	676,882	-	67,685	-	744,567
Total Capital Assets, being depreciated, Net	518,994	-	(35,679)	-	503,315
Governmental Activities Capital Assets, Net	\$ 715,736	\$ -	\$ (16,553)	\$ -	\$ 699,183
	December 31, 2022	Increases	Decreases	December 31, 2023	
<u>Proprietary Activities</u>					
<i>Capital Assets, not being depreciated</i>					
Land	\$ 200	\$ -	\$ -	\$ -	\$ 200
Total Capital Assets, not being depreciated	200	-	-	-	200
<i>Capital Assets, being depreciated</i>					
Machinery and Equipment	3,101	-	-	-	3,101
Vehicles	9,932	-	-	-	9,932
Water System	716,091	-	-	-	716,091
Total Capital Assets, being depreciated	729,124	-	-	-	729,124
<i>Less Accumulated Depreciation for:</i>					
Machinery and Equipment	3,101	-	-	-	3,101
Vehicles	9,932	-	-	-	9,932
Water System	277,117	19,302	-	-	296,419
Total Accumulated Depreciation	290,150	19,302	-	-	309,452
Total Capital Assets, being depreciated, Net	438,974	(19,302)	-	-	419,672
Proprietary Activities Capital Assets, Net	\$ 439,174	\$ (19,302)	\$ -	\$ -	\$ 419,872

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 – CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Town Administration	\$ 37,165
Police Department	<u>30,520</u>
Total Governmental Activities	<u>67,685</u>
Business-Type Activities:	
Water Department	<u>19,302</u>
Total Depreciation Expense	<u>\$ 86,987</u>

NOTE 5 – INTERFUND TRANSACTIONS

Individual fund inter-fund receivables, payables and transfers for purposes of cash management are as follows:

<u>Interfund Fund Category</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 15,341	\$ -
Water Fund	<u>-</u>	<u>15,341</u>
Total	<u>\$ 15,341</u>	<u>\$ 15,341</u>

<u>Transfers to / From</u>	<u>Amount</u>	<u>Purpose</u>
Governmental Activities / General Fund	\$ (72,000)	Transfer of funds to pay for operating expenses
Business-type Activities	<u>72,000</u>	
Total	<u>\$ -</u>	

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TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 – LONG-TERM LIABILITIES

A summary of long-term liability activity for the year ended December 31, 2023, is as follows:

	<u>December 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2023</u>	<u>Due within One Year</u>
Business-type activities:					
Revenue Bond	<u>\$ 136,698</u>	<u>\$ -</u>	<u>\$ 3,367</u>	<u>\$ 133,331</u>	<u>\$ 3,509</u>
Governmental activities:					
Net Pension Liability	<u>360,557</u>	<u>-</u>	<u>30,274</u>	<u>330,283</u>	<u>-</u>
Government-wide	<u>\$ 497,255</u>	<u>\$ -</u>	<u>\$ 33,641</u>	<u>\$ 463,614</u>	<u>\$ 3,509</u>

Revenue Bond

Revenue bonds issued for business-type activities are repaid from those activities.

Revenue bonds issued in current and prior years and reported as liabilities of the Town's business-type activities are:

<u>Purpose</u>	<u>Institution</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Year end Balances</u>
Water System – Revenue Bond	USDA	\$175,000	February 2047	4.125%	<u>\$ 133,331</u>
					<u>\$ 133,331</u>

Principal and Interest Payments in Subsequent Years:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 3,509	\$ 5,443
2025	3,656	5,296
2026	3,810	5,142
2027	3,970	4,982
2028	4,137	4,815
2029-2033	23,445	21,312
2034-2038	28,805	15,955
2039-2043	35,390	9,370
2044-2048	<u>26,609</u>	<u>1,857</u>
Total	<u>\$ 133,331</u>	<u>\$ 74,172</u>

Interest costs are capitalized as part of the historical cost of acquiring certain assets. To qualify for interest capitalization, assets must require a period of time before they are ready for their intended purpose. Interest incurred and charged to expense totaled \$5,585 for proprietary activities. No interest was required to be capitalized.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN

Description of the Entity

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

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

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through 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 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 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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.
- 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.

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).

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

Membership

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

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

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

Benefits (continued)

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 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 until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

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 valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

Contributions (continued)

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
<u>SCRS</u>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<u>PORS</u>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

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

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
<u>SCRS</u>		
Employer Class Two	18.41%	17.41%
Employer Class Three	18.41%	17.41%
Employer Incidental Death Benefit	0.15%	0.15%
<u>PORS</u>		
Employer Class Two	20.84%	19.84%
Employer Class Three	20.84%	19.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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

²Of 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 the SCRS.

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

Contributions (continued)

The Town's contributions to the SCRS and PORS for the last three fiscal years ended December 31st were as follows:

<u>SCRS</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Employee Contributions	\$10,177	\$ 8,614	\$ 8,055
Employer Contributions	<u>20,340</u>	<u>16,189</u>	<u>13,707</u>
Total	<u>\$30,517</u>	<u>\$24,803</u>	<u>\$21,762</u>
<u>PORS</u>			
Employee Contributions	\$ 9,232	\$ 8,240	\$ 9,886
Employer Contributions	<u>19,272</u>	<u>16,328</u>	<u>18,187</u>
Total	<u>\$28,504</u>	<u>\$24,568</u>	<u>\$28,073</u>

The Town has contributed 100% of the required contributions for the current year and in each of the two proceeding years.

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

At December 31, 2023, the Town reported a liability of \$182,480 for its proportionate share of the net pension liability for SCRS and a liability of \$147,803 for its proportionate share of the net pension liability for PORS. The net pension liability of each defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2022, using membership as of that date projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2023. Because the Town's year end is December 31, 2023, we assume by using the June 30, 2023, actuarial numbers there will not be a material difference. 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 governmental units, actuarially determined. At December 31, 2023, the Town's proportions were 0.000755 percent and 0.004855 percent for SCRS and PORS, respectively.

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TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended December 31, 2023, the Town recognized pension expense of \$51,966, including \$27,946 for SCRS and \$24,020 for PORS. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>SCRS</u>		
Difference between Expected and Actual Experience	\$ 3,168	\$ 506
Assumption Changes	2,796	-
Net Difference between Projected and Actual Earnings on Pension Plan investments	-	250
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	19,480	5,576
Direct Contributions Subsequent to the Measurement Date	<u>12,033</u>	<u>-</u>
Totals	<u>\$ 37,477</u>	<u>\$ 6,332</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>PORS</u>		
Difference between Expected and Actual Experience	\$ 6,956	\$ 1,822
Assumption Changes	3,217	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	254
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	20,046	17,197
Direct Contributions Subsequent to the Measurement Date	<u>10,116</u>	<u>-</u>
Totals	<u>\$ 40,335</u>	<u>\$ 19,273</u>

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The amounts of \$12,033 for SCRS and \$10,116 for PORS reported as a deferred outflow 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 December 31, 2024.

As discussed in GASB 68, collective deferred outflows/inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow or inflow of resources related to pensions. The following schedules reflect the Town's proportionate share of amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding at June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will increase (decrease) pension expense as follows:

	<u>SCRS</u>	<u>PORS</u>
2024	\$ 15,891	\$ 12,525
2025	(624)	(3,840)
2026	3,951	2,415
2027	<u>(106)</u>	<u>(154)</u>
Total	<u>\$ 19,112</u>	<u>\$ 10,946</u>

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, 2023, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in the System's report were determined by their consulting actuary, Gabriel Roeder Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions and Methods (continued)

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7 %	7%
Projected salary increases	3.0% to 11.0% (varies by service) ¹	3.5% to 10.5% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

¹Includes 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, 2023, 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 of the General Assembly	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%

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, 2023, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%
PORS	\$ 9,450,021,576	\$ 6,405,925,370	\$ 3,044,096,206	67.8%

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.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT 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 rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 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.

<u>Allocation / Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity ¹	9.0%	10.91%	0.98%
Private Debt ¹	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate ¹	9.0%	6.41%	0.58%
Infrastructure ¹	3.0%	6.62%	0.20%
Total Expected Return ²	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
			<u>7.56%</u>

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

² Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 15% 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 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.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

Sensitivity Analysis

The following table presents the collective NPL of the participating Town calculated using the discount rate of 7 percent, as well as what the Town's NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

<u>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</u>			
System	1.00% Decrease (6%)	Current Discount Rate (7%)	1.00% Decrease (8%)
SCRS	\$ 234,665	\$ 182,480	\$ 140,099
PORS	\$ 203,031	\$ 147,803	\$ 98,588

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2023, and the accounting valuation report as of June 30, 2023. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

Payables to the Pension Plan

As of December 31, 2023, the Town had \$6,160 in payables outstanding to the pension plans for its legally required contributions.

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TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – RESTRICTED NET POSITION

The government-wide statement of net position reports \$138,655 of restricted net position, of which \$25,508 is restricted by enabling legislation.

Governmental Activities:

<u>Victims' Assistance</u> – This fund is used to account for the monies received as a result of court ordered victims' services fines and the expenditures are for victim services.	\$ 25,508
<u>Promotion-Palmetto Trail</u> – The Town received a grant to be used for promotion and advertising regarding the Palmetto Trail.	1,518
<u>American Rescue Plan Act (ARPA) funds</u> – This fund is to account for funds received for the revenue recovery of funds lost during the pandemic and specific approved purchases under ARPA.	<u>111,629</u>
Total restricted net position – Governmental Activities	<u>\$ 138,655</u>

Business-type Activities

<u>Bond Covenant</u> – This amount is required by USDA to be set aside for debt reserve payments	\$ 33,365
Total restricted net position – Business-type Activities	<u>33,365</u>
Total Restricted Net Position	<u>\$ 172,020</u>

NOTE 9 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information

An annual budget is adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year end.

The Town of Eutawville, South Carolina follows these procedures in establishing the budgetary data reflected in the financial statements:

- Management submits to Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
- Prior to November 1, the budget is legally enacted through passage of an ordinance.
- Formal budgetary integration is employed as a management control device during the year for all funds.
- The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. The general government function of the General Fund is treated as a department for budgetary purposes and its budget is adopted at the object level. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 – RISK MANAGEMENT

The Town of Eutawville, South Carolina is exposed to various risks of loss and maintains purchased insurance policies divided into coverage for workers' compensation, property and casualty, general tort liability, employee dishonesty, and employee health. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The insurance companies promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit programs limits.

General Tort Liability Insurance:

The Town is covered under an insurance policy through the State Fiscal Accountability Authority. The per occurrence policy limit is \$600,000 and the deductible is \$500.

Workers' Compensation Insurance:

The Town is covered under an insurance policy through the South Carolina Accident Fund. The premium for this policy is determined by the classification of employees and earnings of employees.

Property Insurance:

The Town is covered under an insurance policy through the State Fiscal Accountability Authority. Property is insured according to a schedule of covered property submitted to the Town by the State Fiscal Accountability Authority.

During the last three fiscal (claims) years, none of the above programs have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

NOTE 11 – ECONOMIC DEPENDENCY

The Town of Eutawville, South Carolina is dependent on Orangeburg County and the South Carolina State Treasurer's Office. These agencies account for approximately 28% of the gross revenue of the Town.

NOTE 12 – CONTINGENCIES AND COMMITMENTS

Revenue Bond Covenants

The Water Commission is required by the Revenue Bonds to maintain separate reserve funds for debt retirement. These funds include the Revenue Fund, Operation and Maintenance Fund, Bond and Interest Fund, Debt Service Reserve, Depreciation and Contingent Fund, and Construction Fund. As of the balance sheet date, the Commission has not established these various accounts. This is a violation of the revenue bond covenant. The United States Department of Agriculture is requiring the Commission to maintain a minimum balance of \$33,365 in restricted cash accounts as of December 31, 2023. At December 31, 2023, the Commission does have one restricted account set aside with this minimum balance in the amount of \$33,365 as required by the United States Department of Agriculture, but not in separate accounts as required in the bond covenant.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 – SUBSEQUENT EVENTS

A PARD Star grant was approved in April, 2024 as a reimbursement grant for up to \$32,500. A grant was approved in June, 2024 by the Orangeburg County Accommodations Fund in the amount of \$25,000. A grant was approved in July, 2024 by a State Representative for \$45,000. All of these grants will be used for the Eutaw Festival.

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF EUTAWVILLE, SOUTH CAROLINA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (SCRS) and (PORS)
 Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
SCRS										
Town's proportion of the net pension liability (asset)	0.000755%	0.000788%	0.000685%	0.000533%	0.000597%	0.000535%	0.000529%	0.000561%	0.000462%	NA*
Town's proportionate share of the net pension liability (asset)	\$ 182,480	\$ 190,193	\$ 148,208	\$ 136,191	\$ 136,250	\$ 119,917	\$ 119,086	\$ 119,829	\$ 87,621	NA*
Town's covered-employee payroll	\$ 96,248	\$ 94,633	\$ 78,168	\$ 60,042	\$ 63,665	\$ 56,080	\$ 55,040	\$ 54,080	\$ 54,980	NA*
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	189.59%	200.98%	189.60%	226.83%	214.01%	213.83%	216.36%	221.58%	159.37%	NA*
Plan fiduciary net position as a percentage of the total pension liability	58.60%	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	NA*
PORS										
Town's proportion of the net pension liability (asset)	0.004855%	0.005657%	0.005013%	0.003599%	0.003821%	0.004233%	0.002970%	0.002790%	0.005960%	NA*
Town's proportionate share of the net pension liability (asset)	\$ 147,803	\$ 169,644	\$ 128,969	\$ 119,349	\$ 109,505	\$ 119,955	\$ 81,365	\$ 70,844	\$ 129,876	NA*
Town's covered-employee payroll	\$ 86,786	\$ 91,424	\$ 77,063	\$ 64,705	\$ 56,737	\$ 60,076	\$ 57,120	\$ 35,392	\$ 65,318	NA*
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	170.31%	185.56%	167.36%	184.45%	193.00%	199.67%	142.45%	200.17%	198.84%	NA*
Plan fiduciary net position as a percentage of the total pension liability	67.80%	66.40%	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	67.50%	NA*
NA* - Not Available										

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

Source: Audit report on the schedules of employer allocations, schedules of pension amounts by employer, and related notes of the South Carolina Retirement Systems, as administered by the SC Public Employee Benefits Authority for the year ended June 30, 2023.

TOWN OF EUTAWILLE, SOUTH CAROLINA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS (SCRS) AND (PORS)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
SCRS										
Contractually required contribution	\$ 12,032	\$ 16,755	\$ 15,529	\$ 12,046	\$ 9,252	\$ 9,174	\$ 7,520	\$ 6,171	\$ 6,014	\$ 7,226
Contributions in relation to the contractually required contribution	(12,032)	(16,755)	(15,529)	(12,046)	(9,252)	(9,174)	(7,520)	(6,171)	(6,014)	(7,226)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 65,358	\$ 96,248	\$ 94,633	\$ 78,168	\$ 60,042	\$ 63,665	\$ 56,080	\$ 55,040	\$ 54,080	\$ 54,980
Contributions as a percentage of covered-employee payroll	18.41%	17.41%	16.41%	15.41%	15.41%	14.41%	13.41%	11.21%	11.12%	13.14%
PORS										
Contractually required contribution	\$ 10,116	\$ 17,219	\$ 17,224	\$ 13,747	\$ 9,917	\$ 9,555	\$ 9,516	\$ 5,700	\$ 4,892	\$ 9,900
Contributions in relation to the contractually required contribution	(10,116)	(17,219)	(17,224)	(13,747)	(9,917)	(9,555)	(9,516)	(5,700)	(4,892)	(9,900)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 48,542	\$ 86,786	\$ 91,424	\$ 77,063	\$ 64,705	\$ 56,737	\$ 60,076	\$ 57,120	\$ 35,392	\$ 65,318
Contributions as a percentage of covered-employee payroll	20.84%	19.84%	18.84%	17.84%	15.33%	16.84%	15.84%	9.98%	13.82%	15.16%
NA* - Not Available										

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

Source: Town quarterly retirement contribution reports.

TOWN OF EUTAWVILLE, SOUTH CAROLINA
GOVERNMENTAL FUNDS
GENERAL GOVERNMENT AND PUBLIC WORKS EXPENDITURES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES			
Advertising	\$ 3,500	\$ 149	\$ 3,351
Refunds	3,000	-	3,000
Community Center	1,543	14,828	(13,285)
Dues and Subscriptions	1,100	450	650
Election	1,000	723	277
Floral	300	-	300
Fuel	750	1,591	(841)
Insurance-Bonding	100	100	-
Insurance-Health	876	570	306
Insurance-General Liability and Property	14,774	12,204	2,570
Property Insurance	825	-	825
Insurance-Workers' Compensation	4,895	4,701	194
Lease	-	100	(100)
Maintenance and Repair Expense	3,000	3,149	(149)
Office Expense	-	693	(693)
Office Supplies	2,500	1,407	1,093
Park	200	85	115
Postage and Mailing	800	513	287
Professional Fees	5,000	8,139	(3,139)
Rental	400	-	400
Staff Development-Training/Travel	1,000	125	875
Utility-Electric	8,353	6,176	2,177
Utility-Propane	-	44	(44)
Utility-Street Lights	9,943	10,222	(279)
Utility-Telephone	885	2,244	(1,359)
Security	-	1,775	(1,775)
Retirement	21,831	20,367	1,464
FICA Taxes	7,125	5,892	1,233
Host-TriCounty Chamber	200	-	200
Salaries and Wages	93,129	78,509	14,620
Payroll Expense	-	659	(659)
State Treasurer's payments	56,956	27,371	29,585
Holiday Lighting Proj/Trunk or Treat	-	86	(86)
Miscellaneous	-	365	(365)

TOWN OF EUTAWVILLE, SOUTH CAROLINA
GOVERNMENTAL FUNDS
GENERAL GOVERNMENT AND PUBLIC WORKS EXPENDITURES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (continued)			
Eutaw Village Festival Expenses	\$ 30,252	\$ 18,640	\$ 11,612
Festival expense paid by GF	-	1,299	(1,299)
Mileage Reimbursement	-	222	(222)
Recreation Expense	-	5,700	(5,700)
	<u>274,237</u>	<u>229,098</u>	<u>45,139</u>
Capital Purchases	<u>16,439</u>	<u>28,092</u>	<u>(11,653)</u>
Total Expenditures	<u><u>\$ 290,676</u></u>	<u><u>\$ 257,190</u></u>	<u><u>\$ 33,486</u></u>

TOWN OF EUTAWVILLE, SOUTH CAROLINA
GOVERNMENTAL FUNDS
POLICE DEPARTMENT EXPENDITURES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES			
Bank Fees & Charges	\$ -	\$ 19	\$ (19)
Dues and Subscriptions	3,480	1,580	1,900
Fuel	20,000	9,753	10,247
Insurance - Health	21,013	14,026	6,987
Insurance - General Liability and Property	9,900	7,470	2,430
Office Supplies	2,000	2,736	(736)
Staff Development - Training and Travel	2,000	978	1,022
Uniforms	1,200	820	380
Utilities - Telephone	2,900	3,093	(193)
Retirement Expense	20,975	19,273	1,702
Payroll Taxes	13,232	10,871	2,361
Salaries & Wages	172,954	144,452	28,502
Police Expenses	1,000	4,942	(3,942)
Law Tracks	2,904	2,904	-
Radios	3,607	3,173	434
Postage	200	99	101
Jury Duty	200	-	200
Business Expense: Cleaning Expenses	-	20	(20)
Car Repairs and Maintenance	4,000	5,254	(1,254)
Court	196	310	(114)
Victims Assistance Expense	6,376	2,346	4,030
	<u>288,137</u>	<u>234,119</u>	<u>54,018</u>
Capital Purchases	<u>-</u>	<u>23,040</u>	<u>(23,040)</u>
Total Expenditures	<u>\$ 288,137</u>	<u>\$ 257,159</u>	<u>\$ 30,978</u>

TOWN OF EUTAWVILLE, SOUTH CAROLINA
PROPRIETARY FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - ACTUAL COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OPERATING REVENUES			
Water	\$ 125,000	\$ 124,428	\$ (572)
TOTAL OPERATING REVENUES	<u>125,000</u>	<u>124,428</u>	<u>(572)</u>
OPERATING EXPENSES			
Depreciation	-	19,302	(19,302)
Materials and Supplies	49,500	159	49,341
Repairs & Maintenance	1,000	688	312
Utilities	5,332	5,461	(129)
Fuel Expense	300	312	(12)
Insurance - Workers Comp	160	-	160
Bank Fees	-	9	(9)
Water Account Refunds	300	-	300
Salary Paid	4,182	5,253	(1,071)
Medicare - Company Paid	-	76	(76)
Soc Sec - Company Paid	320	326	(6)
Payroll Expense	-	548	(548)
Water Fees SCDHEC	3,500	3,424	76
New Meters Purchased	-	6,746	(6,746)
Insurance Premiums	3,154	2,963	191
Meter Installation Costs	3,200	3,269	(69)
Utility Billing Services	4,500	4,669	(169)
Water Consulting Services	16,900	17,146	(246)
Miscellaneous Expense	-	1,899	(1,899)
Professional Fees - other	-	5,797	(5,797)
Postage Fees	100	68	32
Membership Fees	-	400	(400)
TOTAL OPERATING EXPENSES	<u>92,448</u>	<u>78,515</u>	<u>13,933</u>
OPERATING INCOME	<u>32,552</u>	<u>45,913</u>	<u>(13,361)</u>

TOWN OF EUTAWVILLE, SOUTH CAROLINA
PROPRIETARY FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - ACTUAL COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Expense	\$ (8,952)	\$ (5,585)	\$ (3,367)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(8,952)</u>	<u>(5,585)</u>	<u>(3,367)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>23,600</u>	<u>40,328</u>	<u>(16,728)</u>
Transfer Accounts	<u>-</u>	<u>72,000</u>	<u>(72,000)</u>
CHANGE IN NET POSITION	<u><u>\$ 23,600</u></u>	<u><u>(31,672)</u></u>	<u><u>\$ 55,272</u></u>
NET POSITION - BEGINNING OF YEAR		<u>412,875</u>	
NET POSITION - END OF YEAR		<u><u>\$ 381,203</u></u>	

TOWN OF EUTAWVILLE, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
VICTIMS' RIGHTS FUND
FOR YEAR ENDED DECEMBER 31, 2023

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	-	-	\$ 49,204	\$ 49,204
Court fines and assessments remitted to State Treasurer	-	-	27,371	27,371
Total Court Fines and Assessments retained	-	-	\$ 21,833	\$ 21,833
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	-	-	\$ 392	\$ 392
Assessments retained	-	-	2,552	2,552
Total Surcharges and Assessments retained for victim services	-	-	\$ 2,944	\$ 2,944

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	\$ 24,879	\$ -	\$ 24,879
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	2,552	-	2,552
Victim Service Surcharges Retained by City/County Treasurer	392	-	392
Interest Earned	60	-	60
			-
Grant Funds Received			
Grant from:	-	-	-
General Funds Transferred to Victim Service Fund	-	-	-
Contribution Received from Victim Service Contracts:			
(1) Town of Summerton	-	-	-
(2) Town of Turbeville	-	-	-
(3) City of	-	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	27,883	-	27,883
<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	-	-	-
Operating Expenditures	-	-	-
<u>Victim Service Contract(s):</u>			
(1) Entity's Name	-	-	-
(2) Entity's Name	-	-	-
<u>Victim Service Donation(s):</u>			
(1) Orangeburg County Sheriff's Office	2,346	-	2,346
(2) Administration	29	-	29
(3) Other local direct crime victims service agency:	-	-	-
Transferred to General Fund	-	-	-
Total Expenditures from Victim Service Fund/Program (B)	2,375	-	2,375
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	25,508	-	25,508
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds – End of Year	\$ 25,508	\$ -	\$ 25,508

COMPLIANCE REPORTING

PARTNERS

C.C. McGregor, CPA
1906-1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA

D.L. Richardson, CPA
E.C. Inabinet, CPA

S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA
D.K. Strickland, CPA

J.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hindsee, CPA
G.P. Davis, CPA
H.O. Crider, Jr, CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA

H.S. Mims, CPA
C.W. Bolen, CPA
W.C. Sanders, CPA

C.L.T. Valentine, CPA
C.B. Gamble, CPA
L.A. Wetherell, CPA

*Active Retired

*W.C. Stevenson, CPA
*B.T. Kight, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Eutawville, South Carolina, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Eutawville, South Carolina's basic financial statements, and have issued our report thereon dated August 21, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135 | COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2229

ORANGEBURG

1190 BOULEVARD STREET | ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305 | BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***
(continued)

Report on Compliance and Other Matters

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

Town of Eutawville, South Carolina's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Eutawville, South Carolina's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town of Eutawville, South Carolina's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

McGregor & Co. LLP

Orangeburg, South Carolina
August 21, 2024

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Findings – Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards*

Material Weaknesses

2023-001 Segregation of Duties

Criteria: Segregation of duties provides for checks and balances as a transaction is processed and completed (the duties of each employee functions which should detect errors made by other employees involved processing transactions).

Condition and context: The Town's system of internal control does not include adequate segregation of duties for processing deposits. There is a layer of segregation of duties for the checks issued, by the Mayor and Council member approving the payment and signing the checks prior to issuance.

Cause: The Town does not have the staff to assign duties in order to segregate these duties.

Effect: Since the same employee processes the complete transactions, errors and fraud may occur and not be detected.

Auditor's Recommendation: Since this condition is inherent in an organization the size of the Town of Eutawville, further involvement by Council would be a resource if increasing the staff is not viable.

Town Response: The Town of Eutawville has only one office employee who performs daily accounting functions. The Mayor and Council will continue to provide additional oversight.

**TOWN OF EUTAWVILLE, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Findings – Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards*

Material Weaknesses

2022-001 Segregation of Duties

Condition: The Town's system of internal control does not include adequate segregation of duties because of the size of the administrative staff.

Current Status: Finding Remains.

2022-002 Material Audit Adjustment

Condition: During our audit, we noted corrections that needed to be made to the Town's books in order for the resulting financial statements to be presented in accordance with generally accepted accounting principles.

Current Status: None in current year.

2022-003 Comply with United States Department of Agriculture Bond Covenants

Condition: USDA revenue bonds covenants require that the Town establish and maintain various separate accounts and set aside funding for future expenditures.

Current Status: Resolved in current year.