Town of Cowpens, South Carolina

Financial Statements and Supplementary Information

Year Ended June 30, 2023

Town of Cowpens, South Carolina

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Independent Auditor's Report

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

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cowpens, South Carolina as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Cowpens, South Carolina, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Cowpens, 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 Cowpens, 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 our audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, the budgetary comparison information on pages 38 through 44, and the pension schedules on pages 45 through 46, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cowpens, South Carolina's basic financial statements. The combining nonmajor fund financial statements and the accompanying schedule listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements and the accompanying schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Elliott & Painter, LLP

Spartanburg, South Carolina
April 4, 2024

Town of Cowpens, South Carolina

Management's Discussion and Analysis

As management of the Town of Cowpens, South Carolina, we offer readers of the Town of Cowpens, South Carolina's financial statements this narrative overview and analysis of the financial activities of the Town of Cowpens, South Carolina for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets of the Town of Cowpens, South Carolina exceeded its liabilities at the close of the fiscal year by $1,712,294 *(net position).*
- The government's total net position decreased by $146,869.
- As of the close of the current fiscal year, the Town of Cowpens, South Carolina's governmental funds reported combined ending fund balances of $798,871, a decrease of $160,332 in comparison with the prior year. Approximately 74 percent of this total amount, or $586,656, is available for spending at the government's discretion *(assigned and unassigned fund balance).*
- At the end of the current fiscal year, assigned and unassigned fund balances for the General Fund totaled $436,931 or 29 percent of total general fund expenditures and other uses for the fiscal year.
- The Town's total long-term debt decreased by $71,885 during the current fiscal year. The Town paid principal of $71,885 and interest of $6,724 for total debt service cost of $78,609.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Cowpens, South Carolina's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Cowpens, South Carolina.

Basic Financial Statements

The first two statements (pages 12 and 13) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the Town's financial status.

The next statements (pages 14 to 18) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide financial statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the fiduciary funds statement.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, required supplemental information is provided to show details about the Town's General Fund revenues and expenditures compared to budget, its Fire District Fund revenues and expenditures compared to budget, and its pension plan reporting. Other supplemental information provides information about the nonmajor governmental funds and schedule of fines, assessments, and surcharges.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows and total liabilities and deferred inflows. Measuring net position is one way to gauge the Town's financial condition.

The government-wide financial statements consist of only governmental activities. The governmental activities include all of the basic services such as public safety, highway and streets, sanitation, social and recreational, and general administration. Property taxes, business license taxes, intergovernmental revenues and franchise fee taxes finance most of these activities.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. 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 of Cowpens, South Carolina uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the Town's budget ordinance. All of the funds of the Town of Cowpens, South Carolina can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Cowpens, South Carolina adopts an annual budget for its General Fund and its Fire District Fund, as required by State statutes. The budgets are legally adopted documents that incorporate input from the citizens of the Town, the management of the Town, and the decisions of the council about which services to provide and how to pay for them. They also authorize the Town to obtain funds from identified sources to finance these current period activities. The budgetary statements provided for the General Fund and the Fire District Fund demonstrate how well the Town complied with the budget ordinances and whether or not the Town succeeded in providing the services as planned when the budgets were adopted. The budgetary comparison statements use the budgetary basis of accounting and are presented using the same format, language, and classifications as the legal budget documents. The statements show four columns: 1) the original budgets as adopted by the council; 2) the final budgets as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund and the Fire District Fund; and 4) the difference or variance between the final budgets and the actual resources and charges.

Fiduciary Funds - The Town is an agent, or fiduciary, for the Cowpens Fire Department 1% monies. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the Town's own programs. The Town's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. Control over expenditures is exercised by the police officers and fire department and not by Town administration.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 19 to 37 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain supplementary information concerning the Town of Cowpens, South Carolina's budgetary reporting, combining nonmajor governmental funds statements and other information. Supplementary information can be found beginning on page 38 of this report.

In addition, this report includes certain information concerning the Town of Cowpens's progress in funding its obligation to provide pension benefits to its employees. This required supplementary information can be found on pages 45 through 46 of this report.

Government-Wide Financial Analysis

The Town of Cowpens, South Carolina's Net Position

	Governmental Activities	
	2023	2022
Current and other assets	$ 1,350,911	$ 1,298,695
Capital assets, net	2,039,269	2,119,981
Deferred outflows of resources	409,008	332,507
Total assets and deferred outflows	3,799,188	3,751,183
Long-term liabilities outstanding	1,274,977	1,206,392
Other liabilities	533,589	306,888
Deferred inflows of resources	278,328	379,740
Total liabilities and deferred inflows	2,086,894	1,893,020
Net position		
Net invested in capital assets	1,876,639	1,885,466
Restricted	149,080	185,022
Unrestricted	(313,425)	(211,325)
Total net position	$ 1,712,294	$ 1,859,163

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Cowpens, South Carolina exceeded liabilities by $1,712,294 as of June 30, 2023. The Town's net position decreased by $146,869 for the fiscal year ended June 30, 2023. Of total net position, the largest portion (110%) reflects the investment in capital assets (buildings, equipment, and vehicles), less any debt still outstanding. The Town uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position (9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $(313,425) is unrestricted.

Several particular aspects of the Town's financial operations significantly influenced the total unrestricted governmental net position:

- Operating grants and contributions are down $136,165.
- Public safety expenses increased $185,498 due primarily to an increase in salaries and repairs and maintenance.

The Town of Cowpens, South Carolina Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	$ 97,552	$ 101,381
Operating grants and contributions	212,481	348,646
Capital grants and contributions	9,000	
General revenues:		
Property taxes	776,114	726,204
Other taxes	673,966	488,468
Intergovernmental revenues	182,074	164,439
Investment earnings	2,046	212
Miscellaneous	24,872	56,635
Total revenues	1,978,105	1,885,985
Expenses:		
General government	363,154	295,151
Public safety	1,249,228	1,075,216
Highways and streets	217,361	213,567
Sanitation	98,910	84,196
Recreation, tourism, health and social	123,391	99,428
Interest on long-term debt	72,930	6,359
Total expenses	2,124,974	1,773,917
Increase (decrease) in net position	(146,869)	112,068
Net position, July 1	1,859,163	1,747,095
Net position, June 30	$ 1,712,294	$ 1,859,163

Governmental activities. Governmental activities decreased the Town's net position by $146,869, thereby accounting for 100% of the total increase in the net position of the Town of Cowpens, South Carolina. Key elements of this increase are:

- Total revenues increased $92,120 due primarily to an increase in other taxes.
- Total operating expenses increased during the current year from $1,773,917 to $2,124,974.
- Previously accumulated franchise fee revenues of $21,512, $30,584, and $250 were utilized to purchase equipment, pay debt service and pay other expenses of the fire district, police department and street department.
- Depreciation on capital assets which is a noncash expense totaled $230,684 and is detailed by governmental activity in Note 5 to the financial statements.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Cowpens, South Carolina's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Cowpens, South Carolina's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town of Cowpens, South Carolina. At the end of the current fiscal year, unassigned fund balance of the General Fund was $404,878, while total fund balance was $500,066. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and assigned fund balance to total fund expenditures. Unassigned and assigned fund balance represents 29 percent of total General Fund expenditures and other uses.

The Town considers the fire department to be a separate special revenue fund since the fire district has a separate tax levy and annual budget. The Fire District Fund's expenditures exceeded its revenues and other sources by $635 for the year ended June 30, 2023.

At June 30, 2023, the governmental funds of the Town of Cowpens, South Carolina reported a combined fund balance of $798,871, a 17 percent decrease from last year.

General Fund Budgetary Highlights. During the fiscal year, the Town and Fire District revised their budgets. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that were used to prepare the original budget ordinances once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenues and expenditures were consistently held in check to allow the Town of Cowpens to comply with its budgetary requirements.

During the fiscal year, the Town of Cowpens revised the General Fund's budget and the Fire Department's budget once. As changes in needs occurred and new funding sources were developed the Town and Fire District revised their budgets to account for reductions in other costs and increased costs in these areas. Budgeted revenues and other sources of the General Fund were increased by $779,813 due primarily to increases in grants and business licenses. Budgeted expenditures of the General Fund increased overall $465,824 due to budget adjustments during the year, which were primarily increases in capital outlays, repairs and maintenance, contracts and salaries. The Fire

District's budgeted revenues and other sources increased $67,691 due to an increase property taxes and grants. Budgeted expenditures increased $123,229 due primarily to increases in grant expenses and repairs and maintenance.

Revenues in the General Fund and Fire District Fund were less than budgeted amounts primarily because of a portion of grants received which were deferred at year-end. Expenditures in the General Fund and the Fire District Fund were more than budgeted amounts.

Capital Assets

The Town of Cowpens, South Carolina's investment in capital assets for its governmental activities as of June 30, 2023, totals $2,039,269 (net of accumulated depreciation). These assets include land and right of ways, buildings and improvements, furniture, equipment, and vehicles.

Major capital asset transactions during the year include the following additions:

2022 Ford Explorer Police Vehicle	$	41,437
Police Interceptor Software		26,839

Town of Cowpens, South Carolina's Capital Assets
(Net of Depreciation)

	Governmental Activities	
	2023	2022
Land and rights-of-way	$ 252,547	$ 252,547
Land improvements	59,945	63,110
Buildings and improvements	1,190,222	1,243,943
Furniture and equipment	289,902	312,291
Vehicles	202,723	248,090
Construction in progress	43,930	
Total	$ 2,039,269	$ 2,119,981

Additional information on the Town's capital assets can be found in Note 5 of the basic financial statements.

Debt Administration

At June 30, 2023, the Town had total long-term debt of $162,630 consisting of two leases payable on fire vehicles in the amount of $132,111, and $8,008, a lease payable on fire turnout gear in the amount of $6,934 and a lease on a vehicle for the Police Department in the amount of $15,577.

During the fiscal year, the Town of Cowpens, South Carolina's total debt decreased by $71,885. Interest paid on debt totaled $6,724. Total debt service cost for the year was $78,609.

Town of Cowpens, South Carolina

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Town.

- Property tax revenues increased as the assessed value of property within the Town increased and millage rates increased to 108.1 mils.
- Property tax revenues increased as the assessed value of property for the Fire District increased and the millage rate remained at 29.4 mils.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities: Budgeted revenues and other sources of the General Fund are expected to decrease by approximately $589,304 primarily due to a decrease in business licenses of $130,806, a decrease in ARPA funds of $453,213, and other small changes in revenues which are expected to be received in the year ending June 30, 2024.

Budgeted revenues and other sources of the Fire District Fund are expected to increase approximately $13,540 primarily due an increase in property taxes of $60,068, a decrease in grants of $37,820, and other small changes in revenues that are expected to be received in the year ending June 30, 2024.

Budgeted expenditures and other uses in the General Fund are expected to decrease 20% to $1,176,150 due to a decrease of $49,929 in business license contracts, a decrease of $31,096 in police salaries, a decrease of $30,290 in administrative salaries, $158,638 decrease in grant expenses and several smaller decreases in other expenses.

Budgeted expenditures in the Fire District are expected to decrease by $64,866. The major change is a decrease in grant expenses of $37,820.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Administrator, Town of Cowpens, P.O. Drawer 1399, Cowpens, South Carolina 29330, telephone (864) 463-3201.

Town of Cowpens, South Carolina

Statement of Net Position
June 30, 2023

	Primary Government	
	Governmental Activities	Total
Assets		
Cash and temporary investments	$ 721,623	$ 721,623
Receivables		
Intergovernmental	73,788	73,788
Franchise fees	34,730	34,730
Taxes	86,121	86,121
Restricted Cash	429,649	429,649
Note receivable	5,000	5,000
Capital assets (net)	2,039,269	2,039,269
Total assets	3,390,180	3,390,180
Deferred Outflows of Resources	409,008	409,008
Liabilities		
Accounts payable	80,934	80,934
Accrued salaries and benefits	23,006	23,006
Deferred revenue	429,649	429,649
Long-term liabilities		
Due within one year	54,362	54,362
Due in more than one year	108,268	108,268
Net pension liability	1,112,347	1,112,347
Total liabilities	1,808,566	1,808,566
Deferred Inflows of Resources	278,328	278,328
Net Position		
Net investment in capital assets	1,876,639	1,876,639
Restricted for		
Tourism	78,051	78,051
Victims' assistance	45,199	45,199
Public safety	25,830	25,830
Unrestricted	(313,425)	(313,425)
Total net position	$ 1,712,294	$ 1,712,294

The accompanying notes are an integral part of these financial statements.

Town of Cowpens, South Carolina

Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental activities			
General government	$ 363,154	$	$ 142,164
Public safety			
Police	696,086	97,552	70,292
Fire	543,618		25
Other	9,524		
Highways and streets	217,361		
Sanitation	98,910		
Recreation, tourism, health, and social	123,391		
Interest on long-term debt	72,930		
Total governmental activities	2,124,974	97,552	212,481
Total primary government	$ 2,124,974	$ 97,552	$ 212,481

General revenues:
Taxes
Property taxes levied for general purposes
Property taxes levied for fire district purposes
Business license taxes
Franchise fee taxes
Hospitality taxes
Intergovernmental revenues
Miscellaneous
Investment earnings (losses)
Total general revenues

Change in net position

Net Position, Beginning

Net Position, Ending

The accompanying notes are an integral part of these financial statements.

Capital Grants and Contributions	Governmental Activities	Total Primary Government
$	$ (220,990)	$ (220,990)
	(528,242)	(528,242)
	(543,593)	(543,593)
	(9,524)	(9,524)
9,000	(208,361)	(208,361)
	(98,910)	(98,910)
	(123,391)	(123,391)
	(72,930)	(72,930)
9,000	(1,805,941)	(1,805,941)
$ 9,000	(1,805,941)	(1,805,941)
	570,056	570,056
	206,058	206,058
	486,034	486,034
	98,121	98,121
	89,811	89,811
	182,074	182,074
	24,872	24,872
	2,046	2,046
	1,659,072	1,659,072
	(146,869)	(146,869)
	1,859,163	1,859,163
	$ 1,712,294	$ 1,712,294

Town of Cowpens, South Carolina

Balance Sheet - Governmental Funds
June 30, 2023

ASSETS

	General	Fire District Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Cash and temporary investments	$ 365,771	$ 181,696	$ 23,428	$ 150,728	$ 721,623
Receivables					
Taxes receivable	29,114	6,384			35,498
Accounts receivable	32,492	52,862			85,354
Notes receivable	5,000				5,000
Restricted cash			429,649		429,649
Due from other governments	73,788				73,788
Due from other funds	103,672				103,672
Total assets	$ 609,837	$ 240,942	$ 453,077	$ 150,728	$ 1,454,584

LIABILITIES AND FUND BALANCES

	General	Fire District Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Liabilities					
Accounts payable	$ 69,470	$ 11,465	$	$	$ 80,935
Accrued salaries and benefits	23,006				23,006
Due to other funds		78,596	23,428	1,648	103,672
Unearned revenues			429,649		429,649
Total liabilities	92,476	90,061	453,077	1,648	637,262
Deferred Inflows of Resources					
Taxes and fees receivable	17,295	1,156			18,451
Fund Balances					
Nonspendable for:					
Note receivable	5,000				5,000
Restricted for:					
Victims' assistance				45,199	45,199
Tourism				78,051	78,051
Public safety				25,830	25,830
Committed to:					
Public safety	52,244				52,244
Street department	5,891				5,891
Assigned to:					
Next year's expenditures	32,053				32,053
Unassigned	404,878	149,725			554,603
Total fund balances	500,066	149,725		149,080	798,871
Total liabilities and fund balances	$ 609,837	$ 240,942	$ 453,077	$ 150,728	$ 1,454,584

The accompanying notes are an integral part of these financial statements.

Town of Cowpens, South Carolina

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total Governmental Fund Balances	$	798,871
Amounts reported in governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		2,039,269
Other outflows of resources are not available to pay for current-period expenditures and therefore are deferred in the funds. These include property taxes of $18,451		18,451
Long-term liabilities for capital leases and notes payable are not due and payable in the current period and therefore are not reported in the funds.		(162,630)
Contributions to the pension plan in the current fiscal year are deferred outflow of resources in the statement of net position		129,983
Net pension liability		(1,112,347)
Pension related deferrals		697
Net Position of Governmental Activities	$	1,712,294

The accompanying notes are an integral part of these financial statements.

Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2023

	General	Fire District Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 576,972	$ 213,673	$	$	$ 790,645
Franchise fees	147,421				147,421
Intergovernmental revenues	109,572	27,810	142,164		279,546
Licenses	486,034				486,034
Reimbursement for school resource officer	52,853				52,853
Hospitality taxes				89,811	89,811
Fines and forfeitures	27,395			3,955	31,350
Rental revenue	14,050				14,050
Grants	79,292	13,350			92,642
Investment earnings	277	325	1,279	161	2,042
Miscellaneous revenue	4,571	125			4,696
	1,498,437	255,283	143,443	93,927	1,991,090
Expenditures					
Current					
General government	418,190				418,190
Public safety	708,054	447,201		30,339	1,185,594
Highways and streets	143,500			11,775	155,275
Sanitation	98,910				98,910
Tourism related				64,874	64,874
Capital outlay	140,465	9,505			149,970
Debt service	27,905	50,704			78,609
	1,537,024	507,410		106,988	2,151,422
Excess of Revenues Over (Under) Expenditures	(38,587)	(252,127)	143,443	(13,061)	(160,332)
Other financing sources (uses)					
Transfers (to) from other funds	(85,168)	251,492	(143,443)	(22,881)	
Total other financing sources (uses)	(85,168)	251,492	(143,443)	(22,881)	
Excess of Revenues and Other Sources Under Expenses and Other Uses	(123,755)	(635)		(35,942)	(160,332)
Fund Balances, Beginning	623,821	150,360		185,022	959,203
Fund Balances, Ending	$ 500,066	$ 149,725	$	$ 149,080	$ 798,871

The accompanying notes are an integral part of these financial statements.

Town of Cowpens, South Carolina

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2023

Net Change in Governmental Fund Balances	$	(160,332)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of $230,684 exceeded capital outlays of $149,972.		(80,712)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Change in deferred outflows of resources for tax revenues of $14,152.		(14,152)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt. Principal repayments totaled $71,885 during the year.		71,885
Contributions to the pension plan in the current fiscal year are not included on the statement of activities		129,983
Pension expense		(93,541)
Change in Net Position of Governmental Activities	$	(146,869)

The accompanying notes are an integral part of these financial statements.

Town of Cowpens, South Carolina

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Fire Department 1% Monies	Total Agency Funds
ASSETS		
Cash and cash equivalents	$ 6,014	$ 6,014
Total assets	$ 6,014	$ 6,014
LIABILITIES		
Amounts held for others' benefit	$ 6,014	$ 6,014
Total liabilities	$ 6,014	$ 6,014

The accompanying notes are an integral part of these financial statements.

Note 1 - Summary of Significant Accounting Policies

a. Reporting Entity

The Town of Cowpens, South Carolina is a municipal corporation which is governed by an elected mayor and four-member council. As required by generally accepted accounting principles, these financial statements present the Town.

b. Basis of Presentation

Government-wide Statements - The statement of net position and the statement of activities report information about all of the nonfiduciary activities of the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through property taxes, licenses, intergovernmental revenues and other nonexchange transactions.

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

Fund Financial Statements - The fund financial statements provide information about the Town's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Town reports the following major governmental funds

General Fund - The General Fund is the general operating fund of the Town. The General Fund is used to account for all financial resources of the Town except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, business licenses, franchise fees, intergovernmental revenues, and police fines. The primary expenditures are for public safety, street maintenance, sanitation services, recreation and tourism, and general administration.

Fire District Fund - The Fire District Fund is a special revenue fund used to account for the activity of the Cowpens Fire Department whose geographic boundaries exceed the Town limits. Its primary sources of revenues are ad valorem taxes and grants.

American Rescue Plan Fund – This fund accounts for the transactions related to the American Rescue Plan Funds.

Note 1 - (continued)

The Town reports the following nonmajor governmental funds

Local Hospitality Tax Fund - The Hospitality Tax Fund is a special revenue fund used to account for the proceeds of hospitality taxes collected under Article 7 of Title 6 of state law. These funds are required to be utilized for tourism-enhancing expenses.

Victims Assistance Fund - The Victims Assistance Fund is a special revenue fund used to account for required surcharges and assessments on police fines which must be used for the support of victims of crimes.

Seized Drug Fund - The Seized Drug Fund is a special revenue fund used to account for amounts received from confiscated drug monies. These funds are restricted for various purposes to assist public safety.

Other Fund Types - The Town also reports the following fund types

Agency Funds - The Fire Department 1% Monies account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. The Town's agency funds are used to account for funds earmarked for the benefit of the fire department where control over expenditures is exercised by the fire officers.

c. Measurement Focus and Basis of Accounting

The financial statements of the Town are prepared in accordance with generally accepted accounting principles (GAAP).

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

Governmental Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the accounting period when they are both measurable and available to pay the liabilities of the current period. In addition, expenditures are recorded when the related fund liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The Town has recognized assets of nonexchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Nonexchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. State shared revenues, federal grants funding federal mandates, and donations are examples of nonexchange transactions. The Town considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Note 1 - (continued)

Major revenue sources susceptible to accrual include property taxes, franchise fee taxes and intergovernmental revenues.

Under the terms of grant agreements the Town funds certain programs by a combination of specific cost - reimbursement grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Town's policy to first apply cost - reimbursement grant resources to such programs and then general revenues.

The Town's spending policy is to use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-town funds, and town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Town Council can deviate from this policy if it is in the best interest of the Town.

The government reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Refundable advances (unearned revenue) may arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for refundable advances and the deferred inflows of resources are removed from the governmental funds balance sheet and revenue is recognized.

Special reporting treatments are also applied to governmental fund long-term receivables and prepaid expenses to indicate that they do not represent "available spendable resources", even though they are a component of net current assets. Such amounts are generally offset by fund balance nonspendable accounts.

d. Budgets and Budgetary Accounting

Normally, the budget is legally enacted through the passage of an ordinance prior to July 1. Annual budgets are adopted for the General Fund and Fire District Fund. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end. The Town Council may amend the legally adopted budget when unexpected modifications are required. The budgets were amended during the year to record increases and decreases in revenue sources, reallocate amounts, and account for increases in capital outlays and grant expenses. The budgets were prepared using the modified accrual basis of accounting.

e. Assets, Liabilities, Deferred Inflows, and Net Position or Equity

1. Deposits and Investments

Statutes authorize the Town to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, Savings and Loan Associations to the extent of federal insurance, certificates of deposit collaterally secured, repurchase agreements secured by the foregoing obligations and the State Treasurer's investment pool.

Note 1 - (continued)

2. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts (taxes) are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were not collected in prior years. Receivables for taxes less applicable allowances for doubtful accounts are reflected in deferred inflows of resources within the fund financial statements because the amount is not considered "available".

3. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

The Town's capital assets are recorded at cost or estimated historical costs. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital 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 assets but are not reported in the fund financial statement.

It is the policy of the Town to capitalize all capital assets costing more than $1,000 with an estimated useful life of two or more years. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. As allowed by generally accepted accounting principles, the Town has elected not to report general infrastructure assets retroactively.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

	Years
Buildings and improvements	12-40
Furniture and equipment	5-12
Vehicles	5-12

5. Compensated Absences

Annual Leave - Employees receive 5 days per year for each of the first 3 years of employment, 10 days for 3 to 10 years of employment, and 15 days for over 10 years of employment. Vacation leave, if not used by December 31st, is lost. Accumulated liability totals $11,056 of accrued salaries and benefits at June 30, 2023.

Sick Leave - Sick leave is accumulated at 1 day per month with a maximum accumulation of 90 days. Upon termination of employment, all unused sick leave is lost. No liability has been accrued in these financial statements since it does not vest for payment purposes.

Note 1 - (continued)

6. Encumbrance Accounting

All outstanding encumbrances lapse at year end and are rebudgeted in the following year.

7. Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

8. Net Position/Fund Balances

Net position in the government-wide financial statements is classified as net investment in capital assets, restricted, and unrestricted. Net position is reported as restricted when there are legal limitations imposed on their use by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

In the governmental fund financial statements, restricted fund balances represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Committed fund balances represent Council approved plans for the use of funds that are subject to change at Council's option.

The governmental fund type classifies fund balance as follows:

Nonspendable

Nonspendable for Note Receivable - Portion of the fund balance that is receivable upon the sale of property owner's land due to improvements installed by the Town and not considered available, spendable resources.

Restricted

Restricted for Victims' Assistance Services - Portion of the fund balance available for providing victim services as required by state law Article 15 of Title 16 from assessments collected by the municipal court.

Restricted for Tourism - Portion of the fund balance available for tourism-enhancing expenses as required by state law Article 7 of Title 6 from Hospitality Taxes collected from local merchants on the sale of prepared foods and beverages.

Restricted for Public Safety - Portion of fund balance from confiscated drug money to be expended for public safety.

Note 1 - (continued)

Committed

Committed to Public Safety and Street Department - Portion of fund balance accumulated from sewer franchise fees and approved by formal action of Town Council for funding public safety (fire and police) and Street Department needs that arise and are not funded by the current budget. These amounts do not lapse at year-end.

Assigned

Assigned to Next Years' Expenditures - Portion of fund balance that has been approved by formal action of Town Council for appropriation in next year's budget.

9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS) and additions to/deductions from SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by the South Carolina Public Employee Benefit Authority (PEBA). For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town of Cowpens has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Restricted Cash

Restricted cash of $429,649 consists of unspent proceeds of the American Rescue Plan Recovery funds.

Note 2 - Deposits

At year end, the carrying amount of the Town's deposits was $1,157,239 and the bank balance was $1,181,427. Of the bank balances $500,000 was covered by federal depository insurance. The remaining balance is collateralized by pledged governmental securities held by a third-party depository. The Town has no uncollateralized bank balances at June 30, 2023.

The Town has no policy regarding custodial credit risks for deposits and no formal policy regarding investment decisions and credit risk.

Note 3 - Taxes Receivable

Taxes receivable (current and delinquent) represent property and vehicle taxes which have been collected and remitted to Spartanburg County Treasurer's office for its distribution to the Town and taxes due but uncollected net of an allowance for uncollectible. In the governmental fund financial statements taxes receivable are accrued as revenue when they are considered to be both "measurable and available." If not considered available within 60 days of year end, they are recorded as deferred inflows of resources.

Note 3 - (continued)

In the government-wide financial statements, property taxes receivable, net of an allowance, is shown in revenue of the current period regardless of when cash is received.

The Town's property taxes (except vehicles) are levied by the Spartanburg County Auditor each fall on the assessed valuation of the property located in the Town and the Fire District as of the preceding January 1. The tax books are open for collection September 1, with the first penalty of 3% applied to payments made after January 15, the due date. An additional penalty of 5% is charged for payments made after January 31. Uncollected property taxes attach as an enforceable lien on January 1. Uncollected property taxes as of March 15 are transferred to the Spartanburg County Delinquent Tax Collector at which time an additional 5% penalty is assessed. Spartanburg County bills and collects the Town's property taxes.

At June 30, 2023, the Town's uncollected assessed taxes that have been transferred to the Spartanburg County Delinquent Tax Collector were $43,830 and $57,589 for the Town and the Fire District, respectively. These amounts net of allowances for doubtful accounts of $26,534 and $56,434, respectively and plus vehicle and delinquent taxes of $11,818 and $5,229 respectively are shown as taxes receivable in the accompanying statements.

Assessed values for real estate are established annually by the County Tax Assessor based on the assessment ratio applied to the appropriate class of property. Real and personal property, excluding merchant's inventory, in the Town's area for the 2022 tax levy was assessed at $5,738,422 and $6,393,144 for the Town and the Fire District, respectively. The Town's operating tax rate is currently 108.1 mills and 29.4 mills for the Town and Fire District, respectively.

Note 4 - Interfund Receivables and Payables

At June 30, 2023, the following interfund receivables and payables are reflected in the governmental fund balance sheet (such amounts are removed in the statement of net assets)

Receivable by	Payable by	Amount
General Fund	American Resuce Plan Fund	$ 23,428
General Fund	Hospitality Fund	$ 1,123
General Fund	Victims Assistance Fund	$ 457
General Fund	Fire District Fund	$ 78,596
General Fund	Seized Drug Fund	$ 68

Note 5 - Capital Assets

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

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Governmental activities				
Not being depreciated				
Land and right-of-ways	$ 252,547	$	$	$ 252,547
Construction in progress		43,932		43,932
Total capital assets not being depreciated	252,547	43,932		296,479
Being depreciated				
Land improvements	63,295			63,295
Buildings and improvements	2,115,659			2,115,659
Furniture and equipment	987,541	21,877		1,009,418
Vehicles	1,922,095	84,163		2,006,258
Total capital assets being depreciated	5,088,590	106,040		5,194,630
Less accumulated depreciation				
Land improvements	185	3,165		3,350
Buildings and improvements	871,715	53,722		925,437
Furniture and equipment	675,249	44,267		719,516
Vehicles	1,674,005	129,530		1,803,535
Total accumulated depreciation	3,221,154	230,684		3,451,838
Total capital assets being depreciated, net	1,867,436	(124,644)		1,742,792
Total capital assets, net	$ 2,119,981	$ (80,712)	$	$ 2,039,269

Depreciation expense was charged to governmental functions as follows

General government	$ 12,692
Public safety	
Police	61,233
Fire	102,388
Highways and streets	22,577
Recreation, tourism, health, and social	31,794
Total depreciation expense	$ 230,684

Note 6 - Lease Commitments and Notes Payable

The summary below details the changes in long-term obligations for the Town for the year.

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capitalized lease obligation:	$ 234,515	$	$ 71,885	$ 162,630
Net pension liability	971,877	140,470		1,112,347
Total	$ 1,206,392	$ 140,470	$ 71,885	$ 1,274,977

The following details the changes in capital lease obligations for the year.

	Payable at June 30, 2022	Additions	Reductions	Payable at June 30, 2023
Lease purchase of $306,000 payable in annual installments of $35,253 through March 2027, including interest at 2.66%, collateralized by 2013 Pierce Saber Pumper (Current principal of $31,739)	$ 163,027	$	$ 30,916	$ 132,111
Lease purchase of $37,395 payable in annual installments of $8,116 through December 2024, including interest at 2.79%, collateralized by a 2020 Ford Explorer with a cost of $36,895 (Current principal of $7,682)	23,052		7,474	15,578
Lease purchase of $45,000 payable in annual installments of $7,114 including interest at 2.6%, collateralized by 24 sets of turnout gear with a cost of $45,000, maturing June 2024. (Current principal of $6,934)	13,693		6,759	6,934
Lease purchase of $72,000 payable in annual installments of $19,789 including interest at 3.9%, collateralized by two 2018 Dodge Chargers with a cost of $68,500, matured August 2022.	19,044		19,044	
Lease purchase of $37,000 payable in annual installments of $8,337 including interest at 4.11%, collateralized by 2019 Ford F350 with a cost of $44,478, maturing December 2023. (Current principal $8,008)	15,699		7,692	8,007
Total lease obligations payable	$ 234,515	$	$ 71,885	$ 162,630

Note 6 - (continued)

The following is a summary of the Town's future annual debt service requirements

Year Ended June 30,	Principal	Interest	Total
2024	$ 54,362	$ 4,458	$ 58,820
2025	40,479	2,890	43,369
2026	33,450	1,803	35,253
2027	34,339	931	35,270
Total	$ 162,630	$ 10,082	$ 172,712

Interest expense on long-term debt totaled $6,724 for the year ended June 30, 2023. The Town has utilized resources of the General Fund and Fire District Fund to pay debt service costs in the current year.

Note 7 - Restricted Fund Balances

Restrictions of fund equity show amounts that are not appropriate for expenditure or are legally restricted for specific purposes. Generally, the purpose for each is indicated by the account title on the face of the balance sheet.

Note 8 - Committed Fund Balance

In the General Fund, Town Council voted to commit the proceeds of the sewer system franchise fees to be used for public safety. The franchise fees received, plus any earnings thereon, were allocated 50 percent to the police department and 50 percent to the fire department. Beginning July 1, 2017, Town Council voted to allocate the proceeds from the franchise fees received, plus any earnings thereon, 40 percent to the police department, 40 percent to the fire department and 20 percent to the street department. These amounts are requested for unbudgeted disbursements by the police chief, fire chief and street department manager as the need arises and are approved by Town Council. At June 30, 2023, $29,447, $22,797 and $5,891 are committed to the police department, fire district and street department respectively.

Note 9 - Defined Benefit Pension Plan

The South Carolina Public Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the State of South Carolina. 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.

Note 9 - (continued)

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 considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

a. Plan Description

Eligible employees of the Town are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS).

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

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

b. Membership

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

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

PORS - To be eligible for PORS membership, an employee must be required by terms of his employment, 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

Note 9 - (continued)

Mental Health. Probate judges and coroners may elect membership in the 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 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

c. Benefits

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

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

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

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 or 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.

Note 9 - (continued)

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

Pension reform legislation modified state statute such that the employer contribution rates for SCRS and PORS be further increased, not to exceed one-half percent in any one year if necessary, in order to improve the funding of the plans. The state statute 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.

Required contributions (100% funded) to the SCRS for the years ended June 30, 2023, 2022 and 2021 are as follows:

	Employee		Employer	
Year Ended June	Amount	Percent of	Amount	Percent of
2023	$ 26,360	9.00%	$ 51,443	17.56%
2022	$ 23,717	9.00%	$ 43,639	16.56%
2021	$ 22,933	9.00%	$ 39,649	15.56%

Required contributions (100% funded) to the PORS for the years ended June 30, 2023, 2022 and 2021 are as follows:

	Employee		Employer	
Year Ended June	Amount	Percent of	Amount	Percent of
2023	$ 40,133	9.75%	$ 83,311	20.24%
2022	$ 29,629	9.75%	$ 58,469	19.24%
2021	$ 27,642	9.75%	$ 51,712	18.24%

Note 9 - (continued)

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

At June 30, 2023, the Town reported liabilities of $536,491 and $575,856 for its proportionate share of the net pension liabilities for the SCRS and PORS plans, respectively. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by actuarial valuation as of July 1, 2010. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions.

The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating SCRS and PORS employers, actuarially determined. At June 30, 2022 the Town's SCRS proportion was .002213 percent, as compared to .002208 percent measured as of June 30, 2021. At June 30, 2022 the Town's PORS portion was .019202 percent, as compared to .019201 percent measured as of June 30, 2021.

For the year ended June 30, 2022, the Town recognized pension expense of $99,454. At June 30, 2023 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Difference between expected and actual experience	$ 4,661	$ 2,338
Change in assumptions	17,207	
Net difference between projected and actual earnings on pension plan investments	78,925	78,098
Town's contributions subsequent to the measurement date	59,815	
Change in proportionate share	12,142	58,787
Total SCRS	$ 172,750	$ 139,223

	Deferred Outflows of Resources	Deferred Inflows of Resources
PORS		
Difference between expected and actual experience	$ 9,662	$ 11,384
Change in assumptions	23,980	
Net difference between projected and actual earnings on pension plan investments	124,956	123,217
Town's contributions subsequent to the measurement date	70,168	
Change in proportionate share	7,492	4,504
Total PORS	$ 236,258	$ 139,105

Note 9 - (continued)

The $59,815 and $70,168 that are reported as deferred outflows of resources, which represent the Town's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will be recognized as pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2024	$ (7,386)	$ 18,102	$ 10,716
2025	(20,442)	6,886	(13,556)
2026	(12,452)	(20,387)	(32,839)
2027	13,991	22,384	36,375
Total	$ (26,289)	$ 26,985	$ 696

f. Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of 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, 2022, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the Systems consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of the July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

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

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11%	3.5% to 10.5%
Includes inflation at	2.25%	2.25%
Benefit adjustments annually	lesser of 1% or $500	lesser of 1% or $500

Note 9 - (continued)

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 System's mortality experience. These base rates are adjusted for future improvement in mortality using the published scale AA projected from the year 2020.

Assumptions used in the determination of the June 30, 2022 TPL for general employees job classification was the 2020 PRSC Males multiplied by 97% and the 2020 PRSC Females multiplied by 107% for males and females, respectively and for the public safety and firefighters job classification was the 2020 PRSC Males multiplied by 127% and the 2020 Females multiplied by 107% for males and females, respectively.

g. Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents the particular System's total net pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2022 for SCRS and PORS are presented below.

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

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

h. Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Note 9 - (continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	**12.0%**		
Real Estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total Expected Real Return	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.04%

i. Discount Rate

The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments to 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 total pension liability.

j. Sensitivity Analysis

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6 percent) or 1 percentage point higher (8 percent) than the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Town's proporitionate share of the net pension liability - SCRS	$ 687,847	$ 536,491	$ 410,657
Town's proporitionate share of the net pension liability - PORS	$ 802,997	$ 575,856	$ 389,920

Note 10 - Other Employment Benefits

The Town provides death benefits to employees through the group life insurance program for members of the South Carolina Retirement Systems. The beneficiaries of those employees who die in active service after one year of credited service are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to one year's salary of the deceased member. Accidental death benefits are provided to members of PORS equal to 50 percent of earnable compensation at the time of accidental death in the line of duty as an annuity to their surviving spouse, children, or parents. The Town has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payrolls. The Town does not determine the number of eligible participants. For the year ended June 30, 2023, the Town made contributions of $1,646 to the State for group life and accidental death benefits.

Note 11 - Contingent Liabilities

The Town participates in both federal and state awards programs. These programs are subject to the possibility of program compliance audits by the grantors or their representatives at some future date. In the event of noncompliance findings, certain expenditures could be disallowed. However, the Town expects such amounts, if any, to be immaterial.

Note 12 - Interfund Transfers

The Town transferred $130,000 to the Fire District Fund during the year which was budgeted by the Town to cover the shortfall of revenues under expenses for the district and $121,492 to cover capital outlays and other expenses paid for using American Rescue Plan Funds.

The Hospitality Fund transferred $22,881 to the General Fund for payroll and related expenses allocated to special events during the year.

The American Rescue Plan Fund transferred $143,443 to the General Fund to cover capital outlays and other related expenses.

Note 13 - Litigation

Due to the nature of the Town's normal operating activities, it is subject to a variety of claims and demands by various individuals and entities. At present the Town is not aware of any material pending or threatened litigation, claims, or assessments. In addition, the Town is not aware of any unasserted possible claims or assessments.

Note 14 - Risk Management

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors or omissions, injuries to employees, and natural disasters. The Town contracted with Selective Insurance Company of the Southeast through Carolina Municipal Insurance to cover risks of loss and pay claims for covered losses relating to auto comprehensive, collision and liability, buildings and personal property including bodily injury, general tort liability claims, public official liability and police professional liability. Fire department buildings, business auto and tort liability are provided through commercial carriers, and volunteer accident, life and health insurance are contracted through SC Firefighters Insurance.

The Town also pays premiums to Carolina Municipal for workers' compensation insurance coverage up to the statutory limits. The coverage is provided through Selective Insurance Company.

Note 14 - (continued)

There were no significant reductions in insurance coverage from the prior year and no settlements exceeding coverage for the past three years.

Note 15 - American Recovery Plan Proceeds

The American Rescue Plan (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenues for the eligible state, local, territorial, and tribal governments. The Town received $453,213 and $453,213 during the years ended June 30, 2023 and 2022. The Town allocated $142,164 of these funds for capital improvements and related expenses during the year ended June 30, 2023. The Town allocated $58,236 of these funds for premium pay and $276,378 for capital improvements during the year ended June 30, 2022. The remaining balance of $429,649 will be used in subsequent years.

Note 16 - Timken Community Center

The Town entered into an agreement in May 2014 with the County of Spartanburg for the County to use the property and facilities of the Timken Community Center for the benefit of citizens of Spartanburg County when the Town is not holding or sponsoring an event in the Center. Under this agreement, the County used the Center to provide agreed-upon recreation programs and services. The Town did not charge the County for use of the facility and the County provided facility management and operations services. The Town paid the costs for repairs and improvements to the Center and grounds and provided grounds maintenance services as agreed between the parties. The County modified the agreement effective May 20, 2015 such that the County will be responsible for the costs of the utilities and the janitorial services. The term of the agreement was from the date of the agreement until terminated and required six months advance notice prior to termination by either party. The County modified the agreement again effective March 21, 2018. The term of this agreement was twenty years and it will end on April 30, 2038. The County or the Town can terminate the agreement at any time for any reason by providing ninety days advance notice to the other party.

Note 17 - Tax Abatements

Spartanburg County utilizes an economic development program to attract businesses and industry to the County for purposes of expanding and diversifying the local economy and creating jobs. The two mechanisms that the County employs are Fee in Lieu of Tax agreements and Special Source Revenue Credits. For the 2022 tax assessment, abatements from Fee in Lieu of Tax agreements totaled $17,081 for the Fire District and $3,112 for the Town.

Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	$ 485,000	$ 571,293	$ 576,972	$ 5,679
Homestead exemption	45,338	47,155	47,155	
Local government fund	52,188	70,056	54,548	(15,508)
Merchants inventory	2,882	2,882	2,882	
Business licenses	269,791	445,806	486,034	40,228
Franchise fees	104,128	97,565	147,421	49,856
Police fines	20,000	24,845	27,395	2,550
Housing authority	7,402	6,696	4,987	(1,709)
Rent	12,592	13,250	14,050	800
Interest income	320	295	277	(18)
Reimbursement for SRO	60,000	36,106	52,853	16,747
Grant		523,505	79,292	(444,213)
Miscellaneous			4,571	4,571
Total revenues	1,059,641	1,839,454	1,498,437	(341,017)
Expenditures				
General government				
Office				
Salaries	20,000	20,400	20,400	
Payroll taxes	3,030	1,607	1,607	
Medical insurance	6,000	6,640	6,640	
Retirement	6,559	3,583	3,583	
Worker's compensation	185	136	136	
Computer maintenance	7,200	8,843	8,843	
Conventions and seminars		527	527	
Insurance	2,163	1,318	1,318	
Internet	500	1,852	1,852	
Office equipment maintenance	2,049	1,283	1,283	
Website hosting	3,000	3,949	3,949	
Total office	50,686	50,138	50,138	

Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Administrative				
Salaries	57,301	90,490	90,566	(76)
Payroll taxes	4,326	6,808	6,792	16
Medical insurance	6,000	6,505	6,505	
Retirement	9,365	15,864	15,864	
Worker's compensation	110	136	136	
Conventions and seminars		878	878	
Mobile phones	1,500	4,830	4,830	
Insurance	2,400	5,157	5,157	
Software	3,500	3,500	3,500	
Total administrative	84,502	134,168	134,228	(60)
General				
Office supplies	2,500	5,452	5,417	35
General insurance	4,000	7,885	22,569	(14,684)
Telephone	5,100	2,414	2,414	
Water	1,400	1,742	1,742	
Power - street lights	33,000	35,194	38,326	(3,132)
Power - traffic lights	3,000	2,618	2,817	(199)
Power - Town Hall	6,000	5,725	6,183	(458)
Power - miscellaneous poles	750	1,401	1,661	(260)
Power - Progressive Club	1,100	972	989	(17)
Veteran's Park expense	3,500	4,141	4,297	(156)
Depot expense	3,000	4,635	4,836	(201)
Town tax notices	2,000	3,057	3,057	
Municipal association	1,200	762	762	
Audit fees	12,000	15,125	15,125	
Legal fees	5,000	12,340	12,340	
Repairs and maintenance	3,500	22,546	26,445	(3,899)
Christmas lighting expense	300			
Janitorial supplies	2,000	905	903	2
Acknowledgement expense	150	414	414	
Dues	475	475	475	
Subscriptions/public relations	200	163	163	
Election expense	1,300			
Miscellaneous	11,800	3,600	12,228	(8,628)
Community Center expenses	1,600	1,307	1,307	
Beautification expense	100			
Mighty Moo expense		925	925	
Stormwater expenses	2,000	2,000	2,000	
Streetscape expenses			9,000	(9,000)
Business license contract	2,500	57,429	57,429	
Total general	109,475	193,227	233,824	(40,597)

Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Total general government	244,663	377,533	418,190	(40,657)
Public safety				
Judge				
Salary	8,500	8,207	8,207	
Insurance	3,574	1,318	1,318	
Other	700			
Total judge	12,774	9,525	9,525	
Police department				
Salaries	310,000	356,596	360,429	(3,833)
Payroll taxes	22,567	28,394	28,012	382
Medical insurance	37,000	38,193	38,193	
Retirement	56,758	72,393	70,168	2,225
Worker's compensation	18,000	18,139	18,139	
Gas and oil	25,000	29,141	35,384	(6,243)
Supplies	3,000	2,831	2,831	
Uniforms	2,000	8,151	1,338	6,813
Repairs and maintenance- autos and equipment	8,000	10,505	10,505	
Minor equipment	2,000	31,270	4,091	27,179
Conventions and seminars	500	176	176	
Vehicle insurance	11,500	18,107	18,107	
Insurance	17,000	17,939	17,939	
Internet expense	600	1,852	1,852	
Mobile phones and pagers	4,720	14,775	14,775	
Computer maintenance	1,000	6,381	6,381	
Grant expense		68,594	69,254	(660)
Other	700	955	955	
Total police department	520,345	724,392	698,529	25,863
Total public safety	533,119	733,917	708,054	25,863

Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Highways and streets				
Salaries	54,000	37,738	39,122	(1,384)
Payroll taxes	4,619	2,989	2,989	
Medical insurance	7,100	6,167	6,167	
Retirement	9,998	7,239	7,239	
Worker's compensation	4,500	6,285	6,285	
Gas and oil	10,000	8,421	9,049	(628)
Supplies	1,500	3,633	4,707	(1,074)
Uniforms		328	328	
Repairs and maintenance - autos and equipment	5,000	5,545	5,545	
Repairs and maintenance - land and building	1,000	11,925	12,614	(689)
Vehicle insurance	4,500	5,145	5,145	
Insurance	610	638	638	
Mobile telephone expense	720	780	780	
Contract labor	10,000	38,412	38,412	
Power - service building	600	740	784	(44)
Service building expense	1,500	3,696	3,696	
Total highways and streets	115,647	139,681	143,500	(3,819)
Sanitation				
Garbage service	92,265	92,250	98,910	(6,660)
Total sanitation	92,265	92,250	98,910	(6,660)
Capital outlay				
Office				
General		31,269	12,371	18,898
Police department		90,044	76,943	13,101
Street department	2,000	824	51,151	(50,327)
Total capital outlay	2,000	122,137	140,465	(18,328)
Debt service				
Police department	12,000		27,905	(27,905)
Total debt service	12,000		27,905	(27,905)
Total expenses	999,694	1,465,518	1,537,024	(71,506)

Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Excess of revenues over (under) expenses	59,947	373,936	(38,587)	(412,523)
Other financing sources (uses)				
Transfers (out)	(130,000)	(130,000)	(85,168)	44,832
Total other financing sources - (uses)	(130,000)	(130,000)	(85,168)	44,832
Expenditures and other uses over revenues and other sources	$ (70,053)	$ 243,936	(123,755)	$ (367,691)
Fund balance, beginning			623,821	
Fund balance, ending			$ 500,066	

Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Fire District Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Property taxes	$ 184,581	$ 218,744	$ 213,673	$ (5,071)
Intergovernmental	29,500	25,108	27,810	2,702
Interest income			325	325
Grant income		37,820	13,350	(24,470)
Other income		100	125	25
Total revenues	214,081	281,772	255,283	(26,489)
Expenditures				
Current				
Salaries	183,937	195,237	196,848	(1,611)
Payroll taxes	16,352	15,518	15,313	205
Worker's compensation	7,835	12,596	12,596	
Retirement	19,672	35,045	32,499	2,546
Fire call monies	10,000	17,430	17,430	
Gas and oil	8,200	10,711	11,776	(1,065)
Supplies and office expense	3,433	7,584	7,914	(330)
Repairs and maintenance - autos and equipment	13,000	20,990	20,990	
Repairs and maintenance - land and buildings	5,000	13,212	13,212	
Minor equipment	16,500	24,273	6,061	18,212
Telephone	4,000	7,761	7,761	
Uniforms	3,000	7,458	7,458	
Water	1,700	2,041	2,041	
Power	8,500	8,967	9,691	(724)
Fire prevention	3,500	1,612	1,612	
Travel and training	6,000	4,184	4,184	
Insurance	20,842	19,455	19,455	
Immunizations and physicals	2,500	2,711	2,711	
Professional dues	1,000	924	924	
Internet expense	3,000	4,855	4,855	
Communications	1,850	3,045	3,045	
Annual contracts	6,000	8,353	8,353	
Audit expense	4,375	4,375	4,375	
Legal expense		2,735	2,735	
Grant expense		37,820	33,362	4,458
Capital outlay		4,533	9,505	(4,972)
Debt service	35,253	35,253	50,704	(15,451)
Total expenditures	385,449	508,678	507,410	1,268

Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Fire District Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Excess of revenues over (under) expenditures	(171,368)	(226,906)	(252,127)	(25,221)
Other financing sources (uses)				
Transfers out				
Transfers in	130,000	130,000	251,492	(121,492)
Total other financing sources (uses)	130,000	130,000	251,492	121,492
Excess of Revenues and Other Sources Over Expenditures	$ (41,368)	$ (96,906)	(635)	$ 96,271
Fund Balance, Beginning			150,360	
Fund Balance, Ending			$ 149,725	

Town of Cowpens, South Carolina

Town of Cowpens's Proportionate Share of Net Pension Liability
Last Ten Fiscal Years*

Fiscal Year*	Town's Proportion Net Pension Liability	Town's Proportionate Share of the Net Pension Liabilty	Town's Covered Payroll	Town's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability**
		South Carolina Retirement System			
2023	0.002213%	$ 687,847	$ 292,886	234.85%	57.10%
2022	0.002208%	625,918	254,812	245.64%	50.70%
2021	0.002719%	694,668	303,303	229.03%	50.70%
2020	0.002514%	573,963	267,020	214.95%	54.10%
2019	0.002716%	608,561	281,054	216.53%	54.10%
2018	0.002735%	615,692	271,238	226.99%	53.30%
2017	0.002578%	550,657	254,560	216.32%	52.90%
2016	0.002684%	509,034	251,687	202.25%	57.00%
2015	0.002787%	479,829	253,027	189.64%	59.88%
2014	0.002787%	499,888	245,930	203.26%	56.39%
		South Carolina Police Officers' Retirement System			
2023	0.019202%	$ 802,997	$ 411,615	195.08%	66.40%
2022	0.019201%	716,776	283,510	252.82%	58.80%
2021	0.019500%	646,554	294,527	219.52%	58.80%
2020	0.019300%	553,128	277,774	199.13%	61.70%
2019	0.014630%	414,547	202,501	204.71%	61.70%
2018	0.014050%	384,771	189,144	203.43%	60.90%
2017	0.016970%	430,465	216,355	198.96%	60.40%
2016	0.018350%	399,829	227,453	175.79%	64.60%
2015	0.018330%	350,876	220,435	159.17%	67.55%
2014	0.018330%	379,934	202,697	187.44%	62.98%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the SCRS/PORS plans.

Town of Cowpens, South Carolina

Town of Cowpens's Proportionate Share of Net Pension Liability
Last Ten Fiscal Years*

Fiscal Year	Actuarial Required Contribution	Actual Contributions	Contribution Deficiency/ Excess	Town's Covered Payroll	Contributions as a Percentage of Covered Payroll
South Carolina Retirement System					
2023	$ 51,443	$ 51,443	$	$ 292,886	17.56%
2022	43,638	43,638		263,521	16.56%
2021	39,649	39,649		254,812	15.56%
2020	47,194	47,194		303,303	15.56%
2019	38,878	38,878		267,020	14.56%
2018	38,111	38,111		281,054	13.56%
2017	31,355	31,355		271,238	11.56%
2016	28,154	28,154		254,560	11.06%
2015	27,434	27,434		251,687	10.90%
2014	26,821	26,821		253,027	10.60%
South Carolina Police Officers' Retirement System					
2023	$ 83,311	$ 83,311	$	$ 411,615	20.24%
2022	58,468	58,468		303,886	19.24%
2021	51,712	51,712		283,511	18.24%
2020	53,722	53,722		294,527	18.24%
2019	47,888	47,888		277,774	17.24%
2018	32,886	32,886		202,501	16.24%
2017	26,934	26,934		189,144	14.24%
2016	29,727	29,727		216,355	13.74%
2015	30,501	30,501		227,453	13.41%
2014	28,304	28,304		220,435	12.84%

Town of Cowpens, South Carolina

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			Total
	Police Seized Drug Fund	Victims Assistance Fund	Local Hospitality Tax Fund	Total Nonmajor Governmental Funds
Assets				
Cash	$ 25,898	$ 45,656	$ 79,174	$ 150,728
Total assets	$ 25,898	$ 45,656	$ 79,174	$ 150,728
Liabilities and Fund Balances				
Liabilities				
Due to other funds	$ 68	$ 457	$ 1,123	$ 1,648
Total liabilities	68	457	1,123	1,648
Fund balances				
Restricted	25,830	45,199	78,051	149,080
Total fund balances	25,830	45,199	78,051	149,080
Total liabilities and fund balances	$ 25,898	$ 45,656	$ 79,174	$ 150,728

Town of Cowpens, South Carolina

Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Police Seized Drug Fund	Victims Assistance Fund	Local Hospitality Tax Fund	Total Nonmajor Governmental Funds
Revenues				
Other taxes	$	$	$ 89,811	$ 89,811
Assessments and surcharges	46	3,909		3,955
Interest earned	39		122	161
Total revenues	85	3,909	89,933	93,927
Expenditures				
Tourism related			64,874	64,874
Public safety	24,148			24,148
Highways and streets			11,775	11,775
Victim advocate services		6,191		6,191
Total expenditures	24,148	6,191	76,649	106,988
Excess of Revenues Over (Under) Expenditures	(24,063)	(2,282)	13,284	(13,061)
Other financing sources (uses)				
Transfers in (out)			(22,881)	(22,881)
Total other financing sources (uses)			(22,881)	(22,881)
Expenditures and other uses over revenues and other sources	(24,063)	(2,282)	(9,597)	(35,942)
Fund balances, beginning	49,893	47,481	87,648	185,022
Fund balances, ending	$ 25,830	$ 45,199	$ 78,051	$ 149,080

Town of Cowpens, South Carolina

Schedule of Fines, Asessments, and Surcharges - General Fund
Year Ended June 30, 2023

	Fines	Assessments	Surcharges	Victim Services
Collected	$ 27,395	$ 29,892	$ 17,054	$
Retained by town	(27,395)			
Remitted to State Treasurer		(26,557)	(16,480)	
Allocated to Victims Services		(3,335)	(574)	3,909
Victim services expenditures				(6,191)
Funds carried forward	$	$	$	(2,282)
Balance available, beginning of year				47,481
Balance available, end of year				$ 45,199