



TOWN OF GREELEYVILLE, SOUTH CAROLINA

BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

Year ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Greeleyville, South Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Greeleyville, South Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Greeleyville, South Carolina, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Town implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, Fiduciary Activities, as of July 1, 2020. This standard significantly changed the accounting for the Town's Fiduciary Funds. My opinions are not modified with respect to this matter.

Other Matters***Required Supplementary Information***

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information

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

The schedule of fines, assessments and surcharges is the responsibility of management and was derived from and 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 my opinion, the schedule of fines, assessments and surcharges is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 7, 2022, on my consideration of the Town of Greeleyville, South Carolina's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Greeleyville, South Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Greeleyville, South Carolina's internal control over financial reporting and compliance.

Samantha Salisbury

Moncks Corner, South Carolina
January 7, 2022

BASIC FINANCIAL STATEMENTS

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 205,217	\$ 355,136	\$ 560,353
Receivables, net	39,640	42,916	82,556
Restricted cash and cash equivalents	16,237	457,981	474,218
Internal balance	(185)	185	-
Investment	14,487	134,759	149,246
Prepaid expenses	3,053	-	3,053
Capital assets not being depreciated			
Land	28,124	47,534	75,658
Construction in progress	-	71,204	71,204
Capital assets, net of accumulated depreciation			
Buildings and system	1,261,194	-	1,261,194
Equipment and furniture	21,626	-	21,626
Infrastructure	89,870	2,996,975	3,086,845
Vehicles	17,593	-	17,593
Total Assets	<u>1,696,856</u>	<u>4,106,690</u>	<u>5,803,546</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension charges	<u>74,654</u>	<u>-</u>	<u>74,654</u>
Total Deferred Outflows of Resources	<u>74,654</u>	<u>-</u>	<u>74,654</u>
LIABILITIES			
Accounts payable and accrued expenses	27,228	162,970	190,198
Accrued interest	19	1,083	1,102
Customer deposits	-	23,038	23,038
Unearned revenue	72,706	739	73,445
Net pension liability	248,721	-	248,721
Noncurrent liabilities:			
Due within one year	8,321	472,535	480,856
Due in more than one year	33,941	145,549	179,490
Total Liabilities	<u>390,936</u>	<u>805,914</u>	<u>1,196,850</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension credits	<u>32,786</u>	<u>-</u>	<u>32,786</u>
Total Deferred Outflows of Resources	<u>32,786</u>	<u>-</u>	<u>32,786</u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2021

		Primary Government		
		Governmental	Business-type	
		Activities	Activities	Total
NET POSITION				
Net investment in capital assets		1,384,308	2,039,648	3,423,956
Restricted for capital projects		16,237	-	16,237
Committed for capital projects		-	457,981	457,981
Unrestricted		(52,757)	803,147	750,390
	Total Net Position	<u>\$ 1,347,788</u>	<u>\$ 3,300,776</u>	<u>\$ 4,648,564</u>

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

TOWN OF GREELEYVILL, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
Year ended June 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		Total
			Grants and Contributions	Grants and Contributions	Governmental	Business-type	
					Activities	Activities	
Governmental Activities							
General government	\$ 289,967	\$ 106,190	\$ -	\$ 196,332	\$ 12,555	\$ -	\$ 12,555
Police	64,513	26,883	-	-	(37,630)	-	(37,630)
Municipal court	40,621	-	-	-	(40,621)	-	(40,621)
Kennedy senior center	45,024	1,285	2,550	-	(41,189)	-	(41,189)
Dr. C. E. Murray library	20,589	-	-	-	(20,589)	-	(20,589)
Nondepartmental	17,594	-	-	-	(17,594)	-	(17,594)
Total Governmental Activities	478,308	134,358	2,550	196,332	(145,068)	-	(145,068)
Business-Type Activities							
Water and sewer	288,772	304,031	-	277,156	-	292,415	292,415
Total Business-type Activities	288,772	304,031	-	277,156	-	292,415	292,415
TOTAL GOVERNMENT	\$ 767,080	\$ 438,389	\$ 2,550	\$ 473,488	(145,068)	292,415	147,347
General Revenues and Transfers							
Property taxes					171,352	-	171,352
Unrestricted intergovernmental revenue					40,866	-	40,866
Investment earnings					2,182	1,710	3,892
Other					2,550	326	2,876
Transfers in (out)					47,100	(47,100)	-
Total general revenues and transfers					264,050	(45,064)	218,986
Change in net position					118,982	247,351	366,333
Net Position - beginning					1,228,806	3,053,425	4,282,231
Net Position - ending					\$ 1,347,788	\$ 3,300,776	\$ 4,648,564

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General	Special Revenue	Total
ASSETS			
Cash and cash equivalents	\$ 176,825	\$ 28,392	\$ 205,217
Receivables			
Property taxes, less allowance for doubtful accounts	15,363	-	15,363
Due from other governmental agencies	21,706	299	22,005
Other	2,272	-	2,272
Prepaid expenses	3,053	-	3,053
Restricted cash and cash equivalents	16,237	-	16,237
Investments	14,487	-	14,487
Due from other funds	-	1,765	1,765
Total Assets	<u>\$ 249,943</u>	<u>\$ 30,456</u>	<u>\$ 280,399</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities			
Accounts payable and accrued expenses	27,228	-	27,228
Due to other funds	1,950	-	1,950
Unearned revenue	72,706	-	72,706
Total Liabilities	<u>101,884</u>	<u>-</u>	<u>101,884</u>
Deferred inflows			
Unavailable property taxes	5,850	-	5,850
Total Deferred Inflows	<u>5,850</u>	<u>-</u>	<u>5,850</u>
Fund balances			
Nonspendable	3,053	-	3,053
Restricted	16,237	-	16,237
Unassigned	122,919	30,456	153,375
Total Fund Balances	<u>142,209</u>	<u>30,456</u>	<u>172,665</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 249,943</u>	<u>\$ 30,456</u>	<u>\$ 280,399</u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS -
BALANCE SHEET TO NET POSITION
June 30, 2021

Total fund balances of governmental funds	\$ 172,665
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Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, reported at original cost (\$2,529,378) less accumulated depreciation of (\$1,110,971)	1,418,407
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Deferred revenues for delinquent property taxes deferred in the governmental funds because they will not be received within sixty days of year end.	5,850
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Other liabilities not due and payable in the current period and therefore are not reported in the funds	(19)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds

Capital lease obligation	(4,226)	
Note payable	(29,873)	
Compensated absences liability	<u>(8,163)</u>	(42,262)

Net pension liability, deferred outflows of resources, and deferred inflows of resources related to the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	<u>(206,853)</u>
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Net position of governmental activities.	<u><u>\$ 1,347,788</u></u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year ended June 30, 2021

	General	Special Revenue	Total
REVENUES			
Property taxes	\$ 176,666	\$ -	\$ 176,666
Licenses, permits and fees	106,190	-	106,190
Intergovernmental	236,604	3,144	239,748
Charges for services	1,285	-	1,285
Fines and forfeitures	26,884	-	26,884
Investment earnings	2,182	-	2,182
Other	2,550	-	2,550
Total Revenue	<u>552,361</u>	<u>3,144</u>	<u>555,505</u>
EXPENDITURES			
Current			
General government	240,000	-	240,000
Police	66,174	-	66,174
Municipal court	34,422	-	34,422
Kennedy Senior Center	21,720	-	21,720
Nondepartmental	12,594	5,000	17,594
Debt Service			
Principal	6,909	-	6,909
Interest	1,785	-	1,785
Capital Outlay	362,869	-	362,869
Total Expenditures	<u>746,473</u>	<u>5,000</u>	<u>751,473</u>
Excess (deficiency) of revenue over expenditures	<u>(194,112)</u>	<u>(1,856)</u>	<u>(195,968)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in/(out)	47,100	-	47,100
Total other financing sources (uses)	<u>47,100</u>	<u>-</u>	<u>47,100</u>
Net changes in fund balances	(147,012)	(1,856)	(148,868)
Fund Balances - beginning	<u>289,221</u>	<u>32,312</u>	<u>321,533</u>
Fund Balances - ending	<u><u>\$ 142,209</u></u>	<u><u>\$ 30,456</u></u>	<u><u>\$ 172,665</u></u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES -
GOVERNMENTAL FUNDS
Year ended June 30, 2021

Net changes in fund balances - total governmental funds	\$ (148,868)
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Amounts reported for governmental activities in the statement of activities
are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of \$362,869 exceeded depreciation of \$77,707 in the current period.	285,162
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Long-term debt issued provides current financial resources to governmental funds, but incurring debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure or other financing use in the governmental funds, but the payment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeds repayment.

	Note payable	6,077	
	Capital lease	832	6,909

Changes in the Town's proportionate share of the net pension liability, deferred outflows or resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the statement of activities	(17,998)
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Revenues reported in the statement of activities that do not provide current financial resources and therefore are not reported as revenues in the funds. This amount represents the change in deferred revenues for the year.	(5,315)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<div style="border-top: 1px solid black; display: inline-block;">(908)</div>
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Total change in net position of governmental activities	<div style="border-top: 3px double black; display: inline-block;">\$ 118,982</div>
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The notes to the financial statements are an integral part of this statement.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2021

	Water/ Sewer
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 355,136
Investments	134,759
Receivables - net	42,916
Restricted Cash and cash equivalents	457,981
Internal balance	185
Total current assets	<u>990,977</u>
Noncurrent Assets	
Land	47,534
Equipment	95,406
Buildings and system	5,290,547
Construction in progress	71,204
Less accumulated depreciation	<u>(2,388,978)</u>
Total capital assets (net of accumulated depreciation)	<u>3,115,713</u>
Total noncurrent assets	<u>3,115,713</u>
Total Assets	<u>4,106,690</u>
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	164,053
Customer deposits	23,038
Deferred revenue	739
Note payable, current portion	<u>472,535</u>
Total current liabilities	<u>660,365</u>
Noncurrent Liabilities	
Note payable, net current portion	<u>145,549</u>
Total noncurrent liabilities	<u>145,549</u>
Total Liabilities	<u>805,914</u>
NET POSITION	
Invested in capital assets, net of related debt	2,039,648
Committed for capital projects	457,981
Unrestricted	<u>803,147</u>
Total Net Position	<u><u>\$ 3,300,776</u></u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION - PROPRIETARY FUND
Year ended June 30, 2021

	Water / Sewer
OPERATING REVENUES	
Current use charge	\$ 301,841
Water and sewer tap fees	2,190
Miscellaneous	326
Total Operating Revenue	<u>304,357</u>
OPERATING EXPENSES	
Purchased services	111,604
Supplies and materials	10,497
Other operating expenses	6,516
Depreciation	153,950
Total Operating Expenses	<u>282,567</u>
Operating income (loss)	<u>21,790</u>
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	1,710
Interest expense	(6,205)
Net nonoperating income (expenses)	<u>(4,495)</u>
Income (loss) before capital contributions and transfers	17,295
Capital contributions	<u>277,156</u>
Income before transfers	294,451
Transfers In (Out)	
Transfer (Out)	(47,100)
Total transfers	<u>(47,100)</u>
Change in net position	247,351
Total Net Position - Beginning	<u>3,053,425</u>
Total Net Position - Ending	<u><u>\$ 3,300,776</u></u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year ended June 30, 2021

	<u>Water / Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 314,225
Payments to suppliers for goods and services	<u>(125,627)</u>
Net cash provided by Operating Activities	<u>188,598</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfer out to other fund	<u>(47,100)</u>
Net cash used by Noncapital Financing Activities	<u>(47,100)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payment on note payable	(19,747)
Interest paid on note payable	(6,334)
Proceeds from note payable	452,000
Proceeds from capital grants	277,156
Acquisition and construction of capital assets	<u>(423,905)</u>
Net cash provided by Capital and Related Financing Activities	<u>279,170</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>1,710</u>
Net cash provided for by Investing Activities	<u>1,710</u>
Net increase in cash and cash equivalents	422,378
Cash and cash equivalents at beginning of year	<u>525,498</u>
Cash and cash equivalents at end of year	<u><u>\$ 947,876</u></u>
RECONCILIATION TO STATEMENT OF NET ASSETS:	
Cash and cash equivalents	\$ 355,136
Investments, certificates	134,759
Restricted cash and cash equivalents	457,981
Total cash and cash equivalents	<u><u>\$ 947,876</u></u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year ended June 30, 2021

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ 21,790
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	153,950
Changes in operating assets and liabilities	
(Increase) in account receivables	10,943
(Decrease accounts payables)	(2,990)
Increase in customer deposits	4,572
Increase in deferred revenue	333
	<hr/>
Cash flow from operating activities	<hr/> <hr/> \$ 188,598

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND - MUNICIPAL COURT ESCROW
June 30, 2021

		Municipal Court
<hr/>		
ASSETS		
Cash and cash equivalents		\$ 11,317
	Total Assets	<u>11,317</u>
		<u><u>11,317</u></u>
LIABILITIES		
Due to others		7,283
	Total Liabilities	<u>7,283</u>
		<u><u>7,283</u></u>
NET POSITION		
Restricted		
Individuals and other governments		4,089
	Total Net Position	<u>4,089</u>
		<u><u>4,089</u></u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND - MUNICIPAL COURT ESCROW
June 30, 2021

		Municipal Court
		<u> </u>
ADDITIONS		
Court fines		\$ 56,266
	Total Additions	<u>56,266</u>
DEDUCTIONS		
Fees paid to other governments		61,896
	Total Deductions	<u>61,896</u>
	Change in Net Position	(5,630)
NET POSITION		
Beginning of the year, restated		9,719
	Total Net Position	<u><u>\$ 4,089</u></u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION

A. Reporting Entity

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

B. Basis of Presentation

Government-wide and Fund Financial Statements

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

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

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

Governmental Funds

General Fund

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

Special Revenue Funds

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

Victims Advocate Fund

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION (Continued)

Capital Project Funds

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

Proprietary Fund

Enterprise Funds

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

Water and Sewer Fund

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

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

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

Municipal Court Escrow Fund

Major and Nonmajor Funds

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

Major

General Fund

Water/Sewer Fund

Nonmajor

Victims Advocate Fund

C. Measurement Focus and Basis of Accounting

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION (Continued)

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

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

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

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

Deposits and Investments

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

Receivables and Payables

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

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

Restricted Assets

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

Capital Assets

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION (Continued)

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

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

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

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

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Compensated Absences

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

Long-term Obligations

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

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION (Continued)

Equity Classifications

Government-wide Financial Statements

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

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

Fund Statements

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

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

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

E. Revenues, Expenditures, and Expenses

Property Tax

Property taxes are levied in November of each year for property values assessed on December 31 of the preceding year. Taxes are levied and billed in the same reporting period and amounts collected are used to fund activities in the fiscal reporting year. Taxes not by January 15 of the following year are assessed penalties and interest until paid. Taxes not paid by March 15 are considered delinquent. Williamsburg County bills and collects property taxes for the Town.

Operating Revenues and Expenses

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION (Continued)

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Pensions

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

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the SCRS and PORS and additions to and deductions from the Plans’ net positions have been determined on the same basis as they are reported by the Plans on economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

G. Use of Estimates

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

H. Fair Value

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

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 – ACCOUNTING POLICIES AND ORGANIZATION (Continued)

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

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

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

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

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

I. Tax Abatement Agreements

This Town per Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures, is required to disclose information for any tax abatement agreements either entered into by the Town, or agreements entered into by other governments that reduce the Town's tax revenues. As of June 30, 2021, the Town did not have any such agreements, either entered into by the Town or other governments that exceeded the quantitative threshold for disclosure.

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

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

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

Long-term debt issued	\$ -
Payment of long-term debt	<u>6,909</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 6,909</u>

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

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

Compensated absences - current year	\$ (8,163)
Compensated absences - prior year	7,245
Accrued interest - current year accrual	(19)
Accrued interest - prior year accrual	<u>29</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (908)</u></u>

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that, in the event of bank failure, the Town’s deposits might not be recovered. State statutes require that all deposits in financial institutions be fully collateralized, obligations of the U.S. Treasury and U.S. Agencies and instrumentalities, State of South Carolina or South Carolina local governments, valued at market or par, whichever is lower, less the amount of insurance (FDIC). Deposits of the Town on June 30, 2021 are insured or collateralized by securities held by the pledging financial institution’s trust department in the name of the Town.

Restricted cash of \$16,237 on June 30, 2021, in the General Fund is comprised of grant and private contributions are for capital projects. Restricted cash of \$457,981 in the Water/Sewer Fund includes the unspent revenue bonds for construction of capital projects.

Investments

As of June 30, 2021, the Town had the following investments.

	Fair Value	Investment Maturities (in years)		Credit Ratings
		Less than 1	1 - 5	
Certificates of Deposit	<u>\$ 150,997</u>	<u>\$ -</u>	<u>\$ 150,997</u>	N/A

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

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

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

The Town is authorized to invest in certificates of deposit with local financial institutions. As of June 30, 2021, none of the Town's investments are exposed to custodial credit risk.

NOTE 5 – RECEIVABLES

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

	General	Victim's Advocate	Enterprise	Total
Receivables				
Property taxes	\$ 19,417	\$ -	\$ -	\$ 19,417
Intergovernmental	21,706	299	-	22,005
Other	2,272	-	-	2,272
Water/sewer fees	-	-	56,775	56,775
Less: Allowance for uncollectibles	(4,054)	-	(13,859)	(17,913)
Net receivables	<u>\$ 39,341</u>	<u>\$ 299</u>	<u>\$ 42,916</u>	<u>\$ 82,556</u>

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 6 – CAPITAL ASSETS

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

	Balances June 30, 2020	Increases	Decreases	Balances June 30, 2021
Capital assets not being depreciated:				
Land	\$ 28,124	\$ -	\$ -	\$ 28,124
Construction in progress	55,005	31,130	(86,135)	-
Total capital assets not being depreciated	<u>83,129</u>	<u>31,130</u>	<u>(86,135)</u>	<u>28,124</u>
Capital assets being depreciated				
Buildings	1,399,817	404,396	-	1,804,213
Infrastructure	488,175	-	-	488,175
Equipment/furniture	98,030	13,477	-	111,507
Vehicles	<u>97,359</u>	<u>-</u>	<u>-</u>	<u>97,359</u>
Total capital assets being depreciated	<u>2,083,381</u>	<u>417,873</u>	<u>-</u>	<u>2,501,254</u>
Less accumulated depreciation for:				
Buildings	505,100	37,919	-	543,019
Infrastructure	371,640	26,665	-	398,305
Equipment/furniture	86,709	3,172	-	89,881
Vehicles	<u>69,815</u>	<u>9,951</u>	<u>-</u>	<u>79,766</u>
Total accumulated depreciation	<u>1,033,264</u>	<u>77,707</u>	<u>-</u>	<u>1,110,971</u>
Total capital assets being depreciated, net	<u>1,050,117</u>	<u>340,166</u>	<u>-</u>	<u>1,390,283</u>
Governmental activities capital assets, net	<u>\$ 1,133,246</u>	<u>\$ 371,296</u>	<u>\$ (86,135)</u>	<u>\$ 1,418,407</u>

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 6 – CAPITAL ASSETS (Continued)

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

	Balances June 30, 2020	Increases	Decreases	Balances June 30, 2021
Capital assets not being depreciated:				
Land	\$ 47,534	\$ -	\$ -	\$ 47,534
Construction in progress	110,218	532,584	(571,598)	71,204
Total capital assets not being depreciated	<u>157,752</u>	<u>532,584</u>	<u>(571,598)</u>	<u>118,738</u>
Capital assets being depreciated				
Equipment	95,406	-	-	95,406
Water/sewer system	<u>4,718,949</u>	<u>571,598</u>	<u>-</u>	<u>5,290,547</u>
Total capital assets being depreciated	<u>4,814,355</u>	<u>571,598</u>	<u>-</u>	<u>5,385,953</u>
Less accumulated depreciation for:				
Equipment	95,406	-	-	95,406
Water/sewer system	<u>2,139,622</u>	<u>153,950</u>	<u>-</u>	<u>2,293,572</u>
Total accumulated depreciation	<u>2,235,028</u>	<u>153,950</u>	<u>-</u>	<u>2,388,978</u>
Total capital assets being depreciated, net	<u>2,579,327</u>	<u>417,648</u>	<u>-</u>	<u>2,996,975</u>
Business-type activities capital assets, net	<u>\$ 2,737,079</u>	<u>\$ 950,232</u>	<u>\$ (571,598)</u>	<u>\$ 3,115,713</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government	\$ 29,531
Law enforcement	4,283
Kennedy senior center	4
Dr. C. E. Murray Library	<u>20,589</u>
Total depreciation governmental activities	<u>\$ 54,407</u>
Business-type activities	
Water and sewer	<u>\$ 153,950</u>
Total depreciation business-type activities	<u>\$ 153,950</u>

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 7 – LONG-TERM DEBT

A summary of the changes in long-term liabilities for the year ended June 30, 2021, is as follows:

	Balances June 30, 2020	Increases	Decreases	Balances June 30, 2021	Due Within One Year
<u>Governmental Activities</u>					
Capital leases	\$ 5,057	\$ -	\$ 831	\$ 4,226	\$ 919
Note payable	35,950	-	6,077	29,873	6,402
Compensated absences	7,245	918	-	8,163	1,000
	<u>\$ 48,252</u>	<u>918</u>	<u>6,908</u>	<u>42,262</u>	<u>\$ 8,321</u>
<u>Business-type Activities</u>					
Notes payable	\$ 185,830	\$ -	\$ 19,746	\$ 166,084	\$ 20,535
Revenue Bonds	-	452,000	-	452,000	452,000
	<u>\$ 185,830</u>	<u>\$ 452,000</u>	<u>\$ 19,746</u>	<u>\$ 618,084</u>	<u>\$ 472,535</u>

Note payable from governmental activities on June 30, 2021 is as follows:

5.25% note payable to the Bank of Greeleyville, due in monthly installments of \$639, including interest, through November 2025, secured by Town Hall.	\$ 29,873
	<u>\$ 29,873</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	6,402	876	7,278
2023	6,613	665	7,278
2024	6,832	447	7,279
2025	7,057	221	7,278
2026 - 2028	2,969	24	2,993
	<u>\$ 29,873</u>	<u>\$ 2,233</u>	<u>\$ 32,106</u>

Revenue bond payables from business type activities on June 30, 2021 is as follows:

Secured by Water and Sewer Fun Revenues

Date of Issue	Original Issue	Interest Rate	Maturity	Balance at June 30, 2021
6/12/2021	\$ 452,000	2.00%	6/10/2022	\$ 452,000

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 7 – LONG-TERM DEBT (Continued)

Note payable from business-type activities on June 30, 2021 is as follows:

3.5% note payable to the Bank of Greeleyville, due in quarterly installments of \$6,620, including interest, through July 2028, secured by water lines.	\$ 166,084
	<u>\$ 166,084</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	20,535	5,545	26,080
2023	21,263	4,817	26,080
2024	22,017	4,063	26,080
2025	22,798	3,282	26,080
2026	23,607	2,474	26,081
2027 - 2031	55,864	2,460	58,324
	<u>\$ 166,084</u>	<u>\$ 22,641</u>	<u>\$ 188,725</u>

NOTE 8 – LEASING ARRANGEMENTS

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

The copier net of depreciation equals \$3,939 on June 30, 2021.

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

Year Ending June 30,	
2022	1,300
2023	1,300
2024	1,300
2025	<u>1,217</u>
Total minimum lease payments	5,117
Less executory costs and related profit	<u>-</u>
Net minimum lease payments	5,117
Less amount representing interest	891
Present value of minimum lease payments	<u>\$ 4,226</u>

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 9 – RETIREMENT PLAN DESCRIPTION

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

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

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

Plan Descriptions

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public-school districts and political subdivisions.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state, and its political subdivisions.

Memberships

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

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

PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 9 – RETIREMENT PLAN DESCRIPTION (Continued)

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

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms with a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of the benefit terms for each system is presented.

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

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

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

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

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

Contributions

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 9 – RETIREMENT PLAN DESCRIPTION (Continued)

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding sources shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent, if contribution rates are decreased pursuant to this provision, and most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

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

Required employee contribution rates are as follows for fiscal year 2021

SCRS

9.00% of earnable compensation

PORS

9.75% of earnable compensation

Required employer contribution rates are as follows for fiscal year 2021:

SCRS

15.41% of earnable compensation

Employee incidental death benefit of 0.15% of earnable compensation

PORS

17.84% of earnable compensation

Employee incidental death benefit of 0.20% of earnable compensation

Employee accidental death benefit of 0.20% of earnable compensation

Actuarial Assumptions and Methods

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 9 – RETIREMENT PLAN DESCRIPTION (Continued)

The June 30, 2020, total pension liability (TPL), net pension liability (NPL), and sensitivity information were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the actuarial valuations performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles.

The following provides a summary of actuarial assumptions and methods used to calculate the TPL as of June 30, 2020.

	SCRS	PORS
Actuarial cost method	Entry age	Entry age
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

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

Net Pension Liability

The net pension liability ("NPL") is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67 less the System's fiduciary net position. As of June 30, 2021 (measurement date of June 30, 2020), NPL amounts for the Town's proportionate share of the collective NPL for the SCRS (.000621%) and for the PORS (.002712%) are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 321,952	\$ 163,158	158,794	50.7%
PORS	218,218	128,289	89,929	58.8%

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 9 – RETIREMENT PLAN DESCRIPTION (Continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 30-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted in the beginning of the 2020 fiscal year of the Systems. For actuarial purposes, the long-term expected rate of returns, along with expected inflation rate, is calculated by weighting the expected real rates of return by the target allocation percentage and then adding expected actuarial, which is summarized in the table below:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Securities	7.0%	5.09%	0.36%
Real Assets	12.0%		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
Opportunities	8.0%		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other opportunistic Strategies	1.0%	4.41%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
Alternatives	14.0%		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
	100.0%		
Total Expected Real Return			5.80%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			8.05%

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 9 – RETIREMENT PLAN DESCRIPTION (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25 %. The projection of cash flows used to determine the discount rate assumed the contributions from participating employers in SCRS will be made based on the actuarially determined rates base on the provisions in the South Carolina State Code of Laws. Based on these assumptions, each System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the collective net pension liability of the participating employers calculated using the discount rate of 7.25 %, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.0 % lower (6.25%) or 1.0% higher (8.25%) than the current rate.

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

System	1.00 % Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 196,806	\$ 158,794	\$ 127,054
PORS	119,049	89,927	66,545

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

For the year ended June 30, 2021, the Town recognized it proportionate share of collective pension expense of \$17,767 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total employer contributions of \$17,801 for a total of \$35,568 for the SCRS plan. For the year ended June 30, 2021, the Town recognized it proportionate share of collective pension expense of \$12,954 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total employer contributions of (\$12,957) for a total of (\$3) for the PORS plan.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 9 – RETIREMENT PLAN DESCRIPTION (Continued)

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Liability experience	\$ 1,832	\$ 600
Assumption Changes	195	-
Investment experience		
Net difference between projected and actual earnings on pension plan investments	13,381	1,701
Changes in proportion and differences between Town contributions and proportionate share of contributions	12,708	-
Town contributions subsequent to the measurement date	11,145	-
Total	<u>39,261</u>	<u>2,301</u>
PORS		
Differences between expected and actual experience	1,911	396
Assumption Changes	1,097	-
Net difference between projected and actual earnings on pension plan investments	10,365	1,157
Changes in proportion and differences between Town contributions and proportionate share of contributions	14,444	28,932
Town contributions subsequent to the measurement date	7,576	-
Total	<u>35,393</u>	<u>30,485</u>
Total SCRS and PORS	<u>\$ 74,654</u>	<u>\$ 32,786</u>

The contributions subsequent to the measurement date to SCRS and PORS, reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date:

Fiscal Year	SCRS	PORS
2022	\$ 13,048	\$ (9,243)
2023	5,149	(2,491)
2024	4,637	5,888
2025	2,981	3,178
	<u>\$ 25,815</u>	<u>\$ (2,668)</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 10 – INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2021 was as follows:

Due to/from other funds:

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

Interfund Transfers

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

The transfer is a budgeted item.

NOTE 11 – RISK MANAGEMENT

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

NOTE 12 - CONTINGENT LIABILITIES

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

LITIGATION

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

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

TOWN OF GREELEYVILLE, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETS TO ACTUAL - GENERAL FUND
Year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 181,000	\$ 181,000	\$ 176,666	\$ (4,334)
Licenses, permits, and fees	41,000	41,000	106,190	65,190
Intergovernmental	118,000	118,000	236,604	118,604
Charges for services	13,000	13,000	1,285	(11,715)
Fines and forfeitures	35,000	35,000	26,884	(8,116)
Investment earnings	1,500	1,500	2,182	682
Other	600	600	2,550	1,950
Total Revenue	<u>390,100</u>	<u>390,100</u>	<u>552,361</u>	<u>162,261</u>
EXPENDITURES				
Current				
General government	286,205	286,205	240,000	46,205
Police	68,060	68,060	66,174	1,886
Municipal court	39,435	39,435	34,422	5,013
Kennedy senior center	28,200	28,200	21,720	6,480
Nondepartmental	5,000	5,000	12,594	(7,594)
Debt Service				
Principal	7,700	7,700	6,909	791
Interest	2,500	2,500	1,785	715
Capital Outlay	-	-	362,869	(362,869)
Total Expenditures	<u>437,100</u>	<u>437,100</u>	<u>746,473</u>	<u>(309,373)</u>
Excess (deficiency) of revenue over expenditures	<u>(47,000)</u>	<u>(47,000)</u>	<u>(194,112)</u>	<u>(147,112)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in/(out)	<u>47,000</u>	<u>47,100</u>	<u>47,100</u>	<u>-</u>
Total other financing sources (uses)	<u>47,000</u>	<u>47,100</u>	<u>47,100</u>	<u>-</u>
Net change in fund balances	-	100	(147,012)	(147,112)
Fund Balance - beginning	<u>289,221</u>	<u>289,221</u>	<u>289,221</u>	<u>-</u>
Fund Balance - ending	<u>\$ 289,221</u>	<u>\$ 289,321</u>	<u>\$ 142,209</u>	<u>\$ (147,112)</u>

NOTE: The budgets are presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

TOWN OF GREELEYVILLE, SOUTH CAROLINA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND RELATED RATIOS
June 30, 2021

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

Notes to Schedule:

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

TOWN OF GREELEYVILLE, SOUTH CAROLINA
SCHEDULE OF REQUIRED CONTRIBUTIONS
AND RELATED RATIOS
June 30, 2021

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

Notes to Schedule:

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

OTHER FINANCIAL INFORMATION

TOWN OF GREELEYVILLE, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
Year ended June 30, 2021

Court Fines

Court fines collected	\$ 25,883
Court fines retained by the Town	<u>(25,883)</u>
Court fines remitted to the State Treasurer	<u><u>\$ -</u></u>

Court Assessments, Surcharges and Pullouts

Court assessments collected	\$ 24,837
Court surcharges collected	7,906
Court pullouts collected	<u>124</u>
Court assessments remitted to the State Treasurer	<u><u>\$ 32,867</u></u> *

Victim Services

Court assessments allocated to Victim Services	\$ 3,144
Victim Service expenditures	<u>(5,000)</u>
 Funds available for carry forward from prior year	 <u>32,312</u>
Funds available for carry forward at the end of the year	<u><u>\$ 30,456</u></u>

* **Note:** The Town retained \$1,000 of Court Assessments for the audit of fiscal year 2021

COMPLIANCE SECTION

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Greeleyville, South Carolina, (the "Town") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued my report thereon dated January 7, 2022.

Internal Control over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Samantha Salisbury

Moncks Corner, South Carolina
January 7, 2022