

Town of Lake View  
Lake View, South Carolina

**BASIC FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL INFORMATION**

June 30, 2021

## TABLE OF CONTENTS

<b>TOWN OFFICIALS</b>	2
<b>INDEPENDENT AUDITOR'S REPORT</b>	3-4
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	5-8
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet - Governmental Funds	11
Reconciliation of the Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	14
Notes to Financial Statements	15-30
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule - General Fund	31
Schedule of the Town's Pension Contributions	32
Schedule of the Town's Proportionate Share of the Net Pension Liability	33
<b>COMPLIANCE SECTION</b>	
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 <u>Government Auditing Standards</u>	34-35
Schedule of Findings and Responses	36-37
Summary Schedule of Prior Year Findings	38
<b>OTHER INFORMATION</b>	
Uniform Schedule of Court Fines, Assessments and Surcharges	39-40
General Fund:	
Schedule of Expenditures - Budget and Actual - General Fund	41-43
Special Revenue Funds:	
Combining Balance Sheet - All Special Revenue Funds	44
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - All Special Revenue Funds	45

**MAYOR**

Dennis L. Townsend, III

**TOWN CLERK AND TREASURER**

Sara K. Elvington

**CLERK**

Karen Cook-Henderson

**COUNCIL MEMBERS**

Mertis Barnett

Mitsey Church

W. David Johnson

David Kitchens

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor  
and Town Council  
Lake View, South Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lake View as of June 30, 2021, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Town'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 error or fraud.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to on the previous page 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 Lake View as of June 30, 2021, 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.

## **Other Matters**

### ***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 8, budgetary comparison on page 31 and the pension schedules on pages 32 and 33 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.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lake View's basic statements. The other fund financial statements and schedules listed in the table of contents under "Other Information" are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Town of Lake View. The Uniform Schedule of Court Fines, Assessments and Surcharges on pages 39-40 is presented for purposes of additional analysis as required by the state of South Carolina and is not a required part of the financial statements. These other fund financial statements and schedules 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 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, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated August 1, 2022 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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's internal control over financial reporting and compliance.

*Kenneth Cobb & Company P.C.*

Mullins, South Carolina

August 1, 2022

Town of Lake View, South Carolina  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
Year Ended June 30, 2021

Our discussion and analysis of the Town's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2021.

The report consists of a series of financial statements and notes to those statements. These begin by reporting on the Town as a whole and then reporting with more specific detail.

**Financial Highlights**

The Town's total net position was approximately \$1,800,938 at June 30, 2021 and \$1,210,771 at June 30, 2020.

The Town's net position increased by approximately \$590,167 at June 30, 2021 and decreased by approximately \$18,221 at June 30, 2020.

**Reporting the Town as a Whole - Government Wide Statements**

The *Statement of Net Position* and *Statement of Activities* report on the Town as a whole, reporting on all assets, liabilities, revenues and expenses on an accrual basis of accounting. This is similar to the basis of accounting used by private businesses.

**Reporting the Town's Funds**

*Fund Financial Statements*

The fund financial statements begin on page 11. The Town's types of funds and accounting basis are described in the notes to the financial statements.

*Governmental Funds*

The Town's activities are reported in governmental funds using the modified accrual basis of accounting. These statements provide a short-term view of the Town's general governmental operations and the basic services it provides. The relationship between these financial statements and the government wide financial statements referenced above are reconciled on pages 12 and 14.

Town of Lake View, South Carolina  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
Year Ended June 30, 2021

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position - Governmental Activities**

	6/30/2021 Governmental <u>Activities</u>	6/30/2020 Governmental <u>Activities</u>
Current and other Assets	\$ 1,198,663.00	\$ 1,068,400.34
Net Capital Assets	<u>1,117,067.94</u>	<u>618,249.71</u>
Total Assets	<u>2,315,730.94</u>	<u>1,686,650.05</u>
Deferred outflows or resources		
Deferred pension charges	<u>159,421.00</u>	<u>137,658.00</u>
Current Liabilities	140,382.39	149,455.65
Long-term Liabilities	<u>528,174.00</u>	<u>455,675.00</u>
Total Liabilities	<u>668,556.39</u>	<u>605,130.65</u>
Deferred inflows or resources		
Deferred pension credits	<u>5,658.00</u>	<u>8,406.00</u>
Net Position:		
Invested in Capital Assets, net of related debt	1,117,067.94	618,249.71
Unrestricted	<u>683,869.61</u>	<u>592,521.69</u>
Total Net Position	<u>\$ 1,800,937.55</u>	<u>\$ 1,210,771.40</u>

Town of Lake View, South Carolina  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
Year Ended June 30, 2021

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Changes in Net Position**

	<u>6/30/2021 Governmental Activities</u>	<u>6/30/2020 Governmental Activities</u>
Revenues		
Program Revenues		
Charges for Services	\$ 324,780.10	\$ 358,843.10
Grants	<u>706,608.45</u>	<u>111,228.18</u>
Total Program Revenues	<u>1,031,388.55</u>	<u>470,071.28</u>
General Revenues		
Property Taxes	272,038.06	262,217.38
Hospitality Tax	17,185.60	13,373.00
Interest Earnings	359.31	733.77
Miscellaneous	<u>67,387.52</u>	<u>34,144.03</u>
Total Revenues	<u>1,388,359.04</u>	<u>807,497.37</u>
Expenses		
General Government	133,169.34	170,121.63
Street Department	203,093.33	264,081.65
Police Department	341,358.28	325,462.88
Fire Department	4,304.34	7,046.87
Parks, Recreation, Etc.	51,693.40	16,413.89
Depreciation	<u>64,574.20</u>	<u>42,591.42</u>
Total Expenses	<u>798,192.89</u>	<u>825,718.34</u>
Change in Net Position	590,166.15	(18,220.97)
Net Position, beginning	<u>1,210,771.40</u>	<u>1,228,992.37</u>
	<u>\$ 1,800,937.55</u>	<u>\$ 1,210,771.40</u>

**GOVERNMENTAL FUNDS**

The Town has \$1,117,067.94 invested in capital assets net of depreciation. Acquisitions totaled \$575,657.39 and depreciation expense was \$64,574.20. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 5).

The Town's governmental funds (as presented on the balance sheet on page 11) reported a combined fund balance of \$1,045,191.83, which is greater than last year's total of \$902,540.75. The following schedule indicates the fund balance and the total change in fund balances as of June 30, 2021 and 2020.



Town of Lake View, South Carolina  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
Year Ended June 30, 2021

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase <u>(Decrease)</u>
Governmental			
General	\$ 1,009,611.42	\$ 859,005.94	\$ 150,605.48
Special Revenues	<u>35,580.41</u>	<u>43,534.81</u>	<u>(7,954.40)</u>
Total	<u>\$ 1,045,191.83</u>	<u>\$ 902,540.75</u>	<u>\$ 142,651.08</u>

### General Fund Budget Information

The Town's budget is prepared in accordance with South Carolina law and is based on the modified accrual basis of accounting. The most significant budgeted fund is the general fund, and is approved by our Town Council. The general fund budget was not amended during fiscal year ended June 30, 2021.

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Total Revenues	\$ 717,320.00	\$ 1,386,976.56	\$ 669,656.56
Total Expenditures & transfers	\$ 717,320.00	\$ 1,236,371.08	\$ (519,051.08)

### Factors Expected to have an Effect on Future Operations

In 2021, the Town of Lake View completed a strategic master plan that identified recreational tourism as a strategy for economic growth, using Page's Mill Pond as the centerpiece. In the coming year, the town will focus on revitalizing the downtown areas with projects led by the Strategic Master Plan Advisory Committee and the Lake View Revitalization Committee. The goal is to create a welcoming downtown ready for new business and tourists and will be a source of pride for Lake View residents. A priority project is to remediate the vacant properties that are being allowed to decay. In addition, there are several visible projects scheduled, including the resurfacing of Richard Temple Boulevard using funds from the Dillon County Transportation Committee, installation of two boat ramps at Page's Mill Pond and renovation of the Recreation Center Canteen with funds secured by Representative Hayes, and remodeling of Hilltop Park with funds from the Maniac Foundation. Lake View continues to leverage funds from outside sources to maximize the potential of the community with minimal burden on the residents.

In 2022, the Town of Lake View received a donation of the former First Citizens Bank building at 201 N. Main Street. After renovation, this building will be the new Town Hall which will offer citizens improved access to services and provide more space for employees and records. Also scheduled for completion in 2022 is a new Dollar Tree/Family Dollar building. This store will be a welcomed addition to the community and the most prominent new building in several years. As Dollar Tree/Family Dollar is an established business in Lake View, when they vacate their current location, this will make available a retail space in good condition. Moreover, existing business owners are interested in using the vacated space to open a much-needed restaurant as identified by the strategic planning process. These new businesses and construction will generate necessary revenue for the Town through business licenses and taxes but, more importantly, make a visible statement that Lake View is growing.

### REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of Town of Lake View's finances for all of the Town's citizens, taxpayers, customers and investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional information should be addressed to: Town of Lake View, P.O. Box 824, Lake View, S.C. 29563.

Town of Lake View, South Carolina  
**STATEMENT OF NET POSITION**  
June 30, 2021

	Governmental Activities
<hr/>	
ASSETS	
Cash	\$ 1,068,584.43
Prepays	45,290.50
Inventory	2,617.01
Accounts receivable, net	13,149.97
Other receivables	59,393.37
Taxes receivable	9,627.72
Fixed assets	
Not being depreciated	452,633.67
Depreciating, net	664,434.27
	<hr/>
TOTAL ASSETS	2,315,730.94
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension charges	159,421.00
	<hr/>
LIABILITIES	
Accounts payable	31,325.94
Accrued other expenses	2,334.32
Revenues received in advance	91,995.13
Deposits	5,495.00
Compensated Absences	9,232.00
Non-current liabilities:	
Due in more than one year	
net pension liability	528,174.00
	<hr/>
TOTAL LIABILITIES	668,556.39
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension credits	5,658.00
	<hr/>
NET POSITION	
Invested in capital assets	1,117,067.94
Unrestricted for:	
General fund	648,289.20
Special Revenues	35,580.41
TOTAL NET POSITION	\$ 1,800,937.55
	<hr/> <hr/>

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

Town of Lake View, South Carolina  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
			Capital Grants and Contributions	Total Governmental Activities
Governmental activities:				
General government	\$ 133,169.34	\$ 141,906.06	\$ 499,970.00	\$ 564,827.77
Street department	203,093.33	157,277.07	0.00	(45,816.26)
Police department	341,358.28	0.00	82,517.40	(258,840.88)
Fire department	4,304.34	0.00	0.00	(4,304.34)
Parks and recreation & tourism	46,673.04	25,596.97	10,000.00	(11,076.07)
Other Programs	5,020.36	0.00	0.00	(5,020.36)
Intergovernmental agreement	0.00	0.00	58,000.00	58,000.00
Unallocated depreciation	64,574.20	0.00	0.00	(64,574.20)
Total	798,192.89	324,780.10	148,638.45	233,195.66
General revenues:				
Property taxes				272,038.06
Unrestricted investment earnings				359.31
Miscellaneous				67,387.52
Hospitality tax				17,185.60
Total general revenues				356,970.49
Change in net position				590,166.15
Net position, beginning of year				1,210,771.40
Net position, end of year				\$ 1,800,937.55

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



Town of Lake View, South Carolina  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2021

	Major Governmental Fund <u>General</u>	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Unrestricted assets			
Cash	\$ 1,032,871.46	\$ 35,712.97	\$ 1,068,584.43
Prepays	45,290.50	0.00	45,290.50
Inventory	2,617.01	0.00	2,617.01
Other receivables	54,668.81	4,724.56	59,393.37
Taxes receivable - net	456.91	0.00	456.91
Due from other funds	4,857.12	0.00	4,857.12
<b>TOTAL ASSETS</b>	<u><u>\$ 1,140,761.81</u></u>	<u><u>\$ 40,437.53</u></u>	<u><u>\$ 1,181,199.34</u></u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 31,325.94	\$ 0.00	\$ 31,325.94
Accrued other expenses	2,334.32	0.00	2,334.32
Deposits	5,495.00	0.00	5,495.00
Revenue received in advance	91,995.13	0.00	91,995.13
Due to other funds	0.00	4,857.12	4,857.12
<b>TOTAL LIABILITIES</b>	<u>131,150.39</u>	<u>4,857.12</u>	<u>136,007.51</u>
<b>FUND EQUITY</b>			
Fund balance (deficit)			
Nonspendable	48,364.42	0.00	48,364.42
Restricted	45,363.27	35,580.41	80,943.68
Assigned	0.00	0.00	0.00
Unassigned	915,883.73	0.00	915,883.73
<b>TOTAL FUND EQUITY</b>	<u>1,009,611.42</u>	<u>35,580.41</u>	<u>1,045,191.83</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$ 1,140,761.81</u></u>	<u><u>\$ 40,437.53</u></u>	<u><u>\$ 1,181,199.34</u></u>

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

Town of Lake View, South Carolina  
**RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**  
June 30, 2021

	<u>Governmental Activities</u>
Fund Balance - total governmental funds	\$1,045,191.83
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 governmental funds.	
Add: Fixed assets	1,605,269.09
Deduct: Accumulated depreciation	(488,201.15)
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Add: Accounts receivable	13,149.97
Add: Taxes not collected within sixty days of year end	9,170.81
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Deduct: Accrual of compensated absences	(9,232.00)
Deduct: Net pension obligation and deferred charges and costs	<u>(374,411.00)</u>
Net position of governmental activities	<u><u>\$1,800,937.55</u></u>

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

Town of Lake View, South Carolina  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ALL GOVERNMENTAL FUND TYPES**  
For the Year Ended June 30, 2021

	Major Governmental Fund <u>General</u>	Other Governmental Funds	Total Governmental Funds
REVENUES			
LOCAL			
Property taxes	\$ 266,567.77	\$ 0.00	\$ 266,567.77
Fines and forfeitures	82,517.40	0.00	82,517.40
Sanitation fees & landfill fees	158,154.22	0.00	158,154.22
Accommodation taxes	2,602.10	0.00	2,602.10
Merchants inventory tax	5,529.20	0.00	5,529.20
Interest earned	359.31	0.00	359.31
Other governmental units	10,000.00	0.00	10,000.00
Infrastructure agreement	58,000.00	0.00	58,000.00
Hospitality taxes	0.00	17,185.60	17,185.60
Miscellaneous	79,652.48	0.00	79,652.48
Business license & fees	141,906.06	0.00	141,906.06
Recreation fees, sponsors, donations and rents	25,596.97	0.00	25,596.97
STATE			
Shared revenue	56,121.05	0.00	56,121.05
Grant - SCDNR	499,970.00	0.00	499,970.00
TOTAL REVENUE	<u>1,386,976.56</u>	<u>17,185.60</u>	<u>1,404,162.16</u>
EXPENDITURES			
Current			
General government	130,065.34	0.00	130,065.34
Street department	189,711.33	0.00	189,711.33
Police department	318,816.28	0.00	318,816.28
Fire department	4,304.34	0.00	4,304.34
Community center and recreation	43,581.04	0.00	43,581.04
Intergovernmental agreements	145,440.19	0.00	145,440.19
Miscellaneous	4,380.36	640.00	5,020.36
Total current	<u>836,298.88</u>	<u>640.00</u>	<u>836,938.88</u>
Capital outlay	400,072.20	24,500.00	424,572.20
TOTAL EXPENDITURES	<u>1,236,371.08</u>	<u>25,140.00</u>	<u>1,261,511.08</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	150,605.48	(7,954.40)	142,651.08
FUND BALANCE - July 1, 2020	<u>859,005.94</u>	<u>43,534.81</u>	<u>902,540.75</u>
FUND BALANCE - June 30, 2021	<u>\$ 1,009,611.42</u>	<u>\$ 35,580.41</u>	<u>\$ 1,045,191.83</u>

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

Town of Lake View, South Carolina  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2021

	<u>Governmental Activities</u>
Total net change in fund balance-governmental funds	\$ 142,651.08
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the costs of capital outlays meeting certain requirements are allocated over their estimated useful lives as depreciation expense.	
Add : Capital outlay	575,657.39
Deduct : Depreciation expense	(64,574.20)
Deduct : Loss on asset disposals	(12,264.96)
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 the governmental funds.	
Add : Decrease in the accrual for compensated absences	223.00
The increase in the liability for the net pension obligation, and the net pension deferred charges and credits do not require the use of current financial resources and therefore, is not reported as an expenditure in the government funds.	
	(47,988.00)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Add : Decrease in allowance for uncollectible taxes	(2,661.01)
Add : Decrease in accounts receivable	(877.15)
Change in net position of governmental activities	<u><u>\$ 590,166.15</u></u>

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



Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

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

The Town of Lake View, South Carolina was incorporated February 26, 1907. Section 47-26 of the 1962 Code of Laws, as amended, required that all municipalities adopt a specific form of government, and on June 2, 1976, a charter was issued for the Town of Lake View adopting the council form of government and provides the following services as authorized by its charter: Public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services.

The financial statements of the Town of Lake View have been prepared in conformity with the accounting principles generally accepted in the United State of America (GAAP) as applied to local government units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting polices are described below.

**PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY**

The Town is a distinct political subdivision of the State of South Carolina. The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined based on budget adoption, taxing authority, funding, and appointment of the respective governing board. Decisions as to when a potential entity should be included or excluded for the reporting entity is based on the professional judgement of the public officials responsible for issuing financial statements.

**Basis of Accounting/Measurement Focus**

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific Town functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the Town.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the Town’s assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the Town are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payable and receivables. All internal balances in the Statement of Net Position have been eliminated.

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

The Town applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure. In addition, the Town applies all applicable FASB Statements and Interpretations issued after November 30, 1989.

Governmental Fund Financial Statements

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

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

Major Funds

Statement No. 34 establishes criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a single column in the fund financial statements. The Town reports the following major fund.

General Fund - The General fund is the general operating fund of the Town and accounts for all revenues and expenditures of the Town not encompassed within other funds. All general tax revenue and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures are paid from the General Fund.

Other Governmental Funds

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt services or capital projects.

Non-Current Governmental Assets/Liabilities

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Position.

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

Statement of Activities

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the Town. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes and revenues not classified as program revenues are presented as general revenues of the Town.

Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Town's policy is to apply restricted net assets first.

Revenue Received in Advance

The Town reports revenue received in advance on its statement of net position and governmental funds balance sheet. In subsequent periods, the liability for revenue received in advance is removed from the statement of net position and governmental funds balance sheet and revenue is recognized.

Capital Assets and Depreciation

General capital assets are reported in the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Town follows the policy of not capitalizing assets with a cost of less than \$5,000 or with a useful life of less than 1 year. All reported capital assets, with the exception of land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<b>Description</b>	<b>Useful Life</b>
Land	Not Depreciated
Buildings and Improvements	10-50 Years
Furniture and Equipment	3-10 Years
Vehicles	3-10 Years

Nonexchange transactions

Nonexchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, hospitality tax, investment earnings, and grants.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

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

Net Position/Fund Balances

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted and unrestricted.

*Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

*Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Assets* – This category represents net assets of the Town, not restricted for any project or purpose.

When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources. Within unrestricted resources, committed and assigned are considered spent before unassigned amounts.

The Town has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the fund financial statements. Fund balances are classified as follows:

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

*Restricted* - Amounts that can be spent only for specific purposes because of Town policy, state or federal laws, or externally imposed conditions by grantors or creditors.

*Committed* - Amounts that can be used only for specific purposes determined by a formal action by the Mayor and Town Council, the Town's highest level of decision making authority. Commitments may be modified or rescinded only through policies approved by the Mayor and Council.

*Assigned* - Amounts that are designated by the Mayor and Town Council for a specific purpose but are not spendable until a formal policy is passed by the Mayor and Town Council.

*Unassigned* - All amounts not included in the above classifications.

The details of the fund balances are included in Note 12.

Budgets and Budgetary Accounting

Prior to June 30, the Town Treasurer submits to the Town Council a proposed operating budget for the General Fund for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. The budget is legally adopted by the Town Council. The Council grants the Town Clerk the authority to make budget transfers between accounts.

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

Inventory

This government uses the purchase option method of recording its expenditures. This means that all disbursements except those specifically capitalized are charged directly to expenditures. The Town of Lake View has directly written off inventoriable items. Although this is not in accordance with generally accepted accounting principles, historically its use has not materially affected financial position or results of operations and has not been considered a departure from generally accepted accounting principles.

Cash and Equivalents

The Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Revenue Recognition - Property Taxes

Property taxes for the year commencing January 1, are due and payable by December 31, of the same year. The property tax calendar is as follows:

September 1	Billing Date	March 17	5% penalty added
January 16	3% penalty added	September 1	5% penalty plus
February 2	7% penalty added		execution fees

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end.

Use of Estimates

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

Annual and Sick Leave

The Town does not pay sick leave. Vacation benefits for full time employees, accrue at four hours per month. At their one year anniversary they receive 4 days of vacation. For 2-4 years of service they receive 8 days of vacation. For 5-9 years of service they receive 10 days of vacation. For 10-19 years of service they receive 12 days of vacation and at 20 years of service they receive 14 days of vacation.

Regular part time employees accrue 4 hours of vacation for every 160 hours worked.

The maximum number of annual leave hours that can be accumulated is 128 hours.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 2 - DEPOSITS**

The Town is authorized by state statute to invest in the following:

1. Obligations of the United States and its agencies,
2. General obligations of the state of South Carolina and its political units, savings and loan associations to the extent that the same are insured by an agency of the federal government and,
3. Certificates of deposits where collaterally secured by securities of the type described in 1 & 2 above held by a third party escrow agent or custodian of a market value not less than the amounts of the certificates of deposit plus interest, provided however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
4. Repurchase agreements when collateralized by securities as set forth in this section, and
5. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution. When acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or trust in which the investment is made is (a) limited to obligations described in items (1), (2), and (5) and (b) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

All deposits are made and held by the Town's local banks, as needed. Cash is stated at cost (which approximates market).

<u>Deposits With</u>	<u>Bank</u> <u>Balance</u>	<u>F.D.I.C. Insurance &amp;</u> <u>Guarantee Program</u>	<u>Securities Pledged</u> <u>(Market Value)</u>	<u>Uncollateralized</u> <u>Amount</u>
First Citizens	\$ 80,710.20	\$ 250,000.00	0	\$ 0
First Bank	993,682.41	1,000,000.00	0	0

The Town has not formally adopted deposit and investment policies that limit their allowable deposits or investments and address the specific types of risk to which they are exposed.

Custodial Credit Risk is the risk that, in the event of a bank failure, the Town's deposits might not be recovered. The Town does not have a policy for custodial credit risk. As of June 30, 2021, none of the Town's bank balances were exposed to custodial credit risk.

The bank balance of cash held by the Town at June 30, 2021 is different from the financial statements due to outstanding checks and deposits.

**NOTE 3 - RISKS AND UNCERTAINTIES**

The Town is exposed to various risks of loss and maintains insurance policies divided into coverage for workmen's compensation, property and casualty, and employee health insurance.

Several state funds accumulate assets and the State assumes substantially all risk for the following:

1. Claims of covered public employees for health and dental insurance benefits (S.C. State Budget and Control Board (OIS)).
2. Claims for property and casualty loss (State Insurance Reserve Fund).

The Town participates in the South Carolina Municipal Insurance Trust for its workmen compensation coverage. Pool members are subject to a supplemental assessment in the event of deficiencies.

Management believes such coverages are sufficient to preclude any significant uninsured losses for covered risks.

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 4 - RETIREMENT**

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

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

PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Dr., 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 comprehensive annual financial report of the state.

*Plan Description*

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established 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 at or after the 2012 general election.

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.

*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 on the next page:

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

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 4 - RETIREMENT - (continued)**

- **PORS** - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent positions or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

*Benefits*

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

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

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 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 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 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.



Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 4 - RETIREMENT - (continued)**

*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 contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for SCRS 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. However, the General Assembly postponed the 1 % increase in the SCRS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

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

The Town contributed amounts equal to 100% of the required contributions for employers:

SCRS Employer Contribution	Amount For Retirement	% of Covered Payroll	Amount For Death Benefits	% of Covered Payroll
6/31/21	\$18,820.60	15.41 %	\$183.20	.15%
6/30/20	\$12,752.92	15.41%	\$124.14	.15%
6/30/19	\$11,601.31	14.41%	\$120.76	.15%

SCRS Employee Contributions	Amount	% of Covered Payroll
6/30/21	\$10,991.91	9.00%
6/30/20	\$7,448.15	9.00%
6/30/19	\$7,245.79	9.00%

PORS Employer Contribution	Amount For Retirement	% of Covered Payroll	Amount For Accidental Death	% of Covered Payroll	Amount For Death Benefits	% of Covered Payroll
6/30/21	\$26,919.19	17.84%	\$301.72	.2%	\$301.72	.2%
6/30/20	\$27,519.68	17.84%	\$308.52	.2%	\$308.52	.2%
6/30/19	\$24,256.15	16.84%	\$288.08	.2%	\$288.08	.2%

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 4 - RETIREMENT - (continued)**

PORS Employee Contributions	Amount	% of Covered Payroll
6/30/21	\$14,712.02	9.75%
6/30/20	\$15,040.19	9.75%
6/30/19	\$14,043.79	9.75%

**South Carolina Retirement System Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. For the measurement period ended June 30, 2020, the Town's SCRS proportion was 0.000742%.

Measurement Period Ended June 30	Fiscal Year Ending June 30	Net Pension Liability-SCRS
2020	2021	\$ 189,542
2019	2020	\$ 174,090

For the year ended June 30, 2021, the Town recognized SCRS pension expense of \$40,010. 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
<b>SCRS</b>		
Differences between expected and actual results	\$ 2,187	\$ 717
Changes of assumptions	232	0
Net difference between projected and actual earnings on plan investments	13,942	0
Changes in proportion and differences between Town contributions and proportionate share of contributions	28,554	3,450
Town contributions subsequent to the measurement date	<u>19,003</u>	<u>0</u>
Total	<u>\$ 63,918</u>	<u>\$ 4,167</u>

The \$19,003 of deferred outflows of resources resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 4 - RETIREMENT - (continued)**

**Police Officers Retirement System Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. For the measurement period ended June 30, 2020, the Town's PORS proportion was 0.010211%.

Measurement Period Ended June 30	Fiscal Year Ending June 30	Net Pension Liability-PORS
2020	2021	\$ 338,632
2019	2020	\$ 281,585

For the year ended June 30, 2021, the Town recognized PORS pension expense of \$54,199. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 7,197	\$ 1,491
Changes of assumptions	4,132	0
Net difference between projected and actual earnings on plan investments	34,675	0
Changes in proportion and differences between Town contributions and proportionate share of contributions	22,278	0
Town contributions subsequent to the measurement date	27,221	0
Total	<u>\$ 95,503</u>	<u>\$ 1,491</u>

The \$27,221 of deferred outflows of resources resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

The following schedule reflects the amortization of collective deferred outflows (inflows) of resources except for changes in proportion and differences in contributions and proportionate share of contributions and will be recognized in pension expense as follows:

Measurement Period Ending June 30,	Fiscal Year Ended June 30,	SCRS	PORS
2021	2022	(2,827)	(13,370)
2022	2023	(24,196)	(20,526)
2023	2024	(11,089)	(19,726)
2024	2025	(2,636)	(12,735)
		<u>0</u>	<u>(434)</u>
		<u>\$ (40,748)</u>	<u>\$ (66,791)</u>

**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 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 for first use in the July 1, 2021 actuarial valuation.

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 4 - RETIREMENT - (continued)**

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

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

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return <sup>1</sup>	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) <sup>1</sup>	3.5% to 9.5% (varies by service) <sup>1</sup>
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
<sup>1</sup> Includes inflation at 2.25%		

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

Assumptions used in the determination of the June 30, 2020 total pension liability are as follows.

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

**Discount Rate**

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

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments, is based upon 20 year capital market assumptions. The long-term expected rate of 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.

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 4 - RETIREMENT - (continued)**

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 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 which is summarized in the table below. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.0% real rate of return and a 2.25% inflation component.

<u>Asset Class</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
<b>Global Equity</b>	<b>51.0%</b>		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
<b>Real Assets</b>	<b>12.0%</b>		
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%
<b>Opportunistic</b>	<b>8.0%</b>		
GTAA	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
<b>Credit</b>	<b>15.0%</b>		
High Yield Bonds	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
<b>Rate Sensitive</b>	<b>14.0%</b>		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Real Return	<u>100.0%</u>		<u>5.80%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>8.05%</u>

**Sensitivity Analysis**

The following table presents the collective net pension liability, of the Town, calculated using the discount rate of 7.25%, as well as what the Town's 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.

<b>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</b>			
<b>System</b>	<b>1.0% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1.0% Increase (8.25%)</b>
SCRS	\$ 234,979	\$ 189,594	\$ 151,697
PORS	\$ 448,274	\$ 338,618	\$ 250,572

**Plan Fiduciary Net Position and Net Pension Liability**

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. The Town's proportionate share of NPL totals, as of June 30, 2020, for SCRS and PORS are presented on the next page.

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 4 - RETIREMENT - (continued)**

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage Total pension Liability</u>
SCRS	\$ 384,684	\$ 195,090	\$ 189,554	50.70 %
PORS	\$ 821,616	\$ 482,998	\$ 338,632	58.80 %

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the system's notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of disclosure are not applicable for other purposes, such as determining the plans' funding requirements.

**Payables to the Pension Plans**

At June 30, 2021, the Town reported a payable of \$1,286 and \$2,216 for the outstanding amount of contributions due to SCRS and PORS, respectively. This liability will be paid in the normal course of paying year-end obligations.

**NOTE 5 - FIXED ASSETS**

Fixed asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental-type activity</b>				
Fixed assets not being depreciated:				
Land	\$ 51,538.09	\$ 401,095.58	\$ 0.00	\$ 452,633.67
	<u>\$ 51,538.09</u>	<u>\$ 401,095.58</u>	<u>\$ 0.00</u>	<u>\$ 452,633.67</u>
Fixed assets being depreciated:				
Buildings & improvements	\$ 438,672.16	\$ 174,561.81	\$ 0.00	\$ 613,233.97
Office equipment	45,601.52	0.00	5,934.60	39,666.92
Equipment & vehicles	581,637.37	0.00	81,902.84	499,734.53
Total fixed assets being depreciated	<u>1,065,911.05</u>	<u>174,561.81</u>	<u>87,837.44</u>	<u>1,152,635.42</u>
Less accumulated depreciation:				
Buildings & improvements	124,930.20	22,684.86	0.00	147,615.06
Office equipment	45,601.51	0.00	5,934.59	39,666.92
Equipment & vehicles	328,667.72	41,889.34	69,637.09	300,919.17
Total accumulated depreciation	<u>499,199.43</u>	<u>64,574.20</u>	<u>75,572.48</u>	<u>488,201.15</u>
Governmental-type activities fixed assets being depreciated, net	<u>\$ 566,711.62</u>	<u>\$ 109,987.61</u>	<u>\$ 12,264.96</u>	<u>\$ 664,434.27</u>

**NOTE 6 - ACCOUNTS RECEIVABLE**

For the government wide statements, management deems one hundred percent of taxes receivable to be collectible. For fund financial statement purposes, taxes receivable include only those taxes considered available within sixty days of year end.

Net taxes receivable at June 30, 2021 were computed as follows:

Taxes Receivable	\$ 9,627.72
Allowance for Uncollectable	<u>( 9,170.81)</u>
Net Taxes Receivable	<u>\$ 456.91</u>

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 7 - GRANTS AND OTHER CONTINGENCIES**

The Town participates in federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. If grant revenues received for expenditures are subsequently disallowed, the Town may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from possible disallowed expenditures will not be material to the financial statements at June 30, 2021.

The Town does not participate in the unemployment reserve fund for the South Carolina Department of Employment and Workforce. The Town pays unemployment claims as incurred. This is a common procedure for towns and cities.

In the normal course of operations, the Town may from time to time become a party to legal claims and disputes. At June 30, 2021, there were no legal claims outstanding.

**NOTE 8 - CHANGES IN LONG TERM DEBT**

The following is a summary of the changes in long-term debt, for the year ended June 30, 2021:

	<u>6-30-2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>6-30-2021</u>	<u>Due within 1 year</u>
Compensated absences	\$ 9,455.00	\$ 0.00	\$ 223.00	\$ 9,232.00	\$ 9,232.00
Net pension obligation	<u>455,675.00</u>	<u>72,499.00</u>	<u>0.00</u>	<u>528,174.00</u>	<u>0.00</u>
Totals	<u>\$ 465,130.00</u>	<u>\$ 72,499.00</u>	<u>\$ 223.00</u>	<u>\$ 537,406.00</u>	<u>\$ 9,232.00</u>

**NOTE 9 - REVENUES RECEIVED IN ADVANCE**

Revenue received in advance is composed of funds collected for victim rights but not disbursed and property taxes collected in advance that were greater than property tax rollbacks related to local option sales tax.

Victim Rights	\$ 45,363.27
Local Option Sales Tax	<u>46,631.86</u>
	<u>\$ 91,995.13</u>

**NOTE 10 - INTERFUND BALANCES AND TRANSFERS**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Drug Fund	\$ 4,857.12

There were no interfund transfers.

**NOTE 11 - FUND DEFICITS**

The State Drug Fund had a deficit of \$1,066.45 at June 30, 2021.

Town of Lake View, South Carolina  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 12 - FUND BALANCES**

As of June 30, 2021, the fund balance details by classification are listed below:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:			
Nonspendable:			
Deposits & prepaids	\$ 48,364.42	\$ 0.00	\$ 48,364.42
Restricted:			
Victims rights	45,363.27	0.00	45,363.27
Local Hospitality tax	0.00	36,646.86	36,646.86
Drug Fund (deficit)	0.00	(1,066.45)	(1,066.45)
Other purposes	0.00	0.00	0.00
Unassigned:	<u>915,883.73</u>	<u>0.00</u>	<u>915,883.73</u>
Total fund balances	<u>\$ 1,009,611.42</u>	<u>\$ 35,580.41</u>	<u>\$ 1,045,191.83</u>

**NOTE 13 - SUBSEQUENT EVENTS**

The Town is not aware of any subsequent events occurring after the Town's year end, June 30, 2021, that will have a material effect on the financial statements.



Town of Lake View, South Carolina  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET (GAAP) BASIS AND ACTUAL - GENERAL FUND**  
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes	\$ 230,500.00	\$ 266,567.77	\$ 36,067.77
Fines and forfeitures	60,000.00	82,517.40	22,517.40
Sanitation & landfill fees	160,320.00	158,154.22	(2,165.78)
Accommodation taxes	2,500.00	2,602.10	102.10
Merchants inventory tax	5,000.00	5,529.20	529.20
Interest earned	0.00	359.31	359.31
Miscellaneous	5,000.00	79,652.48	74,652.48
Business license & fees	131,000.00	141,906.06	10,906.06
State shared revenues	41,500.00	56,121.05	14,621.05
Infrastructure agreement	58,000.00	58,000.00	0.00
Other governmental units	10,000.00	509,970.00	499,970.00
Recreation fees, sponsors and rents	13,500.00	25,596.97	12,096.97
TOTAL REVENUES	<u>717,320.00</u>	<u>1,386,976.56</u>	<u>669,656.56</u>
EXPENDITURES			
General Government	121,303.00	530,137.54	(408,834.54)
Street Department	193,622.00	189,711.33	3,910.67
Police Department	297,290.00	318,816.28	(21,526.28)
Fire Department	2,500.00	4,304.34	(1,804.34)
Community center and recreation	44,105.00	43,581.04	523.96
Intergovernmental agreements	58,000.00	145,440.19	(87,440.19)
COTB and Planning Committees	500.00	4,380.36	(3,880.36)
TOTAL EXPENDITURES	<u>717,320.00</u>	<u>1,236,371.08</u>	<u>(519,051.08)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0.00	150,605.48	150,605.48
FUND BALANCE - JULY 1, 2020	<u>859,005.94</u>	<u>859,005.94</u>	<u>0.00</u>
FUND BALANCE - JUNE 30, 2021	<u><u>\$ 859,005.94</u></u>	<u><u>\$1,009,611.42</u></u>	<u><u>\$ 150,605.48</u></u>

Town of Lake View, South Carolina  
SCHEDULE OF THE TOWN'S PENSION CONTRIBUTIONS  
Year Ended June 30, 2021

**SCRS**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 19,003.81	\$ 12,877.06	\$ 11,722.07	\$ 8,518.67	\$ 4,547.24	\$ 3,760.84	\$ 5,522.39	\$ 9,396.47
Contributions made to pension plan	19,003.81	12,877.06	11,722.07	8,518.67	4,547.24	3,760.84	5,522.39	9,396.47
Contribution deficiency (excess)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Town's covered payroll during the measurement period	\$ 122,132.42	\$ 82,757.39	\$ 80,508.74	\$ 62,821.95	\$ 39,336.00	\$ 34,033.98	\$ 46,406.64	\$ 88,645.94
Contributions as a percentage of covered employee payroll	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	11.90%	10.60%

**PORS**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 27,522.64	\$ 28,136.72	\$ 24,832.31	\$ 19,807.01	\$ 16,663.04	\$ 15,088.83	\$ 16,565.96	\$ 16,132.52
Contributions made to pension plan	27,522.64	28,136.72	24,832.31	19,807.01	16,663.04	15,088.83	16,565.96	16,132.52
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Town's covered payroll during the measurement period	\$ 150,892.37	\$ 154,258.29	\$ 144,038.88	\$ 121,964.29	\$ 117,015.74	\$ 109,816.81	\$ 123,534.38	\$ 125,642.68
Contributions as a percentage of covered employee payroll	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%	12.84%

The Town implemented GASB 68 during fiscal year 2015, as such only the last eight years of data are available.

Town of Lake View, South Carolina  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
Year Ended June 30, 2021

**SCRS**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
The Town's percentage of the net pension liability	0.000742%	0.000762%	0.000606%	0.000390%	0.000351%	0.000540%	0.000990%	0.000990%
The Town's proportionate share of the net pension liability	\$ 189,542	\$ 174,090	\$ 135,836	\$ 87,795	\$ 74,973	\$ 102,414	\$ 170,445	\$ 177,571
The Town's covered employee payroll	\$ 82,757	\$ 80,509	\$ 62,822	\$ 39,336	\$ 46,407	\$ 88,646	\$ 130,210	\$ 136,536
The Town's proportionate share of the net pension liability as a percentage of its covered payroll	229.03%	216.24%	216.22%	223.19%	161.56%	115.53%	130.90%	130.05%
The Plan's fiduciary net position as a percentage of the total pension liability	50.70%	54.40%	54.10%	53.34%	52.90%	57.00%	59.90%	56.39%

**PORS**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
The Town's percentage of the net pension liability	0.010211%	0.009825%	0.008120%	0.008690%	0.008610%	0.009970%	0.010450%	0.010450%
The Town's proportionate share of the net pension liability	\$ 338,632	\$ 281,585	\$ 249,678	\$ 238,040	\$ 218,492	\$ 217,318	\$ 199,981	\$ 216,543
The Town's covered employee payroll	\$ 154,258	\$ 144,039	\$ 126,171	\$ 117,016	\$ 123,534	\$ 125,643	\$ 103,591	\$ 108,623
The Town's proportionate share of the net pension liability as a percentage of its covered payroll	219.52%	195.49%	197.89%	203.43%	176.87%	172.96%	193.05%	199.35%
The Plan's fiduciary net position as a percentage of the total pension liability	58.80%	62.70%	61.70%	60.94%	60.40%	64.60%	67.50%	62.98%

The Town implemented GASB 68 during fiscal year 2015, as such only the last eight years of data are available.

823 South Main Street  
Post Office Box 864  
Mullins, South Carolina 29574  
(843) 464-9563  
Fax (843) 464-9564

Charles F. Jones, CPA  
Smith Brooks  
Brenda G. Jackson, CPA  
Will Harrelson, CPA

Members:  
American Institute of CPA's  
South Carolina Association of CPA's

**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**

The Honorable Mayor  
and Town Council  
Lake View, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lake View as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Lake View's basic financial statements and have issued our report thereon dated August 1, 2022.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency #2021-1, listed in the accompanying schedule of findings and responses, to be a material weakness.

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. We consider the deficiency #2021-2, listed in the accompanying schedule of findings and responses to be a significant deficiency.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### The Town of Lake View Responses to Findings

The responses in 2021-1 and 2021-2 on the accompanying schedule of findings and responses are those of the management of the Town of Lake View. The Town's responses were not subjected to the auditing procedures applied in the audit of the Financial Statements and, accordingly, we express no opinion on them.

### Purpose of this Report

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

*Kenneth Cobb & Company P.C.*

Mullins, South Carolina

August 1, 2022

Town of Lake View, South Carolina  
**SCHEDULE OF FINDINGS AND RESPONSES**  
July 1, 2020 to June 30, 2021

**MATERIAL WEAKNESS:**

#2021-1 Numerous adjustments are needed to the Town's financial records

Condition: There were numerous adjustments required to be posted to the Town's financial records subsequent to the beginning of the audit.

Criteria: The Town should post all adjustments to its accounting software before closing the fiscal year.

Effect: The Town's financial statements, are not fully adjusted prior to year end, which could result in misleading financial information being utilized by Council and or management when making financial decisions.

Recommendation: All adjustments should be made by Town personnel and approved by management, prior to the beginning of the audit.

Response: Management has encouraged Town personnel to make any/all adjustments to the accounting software before closing the fiscal year. This will enable Town Council to have a more positive and accurate management of the Town's finances.

Town of Lake View, South Carolina  
**SCHEDULE OF FINDINGS AND RESPONSES**  
July 1, 2020 to June 30, 2021

**SIGNIFICANT DEFICIENCY:**

#2021-2 Inadequate segregation of duties

Condition: Due to a small staff size, the Town does not have complete segregation of duties. One person has access to multiple areas of the financial accounting system, which results in overlapping steps within the control environment.

Criteria: The ideal internal control system would not allow one person to perform multiple transactions within a cycle.

Effect: This increases the risk of fraud and irregularities. An error in financial reporting may not be detected in a timely manner or the misappropriation of assets could be concealed.

Recommendation: We recommend that the Council and management continue to use supervisory reviews such as monitoring financial statements and budget reports, and segregate duties where cost beneficial to do so.

Response: Council and management will continue to review and monitor financial statements and budget reports on a regular basis. Number of Town personnel is limited due to budget restraints, but they are encouraged to strive for improvement in this area.

Town of Lake View, South Carolina  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
Year Ended June 30, 2021

**Previously reported under Government Auditing Standards**

#2020-1 Numerous adjustments are needed to the Town's financial records

Condition: There were numerous adjustments required to be posted to the Town's financial records subsequent to the beginning of the audit.

Prior Recommendation: All adjustments should be posted to the Town's accounting software.

Current Status: This is a continuing condition.

#2020-2 Inadequate Segregation of Duties

Condition: Due to a small staff size, the Town does not have complete segregation of duties. One person has access to multiple areas of the financial accounting system, which results in overlapping steps within the control environment.

Prior Recommendation: We recommend that the Council and management continue to use supervisory reviews such as monitoring financial statements and budget reports, and segregate duties where cost beneficial to do so.

Current Status: This is a continuing condition.



## TOWN OF LAKE VIEW, SOUTH CAROLINA

## UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)

For The Year Ended June 30, 2021

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected			80,706	80,706
Court fines and assessments remitted to State Treasurer			(35,707)	(35,707)
<b>Total Court Fines and Assessments retained</b>			44,999	44,999
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained			3,245	3,245
Assessments retained			3,211	3,211
<b>Total Surcharges and Assessments retained for victim services</b>			6,456	6,456

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
<b>Carryforward from Previous Year – Beginning Balance</b>	58,118		58,118
<b><u>Victim Service Revenue:</u></b>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	3,211		3,211
Victim Service Surcharges Retained by City/County Treasurer	3,245		3,245
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
<b>Contribution Received from Victim Service Contracts:</b>			
(1) Town of			
(2) Town of			
(3) City of			

<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	64,574		64,574
---	--------	--	--------

## UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)

For The Year Ended June 30, 2021

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<b><u>Expenditures for Victim Service Program:</u></b>	<b><u>Municipal</u></b>	<b><u>County</u></b>	<b><u>Total</u></b>
Salaries and Benefits			
Operating Expenditures	<b>3,922</b>		<b>3,922</b>
<b>Victim Service Contract(s):</b>			
(1) Entity's Name - Dillon County Sheriff's Department	<b>14,789</b>		<b>14,789</b>
(2) Entity's Name			
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter:	<b>500</b>		<b>500</b>
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	<b>19,211</b>		<b>19,211</b>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	<b>45,363</b>		<b>45,363</b>
Less: Prior Year Fund Deficit Repayment			
<b>Carryforward Funds – End of Year</b>	<b>45,363</b>		<b>45,363</b>

Town of Lake View, South Carolina  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
Year Ended June 30, 2021

	Budget	Actual	Variance with budget
<b>GENERAL GOVERNMENT</b>			
Salaries	\$ 56,900.00	\$ 70,085.37	\$ (13,185.37)
Social security	4,200.00	5,361.54	(1,161.54)
Insurance - property	2,400.00	4,782.58	(2,382.58)
Retirement	8,700.00	8,604.66	95.34
Workmen's compensation	1,300.00	831.57	468.43
Legal fees	5,000.00	9,695.00	(4,695.00)
Accounting fees	12,000.00	11,500.00	500.00
Contract services	14,603.00	3,732.11	10,870.89
Printing, supplies, and postage	600.00	1,012.89	(412.89)
Membership dues	700.00	505.00	195.00
Electricity and utilities	2,000.00	1,585.01	414.99
Bank fees	200.00	200.00	0.00
Travel and conference	1,200.00	0.00	1,200.00
Insurance - life	400.00	372.98	27.02
Advertising	2,000.00	1,785.83	214.17
Maintenance and repairs	1,000.00	810.00	190.00
Donations	500.00	500.00	0.00
Capital outlay	2,000.00	400,072.20	(398,072.20)
Telephone	2,100.00	2,067.23	32.77
Supplies equipment	1,000.00	1,596.03	(596.03)
Office equipment	500.00	237.59	262.41
Miscellaneous expense	2,000.00	4,799.95	(2,799.95)
<b>TOTAL GENERAL GOVERNMENT</b>	<b>121,303.00</b>	<b>530,137.54</b>	<b>(408,834.54)</b>
<b>STREET DEPARTMENT</b>			
Salaries	63,648.00	63,581.64	66.36
Social security	4,900.00	4,863.99	36.01
Insurance - property	700.00	1,434.78	(734.78)
Retirement	10,200.00	7,686.35	2,513.65
Worker's compensation	6,500.00	1,975.00	4,525.00
Uniforms	500.00	605.87	(105.87)
Electricity and utilities	3,000.00	2,958.22	41.78
Insurance - life	150.00	291.60	(141.60)
Gas and oil	4,000.00	9,646.49	(5,646.49)
Maintenance and repairs	4,500.00	8,543.62	(4,043.62)
Capital outlay	2,000.00	0.00	2,000.00
Supplies equipment	2,500.00	5,276.50	(2,776.50)
Street lights	30,000.00	27,053.49	2,946.51
Sanitation service	20,500.00	16,396.69	4,103.31
Yard debris	40,524.00	39,684.00	840.00
Miscellaneous	0.00	(286.91)	286.91
<b>TOTAL STREET DEPARTMENT</b>	<b>193,622.00</b>	<b>189,711.33</b>	<b>3,910.67</b>

Town of Lake View, South Carolina  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance with budget</u>
<b>POLICE DEPARTMENT</b>			
Salaries	\$ 162,500.00	\$ 140,608.40	\$ 21,891.60
Social Security	12,240.00	10,756.54	1,483.46
Insurance - property	6,000.00	10,719.12	(4,719.12)
Retirement	30,000.00	27,365.84	2,634.16
Worker's compensation	9,500.00	7,380.27	2,119.73
Uniforms	3,000.00	947.12	2,052.88
Legal fees	1,000.00	1,000.00	0.00
Contract services	1,000.00	1,324.00	(324.00)
Printing supplies & postage	250.00	125.28	124.72
Membership dues	1,000.00	3,961.00	(2,961.00)
Electricity and utilities	1,500.00	1,322.50	177.50
Travel fees conference	300.00	331.13	(31.13)
Insurance - life	600.00	486.00	114.00
Advertising	200.00	0.00	200.00
Gas and oil	8,000.00	9,961.44	(1,961.44)
Maintenance and repairs	7,000.00	16,049.99	(9,049.99)
Capital outlay	2,000.00	0.00	2,000.00
Telephone	1,800.00	2,857.33	(1,057.33)
Supplies equipment	1,000.00	1,453.15	(453.15)
Miscellaneous	1,000.00	744.11	255.89
Prisoner expense	600.00	1,150.00	(550.00)
Fines & assessment to State	30,600.00	35,706.93	(5,106.93)
Canine supplies	0.00	14,955.18	(14,955.18)
Judge expense-Dillon County	10,400.00	10,400.00	0.00
Victim advocate	5,800.00	19,210.95	(13,410.95)
<b>TOTAL POLICE DEPARTMENT</b>	<u>297,290.00</u>	<u>318,816.28</u>	<u>(21,526.28)</u>
 <b>FIRE DEPARTMENT</b>			
Insurance - property	500.00	4,304.34	(3,804.34)
Maintenance and repairs	2,000.00	0.00	2,000.00
<b>TOTAL FIRE DEPARTMENT</b>	<u>2,500.00</u>	<u>4,304.34</u>	<u>(1,804.34)</u>

Town of Lake View, South Carolina  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance with budget</u>
RECREATION DEPARTMENT			
Salaries	\$ 4,500.00	\$ 4,858.00	\$ (358.00)
Social security	345.00	371.67	(26.67)
Insurance - property	160.00	239.14	(79.14)
Retirement	800.00	615.88	184.12
Worker's compensation	800.00	207.91	592.09
Electricity and utilities	8,500.00	11,152.28	(2,652.28)
Contract services	1,000.00	469.00	531.00
Membership dues	500.00	227.00	273.00
Advertising	0.00	454.92	(454.92)
Maintenance and repairs	3,500.00	653.59	2,846.41
Umpires	4,000.00	6,360.00	(2,360.00)
Capital outlay	500.00	0.00	500.00
Supplies equipment	1,500.00	8,119.41	(6,619.41)
Uniforms	4,000.00	0.00	4,000.00
Miscellaneous	1,500.00	1,654.01	(154.01)
TOTAL RECREATION DEPARTMENT	<u>31,605.00</u>	<u>35,382.81</u>	<u>(3,777.81)</u>
COMMUNITY CENTER			
Insurance - property	800.00	1,434.78	(634.78)
Refunds	1,300.00	1,360.00	(60.00)
Electricity and utilities	5,100.00	4,002.43	1,097.57
Maintenance and repairs	5,000.00	1,401.02	3,598.98
Supplies equipment	300.00	0.00	300.00
	<u>12,500.00</u>	<u>8,198.23</u>	<u>4,301.77</u>
INTERGOVERNMENTAL AGREEMENTS			
Infrastructure - Mill Pond	58,000.00	104,206.68	(46,206.68)
Infrastructure - Dillon County	0.00	41,233.51	(41,233.51)
	<u>58,000.00</u>	<u>145,440.19</u>	<u>(87,440.19)</u>
COTB AND PLANNING COMMITTEES			
Programs - Farm to Table	<u>500.00</u>	<u>4,380.36</u>	<u>(3,880.36)</u>
GRAND TOTALS	<u>\$ 717,320.00</u>	<u>\$ 1,236,371.08</u>	<u>\$ (519,051.08)</u>

Town of Lake View, South Carolina  
**COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS**  
Year Ended June 30, 2021

	Local Hospitality Tax	State Drug Fund	Totals
	<u>          </u>	<u>          </u>	<u>          </u>
ASSETS			
Cash	\$ 31,922.30	\$ 3,790.67	\$ 35,712.97
Other receivable	4,724.56	0.00	4,724.56
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	<u>\$ 36,646.86</u>	<u>\$ 3,790.67</u>	<u>\$ 40,437.53</u>
	<u>          </u>	<u>          </u>	<u>          </u>
LIABILITIES			
Due to other funds	\$ 0.00	\$ 4,857.12	\$ 4,857.12
TOTAL LIABILITIES	<u>0.00</u>	<u>4,857.12</u>	<u>4,857.12</u>
	<u>          </u>	<u>          </u>	<u>          </u>
FUND BALANCE (DEFICIT)			
Restricted	36,646.86	(1,066.45)	35,580.41
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 36,646.86</u>	<u>\$ 3,790.67</u>	<u>\$ 40,437.53</u>
	<u>          </u>	<u>          </u>	<u>          </u>

Town of Lake View, South Carolina  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**IN FUND BALANCE - ALL SPECIAL REVENUE FUNDS**  
Year Ended June 30, 2021

	Local Hospitality Tax	State Drug Fund	Totals
REVENUES			
LOCAL			
Hospitality tax	\$ 17,185.60	\$ 0.00	\$ 17,185.60
Seizures	0.00	0.00	0.00
TOTAL REVENUES	<u>17,185.60</u>	<u>0.00</u>	<u>17,185.60</u>
EXPENDITURES			
Miscellaneous	40.00	600.00	640.00
Capital outlay	<u>24,500.00</u>	<u>0.00</u>	<u>24,500.00</u>
TOTAL EXPENDITURES	<u>24,540.00</u>	<u>600.00</u>	<u>25,140.00</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,354.40)	(600.00)	(7,954.40)
FUND BALANCE (DEFICIT) - JULY 1, 2020	<u>44,001.26</u>	<u>(466.45)</u>	<u>43,534.81</u>
FUND BALANCE (DEFICIT) - JUNE 30, 2021	<u><u>\$ 36,646.86</u></u>	<u><u>\$ (1,066.45)</u></u>	<u><u>\$ 35,580.41</u></u>