

**TOWN OF BATESBURG-LEESVILLE
BATESBURG-LEESVILLE, SOUTH CAROLINA**

FINANCIAL STATEMENTS

JUNE 30, 2022

**TOWN OF BATESBURG-LEESVILLE
BATESBURG, SOUTH CAROLINA
FINANCIAL STATEMENTS
JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Town Council
Town of Batesburg-Leesville
Batesburg-Leesville, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Batesburg-Leesville, South Carolina, as of and for the year ended June 30, 2022, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Batesburg-Leesville, South Carolina, as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Batesburg-Leesville, South Carolina and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 16 to the financial statements, the Town adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REPORT (continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Batesburg-Leesville, South Carolina's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Batesburg-Leesville, South Carolina's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, major fund budgetary comparison schedules, the schedule of changes in the total OPEB liability and related ratios, and the pension schedules as listed in the table of contents, all 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

INDEPENDENT AUDITOR'S REPORT
(continued)

information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Batesburg-Leesville, South Carolina's basic financial statements. The combining and individual nonmajor fund financial schedules, the supplemental budgetary comparison schedules, and the schedule of court fines, assessments, and surcharges for victim's services are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the supplemental budgetary comparison schedules, and the schedule of court fines, assessments, and surcharges for victim's services are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the supplemental budgetary comparison schedules, and the schedule of court fines, assessments, and surcharges for victim's services are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2023, on our consideration of the Town of Batesburg-Leesville, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Batesburg-Leesville, South Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Batesburg-Leesville, South Carolina's internal control over financial reporting and compliance.

McGregor & Company, L.L.P.

Barnwell, South Carolina
July 5, 2023

**TOWN OF BATESBURG-LEESVILLE
BATESBURG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

The discussion and analysis of the Town of Batesburg-Leesville, South Carolina's financial performance provides an overall narrative review of the Town's financial activities for the year ended June 30, 2022. The intent of this discussion and analysis is to look at the Town's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the Town's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in this Town's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the Town's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

FINANCIAL HIGHLIGHTS

- Overall, the Town's net position increased \$2,843,200, which represents 20.6% increase from fiscal year 2021.
- The Town had overall revenues of \$10,905,664, which included \$4,968,047(46%) in general revenues such as property taxes, hospitality taxes, state revenues, licenses and permits, interest earnings and similar revenues, and \$5,937,617(54%) in charges for services, grants, and contributions.
- The Town had overall expenses of \$8,062,464, with \$5,937,617 offset by program specific charges for services, grants and contributions. General revenues of \$4,968,047 were adequate to provide for remaining cost of \$2,124,847 related to these programs.
- The General Fund had \$4,832,948 in revenues, \$5,011,926 in expenditures, \$311,550 in proceeds from the sale of assets, \$20,700 transferred in from the Hospitality fund, \$106,682 transferred in from the Utility fund, and \$294,660 transferred out to the Utility fund. The General Fund's fund balance decreased \$34,706 from \$2,315,444 to \$2,280,738.
- Long-term debt increased overall by \$3,086,048 during the fiscal year, including adding a \$4,000,000 revenue bond and paying down principal of \$913,952.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements – The government-wide financial statements (Statement of Net Position and Statement of Activities) are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

In the Statement of Net Position and the Statement of Activities, the Town is divided into two distinct kinds of activities:

Governmental Activities - Most of the Town's programs and services are reported here including fire, police, streets and sanitation.

Business-type Activities - The Town charges fees to help it cover the costs of certain services it provides. The Town's water and wastewater programs are included here.

**TOWN OF BATESBURG-LEESVILLE
BATESBURG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

The statement of net position presents information on all the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements distinguish functions of the Town that are primarily supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include the general fund and other governmental funds. The business-type activities of the Town include the Department of Public Works.

The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's current financing requirements. Governmental funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash. The Governmental funds statements provide a detailed short-term view of the Town's operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds - Services for which the Town charges a fee are generally reported in the proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The Town's Department of Public Works is the only proprietary fund.

Fiduciary funds - The Town is the trustee, or fiduciary, for assets that belong to others. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the Town's own programs. The accrual basis of accounting is used for fiduciary funds. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The Town's Fireman's Fund is the only fiduciary fund.

**TOWN OF BATESBURG-LEESVILLE
BATESBURG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-48 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further supports the financial statements with a comparison of the Town's budget for the year and other supplementary information required by the State of South Carolina.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position - Net position may serve over time as a useful indicator of government's financial position. In the case of the Town, assets exceeded liabilities by \$16,614,447 as of June 30, 2022.

By far, the largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, building improvements, improvements other than buildings, mobile equipment, and furniture and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its residents; consequently, these assets are not available for future spending. The Town's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, and the acquisition and disposal of capital assets. The following table provides a summary of the Town's net position.

Statement of Net Position
As of June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 4,137,635	\$ 3,244,781	\$ 5,756,890	\$ 3,562,609	\$ 9,894,525	\$ 6,807,390
Capital Assets, net	4,945,829	4,153,328	13,945,301	10,537,481	18,891,130	14,690,809
Total Assets	<u>9,083,464</u>	<u>7,398,109</u>	<u>19,702,191</u>	<u>14,100,090</u>	<u>28,785,655</u>	<u>21,498,199</u>
Deferred outflows of resources	1,057,335	1,047,660	194,595	262,532	1,251,930	1,310,192
Total Assets and Deferred Outflow	<u>10,140,799</u>	<u>8,445,769</u>	<u>19,896,786</u>	<u>14,362,622</u>	<u>30,037,585</u>	<u>22,808,391</u>
Current liabilities	1,304,709	368,651	856,383	503,324	2,161,092	871,975
Long-term liabilities	4,706,696	5,561,627	5,317,976	2,477,959	10,024,672	8,039,586
Total Liabilities	<u>6,011,405</u>	<u>5,930,278</u>	<u>6,174,359</u>	<u>2,981,283</u>	<u>12,185,764</u>	<u>8,911,561</u>
Deferred inflows of resources	1,006,571	109,905	230,803	15,678	1,237,374	125,583
Net Position:						
Net investment in capital assets	4,470,002	3,553,549	9,945,301	9,747,481	14,415,303	13,301,030
Restricted	577,764	837,681	765,375	754,959	1,343,139	1,592,640
Unrestricted (deficit)	(1,924,943)	(1,985,644)	2,780,948	863,221	856,005	(1,122,423)
Total Net Position	<u>\$ 3,122,823</u>	<u>\$ 2,405,586</u>	<u>\$ 13,491,624</u>	<u>\$ 11,365,661</u>	<u>\$ 16,614,447</u>	<u>\$ 13,771,247</u>

**TOWN OF BATESBURG-LEESVILLE
BATESBURG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Changes in net position - The Town's total revenues for the fiscal year ended June 30, 2022 were \$10,905,664. The total cost of all programs and services was \$8,062,464. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and 2021:

Statement of Activities
As of June 30, 2022 and 2021

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Fees and charges for services	\$ 439,684	\$ 394,448
Operating grants and contributions	767,930	261,800
	1,207,614	656,248
General Revenues:		
Property taxes	2,125,195	2,041,476
Hospitality taxes	662,278	624,066
State shared revenue	163,279	201,268
Licenses, permits and fees	1,742,344	1,748,829
Investment earnings	91	730
Gain (loss) on disposal of assets	114,923	-
Miscellaneous	143,057	184,726
	4,951,167	4,801,095
Total Revenues	6,158,781	5,457,343
Expenses		
Town Council	94,659	87,843
Administration	716,040	635,166
Fire	647,839	616,177
Municipal Court	132,480	127,717
Police	2,373,304	2,345,929
Public Works	620,550	687,499
Fleet Services	142,273	127,159
NonDepartmental	397,390	184,501
Victim's Assistance	7,640	7,393
Community Promotion	121,391	92,045
Total Expenses	5,253,566	4,911,429
Excess (Deficiency) of Revenue before transfers	905,215	545,914
Transfers	(187,978)	65,869
Increase (Decrease) in net position	\$ 717,237	\$ 611,783

**TOWN OF BATESBURG-LEESVILLE
BATESBURG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The following table provides a summary of the activity that resulted in changes in net position in business-type activities:

Statement of Activities
As of June 30, 2022 and 2021

	Business-type Activities	
	2022	2021
Revenues:		
Program Revenues:		
Fees and charges for services	\$ 3,285,612	\$ 3,325,081
Capital grants and contributions	1,444,391	398,276
General Revenues		
Other	16,880	26,764
 Total Revenues	 4,746,883	 3,750,121
 Expenses		
Water	2,808,898	2,957,720
 Total expenses	 2,808,898	 2,957,720
 Excess (Deficiency) of Revenue before transfers	 1,937,985	 792,401
 Transfers	 187,978	 (65,869)
 Increase (Decrease) in net position	 \$ 2,125,963	 \$ 726,532

Governmental Activities – The following table presents the cost of major Town functional activities: general government, police, fire, streets and sanitation, victim's assistance, community development, pass through grants and interest on long-term debt. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

	Total Expense	Net(Expense) Revenue
Town Council	\$ 94,659	\$ (94,659)
Administration	716,040	(716,040)
Fire	647,839	(647,839)
Municipal Court	132,480	(132,480)
Police	2,373,304	(2,016,174)
Public Works	620,550	(285,307)
Fleet Services	142,273	(142,273)
NonDepartmental	397,390	109,053
Victim's Assistance	7,640	1,158
Community Promotion	121,391	(121,391)
Total expenses	\$ 5,253,566	\$ (4,045,952)

**TOWN OF BATESBURG-LEESVILLE
BATESBURG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds - The focus of the Town's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

The financial performance of the Town as a whole is reflected in its governmental funds. As the Town completed the year, its governmental funds reported a combined fund balance of \$2,847,375, a decrease of \$59,424.

The General Fund is the principal operating fund of the Town. The decrease in fund balance in the General Fund for the fiscal year was \$34,706.

BUDGETARY HIGHLIGHTS

The Town brought in more revenues than anticipated, but spent more than it budgeted. The difference is primarily due to administrative, fire, and police department expenditures being higher than expected. There were also more principal payments made on debt than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - As of June 30, 2022, the Town's total capital assets were \$37,554,873 including buildings, water and sewer systems with improvements and various types of equipment necessary to operate the Town. Total accumulated depreciation as of June 30, 2022 was \$18,663,743 and total depreciation expense for the year was \$726,415.

Debt Administration - At June 30, 2022, the Town had \$113,623 outstanding on its general obligation bonds and \$4,000,000 outstanding on its revenue bonds. Capital leases outstanding totaled \$362,204. \$279,969 is due within one year on these outstanding debts. The Town also reported \$5,173,705 in net pension liabilities and \$204,427 in other postemployment liabilities.

CURRENT ISSUES

During the next fiscal year, the Town will continue to work on improvements to the water and sewer system of the Town's utilities. The Town will also continue to work on improving the quality of life for residents and businesses through new economic development activities and beautification efforts. The Town will also begin utilizing the American Recovery Plan funds to mitigate the effects of the pandemic.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

If you have questions about this report, contact:

Town of Batesburg-Leesville
Post Office Box 2329
Batesburg-Leesville, South Carolina 29070

**TOWN OF BATESBURG-LEESVILLE
BATESBURG-LEESVILLE, SOUTH CAROLINA
STATEMENT OF NET POSITION**

June 30, 2022

	Primary Government		TOTAL
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
ASSETS			
Current Assets			
Cash and equivalents	\$ 2,371,390	\$ 4,663,647	\$ 7,035,037
Receivables			
Property Taxes, net	125,973	-	125,973
State Receivables	36,728	-	36,728
Other Receivables, net	162,123	211,395	373,518
Restricted Cash	1,441,421	765,375	2,206,796
Inventory	-	116,473	116,473
Total Current Assets	<u>4,137,635</u>	<u>5,756,890</u>	<u>9,894,525</u>
Noncurrent Assets			
Capital Assets			
Land	827,087	237,055	1,064,142
Construction In Progress	865,440	5,411,454	6,276,894
Streets & Sidewalks	3,078,956	-	3,078,956
Buildings	1,445,205	3,394,831	4,840,036
Machinery & Equipment	4,477,291	1,349,383	5,826,674
Water & Waste System with Improvements	-	16,468,171	16,468,171
Accumulated Depreciation	(5,748,150)	(12,915,593)	(18,663,743)
Total Capital Assets, Net of Depreciation	<u>4,945,829</u>	<u>13,945,301</u>	<u>18,891,130</u>
Total Assets	<u>9,083,464</u>	<u>19,702,191</u>	<u>28,785,655</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow of Resources Related to Pensions	1,035,347	194,595	1,229,942
Deferred Outflow of Resources Related to OPEB	21,988	-	21,988
Total Deferred Outflows of Resources	<u>1,057,335</u>	<u>194,595</u>	<u>1,251,930</u>
LIABILITIES			
Current Liabilities			
Accounts payable	175,608	293,155	468,763
Retainage payable	-	334,068	334,068
Accrued salaries, payroll taxes, retirement and withholdings payable	159,506	54,127	213,633
Internal Balances	2,238	(2,238)	-
Unearned Revenue	841,471	23,188	864,659
Capital leases - current portion	88,884	-	88,884
Bonds Payable - current portion	37,002	154,083	191,085
Total Current Liabilities	<u>1,304,709</u>	<u>856,383</u>	<u>2,161,092</u>
Noncurrent Liabilities			
Customer deposits payable	-	200,523	200,523
Compensated Absences	191,959	58,199	250,158
Net Pension Liabilities	4,011,361	1,162,345	5,173,706
Accrued OPEB Liability	153,435	50,992	204,427
Capital Leases	273,320	-	273,320
Bonds Payable	76,621	3,845,917	3,922,538
Total Noncurrent Liabilities	<u>4,706,696</u>	<u>5,317,976</u>	<u>10,024,672</u>
Total Liabilities	<u>6,011,405</u>	<u>6,174,359</u>	<u>12,185,764</u>
DEFERRED INFLOWS OF RESOURCES			
Net Deferred Inflows of Resources Related to Pensions	912,468	230,803	1,143,271
Deferred Inflows of Resources Related to OPEB	94,103	-	94,103
Total Deferred Inflows of Resources	<u>1,006,571</u>	<u>230,803</u>	<u>1,237,374</u>
NET POSITION			
Net investment in capital assets	4,470,002	9,945,301	14,415,303
Restricted	577,764	765,375	1,343,139
Unrestricted	(1,924,943)	2,780,948	856,005
Total Net Position	<u>\$ 3,122,823</u>	<u>\$ 13,491,624</u>	<u>\$ 16,614,447</u>

See accompanying notes to financial statements.

**TOWN OF BATESBURG-LEESVILLE
BATESBURG-LEESVILLE, SOUTH CAROLINA
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Town Council	\$ 94,659	\$ -	\$ -	\$ -	\$ (94,659)	\$ -	\$ (94,659)
Administration	716,040	-	-	-	(716,040)	-	(716,040)
Fire	647,839	-	-	-	(647,839)	-	(647,839)
Municipal Court	132,480	-	-	-	(132,480)	-	(132,480)
Police	2,373,304	95,643	261,487	-	(2,016,174)	-	(2,016,174)
Public Works	620,550	335,243	-	-	(285,307)	-	(285,307)
Fleet Services	142,274	-	-	-	(142,274)	-	(142,274)
NonDepartmental	397,390	-	506,443	-	109,053	-	109,053
Victim's Assistance	7,640	8,798	-	-	1,158	-	1,158
Community Promotion	121,391	-	-	-	(121,391)	-	(121,391)
Total Governmental Activities	5,253,566	439,684	767,930	-	(4,045,952)	-	(4,045,952)
Business-type activities:							
Water & Wastewater	2,808,898	3,285,612	-	1,444,391	-	1,921,105	1,921,105
Total Business-type activities	2,808,898	3,285,612	-	1,444,391	-	1,921,105	1,921,105
Total Primary Government	\$ 8,062,464	\$ 3,725,296	\$ 767,930	\$ 1,444,391	(4,045,952)	1,921,105	(2,124,847)
General Revenues:							
Taxes:							
General Purpose					2,125,195	-	2,125,195
Hospitality					662,278	-	662,278
State shared and intergovernmental revenue					163,279	-	163,279
Licenses and permits					1,742,344	-	1,742,344
Unrestricted Interest Earnings					91	99	190
Gain (loss) on disposal of assets					114,923	-	114,923
Miscellaneous income					143,057	16,781	159,838
Total General Revenues					4,951,167	16,880	4,968,047
Transfers					(187,978)	187,978	-
Total General Revenues and Transfers					4,763,189	204,858	4,968,047
Change in net position					717,237	2,125,963	2,843,200
Net position, beginning of year					2,405,586	11,365,661	13,771,247
Net position, end of year					\$ 3,122,823	\$ 13,491,624	\$ 16,614,447

TOWN OF BATESBURG-LEESVILLE
BATESBURG-LEESVILLE, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	GENERAL	AMERICAN RESCUE PLAN	HOSPITALITY TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets					
Cash and equivalents	\$ 2,366,743	\$ -	\$ -	\$ 4,647	\$ 2,371,390
Receivables					
Property taxes	154,306	-	-	-	154,306
Estimated uncollectible taxes	(28,333)	-	-	-	(28,333)
State receivables	36,728	-	-	-	36,728
Other receivables	162,123	-	-	-	162,123
Restricted cash	-	841,471	599,950	-	1,441,421
Due from other funds	15,655	-	-	-	15,655
Total Assets	\$ 2,707,222	\$ 841,471	\$ 599,950	\$ 4,647	\$ 4,153,290
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ 153,422	\$ -	\$ 22,186	\$ -	\$ 175,608
Salary and benefits payable	159,387	-	-	119	159,506
Due to General Fund	-	-	-	15,655	15,655
Due to Proprietary Fund	2,238	-	-	-	2,238
Unearned revenue	-	841,471	-	-	841,471
Total Liabilities	315,047	841,471	22,186	15,774	1,194,478
Deferred Inflows of Resources					
Unavailable revenue - property taxes	111,437	-	-	-	111,437
Total Deferred Inflows of Resources	111,437	-	-	-	111,437
Fund Balances					
Restricted	-	-	577,764	-	577,764
Unassigned (Deficit)	2,280,738	-	-	(11,127)	2,269,611
Total Fund Balances	2,280,738	-	577,764	(11,127)	2,847,375
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 2,707,222	\$ 841,471	\$ 599,950	\$ 4,647	\$ 4,153,290

See accompanying notes to financial statements.

**TOWN OF BATESBURG-LEESVILLE
BATESBURG-LEESVILLE, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Fund Balances - Governmental Funds \$ 2,847,375

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

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

The cost of capital assets is	\$ 10,693,979	
Accumulated depreciation is	<u>(5,748,150)</u>	4,945,829

Estimated uncollectible taxes are not available to pay for current period expenditures and, therefore, are considered "unavailable" in the funds.		111,437
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Pension related amounts, including the proportionate share of the collective net pension liability, deferred outflows of resources, and deferred inflows of resources, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Pension amounts at year end consist of:

Aggregate proportionate share of collective net pension liability	(4,011,361)	
Deferred outflows of resources related to pensions	1,035,347	
Deferred inflows of resources related to pensions	<u>(912,468)</u>	(3,888,482)

Other post-employment benefit (OPEB) related amounts, including the total OPEB liability, deferred outflows of resources, and deferred inflows of resources, are not due and payable in the current period and therefore are not reported as liabilities in the funds. OPEB amounts at year end consist of:

Other post-employment benefits (OPEB) liability	(153,435)	
Deferred outflows of resources related to OPEB	21,988	
Deferred inflows of resources related to pensions	<u>(94,103)</u>	(225,550)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Long-term liabilities at year end consist of:

Bonds payable	(113,623)	
Capital leases	(362,204)	
Accrued compensated absences	<u>(191,959)</u>	<u>(667,786)</u>

Total Net Position - Governmental Activities \$ 3,122,823

See accompanying notes to financial statements.

TOWN OF BATESBURG-LEESVILLE
BATESBURG-LEESVILLE, SOUTH CAROLINA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General	American Rescue Plan	Hospitality Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local Taxes	\$ 2,107,041	\$ -	\$ -	\$ -	\$ 2,107,041
Licenses, Permits, and Fees	1,742,344	-	-	-	1,742,344
Fines and Forfeitures	95,643	-	-	-	95,643
Garbage Fees	335,243	-	-	-	335,243
State Shared Revenue	163,279	-	-	-	163,279
Victim's Advocate	-	-	-	8,798	8,798
Hospitality Tax	-	-	662,278	-	662,278
Federal revenue	-	506,443	-	-	506,443
Interest Earnings	72	-	19	-	91
Other Revenue	389,326	-	15,218	-	404,544
Total Revenues	<u>4,832,948</u>	<u>506,443</u>	<u>677,515</u>	<u>8,798</u>	<u>6,025,704</u>
Expenditures					
Current					
Town Council	93,197	-	-	-	93,197
Administration	810,185	-	-	-	810,185
Fire	563,465	324,993	-	-	888,458
Municipal Court	125,865	-	-	-	125,865
Police	2,234,727	-	-	-	2,234,727
Public Works	574,791	-	-	-	574,791
Fleet Service	134,141	-	-	-	134,141
NonDepartmental	206,855	181,450	-	-	388,305
Victim's Assistance	-	-	-	7,640	7,640
Community Promotion	-	-	682,691	-	682,691
Debt Service					
Principal	123,951	-	-	-	123,951
Interest	9,085	-	-	-	9,085
Capital Outlay	135,664	-	-	-	135,664
Total Expenditures	<u>5,011,926</u>	<u>506,443</u>	<u>682,691</u>	<u>7,640</u>	<u>6,208,700</u>
Excess of Revenues Over (Under)					
Expenditures	<u>(178,978)</u>	<u>-</u>	<u>(5,176)</u>	<u>1,158</u>	<u>(182,996)</u>
Other Financing Sources (Uses):					
Operating transfers in (out)	(167,278)	-	(20,700)	-	(187,978)
Proceeds from sale of assets	311,550	-	-	-	311,550
Total Other Financing Sources (Uses)	<u>144,272</u>	<u>-</u>	<u>(20,700)</u>	<u>-</u>	<u>123,572</u>
Net Change in Fund Balance	(34,706)	-	(25,876)	1,158	(59,424)
Fund Balance(Deficit) - Beginning of Year	<u>2,315,444</u>	<u>-</u>	<u>603,640</u>	<u>(12,285)</u>	<u>2,906,799</u>
Fund Balance(Deficit) - End of Year	<u>\$ 2,280,738</u>	<u>\$ -</u>	<u>\$ 577,764</u>	<u>\$ (11,127)</u>	<u>\$ 2,847,375</u>

See accompanying notes to financial statements.

TOWN OF BATESBURG-LEESVILLE
BATESBURG-LEESVILLE, SOUTH CAROLINA
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds \$ (59,424)

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

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

Capital outlays	\$ 1,220,080	
Depreciation expense	<u>(230,952)</u>	989,128

When capital assets are disposed, the difference between the net of original cost and depreciation, and the proceeds received, if any, are recorded on the statement of activities as a gain or (loss) on the disposal. This amount represents the net of original cost and depreciation: (196,627)

Repayment of debt principal is an expenditure in the governmental funds, while the repayment reduces long-term liabilities in the statement of net position.

Notes payable principal payments	36,155	
Lease-purchase principal payments	<u>87,796</u>	123,951

Because some property taxes will not be collected for several months after the Town's fiscal year-end, they are not considered "available" revenues and are "unavailable" in the governmental funds. Unavailable tax revenues increased by this amount this year. 18,154

Changes in other postemployment benefit (OPEB) liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported through expense by function in the statement of activities.

Change in other postemployment (OPEB) expense (44,583)

Pension expense in the statement of activities differs from the amount reported in the governmental funds because the proportionate shares of collective net pension expenses are required to be reported and any contributions made subsequent to the measurement date are to be shown as deferred outflows rather than expenses.

Change in aggregate proportionate share of collective net pension expense	(113,058)	
Change in contributions made subsequent to the measurement date	<u>13,590</u>	(99,468)

Accrued compensated absences is reported as an expense in the Statement of Activities and the accrued liability is considered a general long-term liability and, therefore, has no affect on the governmental funds. Accrued compensated absences increased by: (13,894)

Change in Net Position - Governmental Activities \$ 717,237

**TOWN OF BATESBURG-LEESVILLE
 BATESBURG-LEESVILLE, SOUTH CAROLINA
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

ASSETS

Current Assets

Cash and equivalents	\$	4,663,647
Receivables, net of allowance for uncollectibles		211,395
Restricted cash		765,375
Inventory		116,473
Due From General Fund		2,238
Total Current Assets		5,759,128

Noncurrent assets

Capital Assets:

Land		237,055
Construction in progress		5,411,454
Buildings		3,394,831
Machinery and equipment		1,349,383
Water & wastewater system with improvements		16,468,171
Accumulated depreciation		(12,915,593)
Total Capital Assets		13,945,301

TOTAL ASSETS

19,704,429

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources related to pensions		194,595
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Total Deferred Outflows of Resources

194,595

LIABILITIES

Current Liabilities

Accounts payable		293,155
Retainage payable		334,068
Accrued salaries, payroll taxes, retirement and withholdings payable		54,127
Unearned revenue		23,188
Bonds payable - current portion		154,083
Total Current Liabilities		858,621

See accompanying notes to financial statements.

**TOWN OF BATESBURG-LEESVILLE
 BATESBURG-LEESVILLE, SOUTH CAROLINA
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

LIABILITIES (continued)

Noncurrent Liabilities

Due in more than one year:

Customer deposits	\$	200,523
Compensated absences		58,199
Net pension liability		1,162,345
Accrued OPEB liability		50,992
Bonds payable		3,845,917
Total Noncurrent Liabilities		5,317,976

TOTAL LIABILITIES		6,176,597
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DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources related to pensions		230,803
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NET POSITION

Net investment in capital assets		9,945,301
Restricted		765,375
Unrestricted		2,780,948

TOTAL NET POSITION		\$ 13,491,624
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TOWN OF BATESBURG-LEESVILLE
BATESBURG-LEESVILLE, SOUTH CAROLINA
PROPRIETARY FUND TYPES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

Operating Revenues	<u>\$ 3,285,612</u>
Operating Expenses	
Salaries and wages	711,319
Payroll tax	51,942
Employee insurance	59,576
Advertising	1,376
Alternative water	196
Amortization of bond cost	18,750
Bank charges and fees	2,459
Brodie pump station	3,540
Chemicals	189,693
Depreciation	495,463
DHEC monitoring	15,853
Dues and subscriptions	6,528
Electricity	102,065
Fire and casualty insurance	34,947
Fuel and oil	24,049
Gilbert-Summit water	113,866
SMIRF grant	63,266
Industrial sampling	20,646
Insurance - vehicles	4,149
Insurance - workers compensation	12,198
IT services	13,442
Supplies	45,124
Legal and professional services	72,567
Liability insurance	6,205
Maintenance contracts	26,767
Miscellaneous operating expenditures	35,054
Office supplies	32,193
Permits and fees	2,330
Repairs and maintenance	232,199
Senior assistance fund	11,794
Sludge removal	30,330
Small tools and equipment	12,382
State retirement	115,419
Taxes and licenses	2,625
Telephone and internet	11,320
Training and travel	2,791
Uniforms	9,154
Utilities	137,963
Water/sewer line materials	<u>89,819</u>
Total Operating Expenses	<u>2,821,359</u>

See accompanying notes to financial statements.

**TOWN OF BATESBURG-LEESVILLE
 BATESBURG-LEESVILLE, SOUTH CAROLINA
 PROPRIETARY FUND TYPES
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2022**

Operating Income (Loss)	<u>\$ 464,253</u>
Non Operating Revenues (Expenses)	
Interest earned	99
Interest expense	(112,888)
Grant income	1,444,391
GASB 68 adjustment	125,349
Other income	<u>16,781</u>
Total Non Operating Revenues (Expenses)	<u>1,473,732</u>
Income (Loss) Before Transfers	1,937,985
Transfers In	<u>187,978</u>
Change in Net Position	2,125,963
Net Position - Beginning of year	<u>11,365,661</u>
Net Position - End of year	<u><u>\$ 13,491,624</u></u>

See accompanying notes to financial statements.

**TOWN OF BATESBURG-LEESVILLE
 PROPRIETARY FUND TYPES
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Water Department</u>
Cash Flows From Operating Activities	
Received from customers for services	\$ 3,302,819
Payments for employee services	(848,759)
Payments to suppliers for goods and services	<u>(1,053,625)</u>
Net Cash Provided By Operating Activities	<u>1,400,435</u>
Cash Flows From Noncapital Financing Activities	
Other income	16,781
Grant income	1,444,391
Transfers from general fund	<u>187,978</u>
Net Cash Provided (Used) By Noncapital Financing Activities	<u>1,649,150</u>
Cash Flow from Capital and Related Financing Activities	
Capital purchases	(3,922,033)
Revenue bond proceeds	4,000,000
Principal payments on bonds	(790,000)
Interest payments on notes	<u>(112,888)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(824,921)</u>
Cash Flows From Investing Activities	
Investment interest	<u>99</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,224,763
BEGINNING CASH AND CASH EQUIVALENTS	<u>3,204,259</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 5,429,022</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities</u>	
Operating Income (loss)	\$ 464,253
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	495,463
Amortization of bond issuance costs	18,750
(Increase) Decrease in accounts receivable	6,809
(Increase) Decrease in inventories	23,673
Increase (Decrease) in accounts payable	372,092
Increase (Decrease) in accrued liabilities	16,884
Increase (Decrease) in compensated absences	13,037
Increase (Decrease) in accrued OPEB liability	(20,924)
Increase (Decrease) in customer deposits	<u>10,398</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 1,400,435</u>

See accompanying notes to financial statements.

**TOWN OF BATESBURG-LEESVILLE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	<u>Custodial Fund</u>
ASSETS	
Cash	\$ 21,268
LIABILITIES	
Due to Fireman's Organization	21,268
NET POSITION	<u>\$ -</u>

See accompanying notes to financial statements.

TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Batesburg-Leesville (the Town) is a Municipal Corporation governed by an elected mayor and council. Services provided by the Town include public safety (police and fire), sanitation, and water and sewer utility services.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied through governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

- A. The Town's financial statements include all funds over which the Council is considered to be financially accountable. The Town receives funding from local, state, and federal government sources and must comply with requirements of these funding source entities. However, the Town is not included in any other governmental reporting entity because it does not meet the financial accountability criteria for inclusion established by Governmental Accounting Standards Board Statement Number 14 (GASB No. 14). Council members have decision-making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters. The Town receives property tax revenues through its relationship with Lexington and Saluda Counties.
- B. Basis of Presentation**

The statements of the Town are presented as follows:

Government-wide Financial Statements- The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the Town, except for fiduciary funds. For the most part, the effect of the interfund activity has been removed from these statements. The statements distinguished between those activities of the Town are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in part by fees charged to external parties.

The government-wide statements are prepared using economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better justify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Town and for each function or program of the Town's governmental activities. 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 charges paid by the recipient of the 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. Revenues, including taxes, which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Town.

TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (Continued)

Fund Financial Statements- Fund financial statements report detailed information about the Town. The focus of the governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The Town's nonmajor funds include only the victim's rights fund in the current year. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenue and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial sources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Town finances and meets cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

Cash Flow Statement – For the purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with an original maturity of three months or less to be cash equivalent.

C. Measurement Focus and Basis of Accounting

Fund Accounting

The Town uses funds to maintain its financial records during the fiscal year. Fund accounting is designated to demonstrate legal compliance and to aid management by segregating transactions related to certain Town functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Town are grouped into the categories governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds focus on the sources, uses and balance of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is separated as fund balance. The following are the Town's major and nonmajor governmental funds:

General Fund, a major fund and budgeted fund - to account for all financial transactions not properly accounted for in another fund. The Town uses this fund to account for expenditures principally for general government, police, sanitation and fire department activities.

**TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (Continued)

Special Revenue Funds- to account for the proceeds of specific revenue sources (other than debt service or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

The **Hospitality Tax Fund, a major special revenue fund and a budgeted fund**, is used to account for and report the financial resources received and disbursed related to the Town's fee imposed on prepared food and beverage sales (hospitality tax) within the Town limits. These funds are restricted and thus can only be spent for tourism related expenditures.

The **American Rescue Plan Act Fund, a major special revenue fund**, is used to account for and report the financial resources received from the American Rescue Plan to replace lost public sector revenue, provide premium pay for essential workers, and invest in water, sewer, and broadband infrastructure. These funds are restricted and thus can only be spent for those purposes.

Nonmajor special revenue funds consist of the Victims' Assistance Fund.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to provide sound financial administration. Goods or service from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the government (internal service funds). The Town has no internal service fund.

Within proprietary funds, operating revenues and expenses are presented in the Statement of Revenues, Expenses and Changes in Fund Net Position. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Sales for water and sewer service represent the operating revenue of the Town's proprietary fund. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

Enterprise funds - to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or covered primarily through user charges; or (b) where the governing body has decided that periodical determination or revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Department of Public Works is the Town's only enterprise fund.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Town's fiduciary funds consist of custodial funds, formerly agency funds, which are used to report fiduciary activities that are not required to be reported as another fiduciary fund type. The Town's only Custodial Fund includes 1% Broker Insurance Premium funds held for the fire department which can be used only for recreation and

TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (Continued)

educational training as designated by the governing boards of such agencies, or the grantors of such funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. In accrual basis accounting, revenues are recognized when earned and expenses are recognized when incurred. Under the modified accrual basis of accounting, revenues and expenditures are recognized when they become measurable and available.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available means expected to be received within sixty days from fiscal year-end.

The Town follows Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions* to account for non-exchange revenues. Nonexchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, donations and entitlements. 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 satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Town must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest and grants.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of June 30, 2022, but which have not met the revenue recognition criteria, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation, are not recognizable in governmental funds.

TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Equity

Cash and Investments - South Carolina statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool (invested in governmental guaranteed securities), obligations of the U.S. Government, and governmental agencies unconditionally guaranteed by the U.S. Government. Investments are recorded at fair market value.

Receivables and Payables - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables, if containing a balance at the end of the fiscal year, are classified as "due from other funds" or "due to other funds" on the balance sheet. These amounts are eliminated in the governmental and business-type activities columns of the statements of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Inventory - Under the system of accounting for inventory, materials and supplies are carried in an inventory account at cost, using the first-in, first-out method of accounting and are subsequently charged to expense when consumed.

Prepaid Expenses - Payments made to vendors for services benefiting future periods are recorded as prepaid expenses, using the consumption method. A current asset for the prepaid amount is recorded at the same time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The cost and accumulated depreciation of property sold or retired are removed from the accounts, and gains and losses, if any, are reflected in revenues or expenditures/expenses for the year. Donated fixed assets are recorded at their fair market values as of the date received. The Town maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

In the enterprise fund, assets acquired or constructed by grants and shared revenues externally restricted for capital acquisitions and construction are reported as revenues in the period received in accordance with Governmental Accounting Standards Board Statement No. 33. In previous years, these assets were accounted for as contributed capital. In connection with the adoptions of GASB No. 34, the balance of contributed capital has been combined with retained earnings to comprise the net assets of the enterprise fund.

**TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Equity (Continued)

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	15-40 years	15-40 years
Water & Sewer Improvements	15-40 years	20-30 years
Buildings & Improvements	15-40 years	15-40 years
Furniture & Equipment	5-10 years	5-10 years
Vehicles	10 years	10 years

Compensated Absences - The Town reports compensated absences in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. Full-time employees of the Town accrue leave in accordance with the policy detailed in the employee handbook.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary funds are reported on the proprietary fund financial statements.

In general, payable and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgements, the noncurrent portion of capital leases and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from the government funds are not recognized as a liability in the fund financial statements until due.

Deferred Outflows and 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 future period(s) and will not be recognized as an outflow of resources (expense) until then. The Town’s one item that meets the criteria for this category is deferrals relating to pensions.

TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Equity (Continued)

In addition to liabilities, The Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial section, *Deferred Inflows of Resources*, represent acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Town's one item that qualifies for reporting in this category is deferral relating to pensions.

Pensions - For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as that reported in the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance, Equity and Net Position - The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. Nonspendable, such as fund balance associated with inventories and prepaids,
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determine by a formal action of the Council,
4. Assigned fund balance classification is intended to be used by to government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in other classifications.

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

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances or any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Equity (Continued)

Interfund Activity - Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental funds and enterprise balances are eliminated.

Exchange transactions between funds are reported as revenue in the seller funds and as expenditures/expenses in the purchaser funds. Flow of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds responsible for particular expenditures/expense to the funds that initially paid for them are not presented on the financial statements

Operating Revenues and Expenses - Operating revenues are those that are generated directly from the primary activity of the proprietary funds. For the Town, those revenues consist of sales of water and sewer service to customers

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the Town's financial position and results of operations and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Accounting - State statutes require a budget for operation be approved before any expenditures are made. The Council will usually approve the operating budget in May for the fiscal year beginning July 1. A budget is adopted by July 1 of each fiscal year for the General Fund and Special Revenue Funds, on the same modified accrual basis used to reflect actual revenues and expenditures in the fund financial statements. Budget and actual comparisons are presented in the accompanying fund financial statements for the general and special revenue funds. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts adopted in the original appropriations. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended budget issued during the year ended June 30, 2022. All general fund and special revenue appropriations lapse at the fiscal year end. The Town adopted a budget that addressed expenditures at the department level. The Town applies restricted resources when an expense is incurred for purposed for which both restricted and unrestricted net asset are available.

General fund expenditures exceeded budget appropriations by \$335,775. However, actual general fund revenues also exceeded budgeted amounts by \$258,348.

The Victim's Rights Fund had a deficit fund balance of \$11,127 for the year ended June 30, 2022.

TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS:

Cash is maintained in demand deposit or savings accounts or certificates of deposits.

At June 30, 2022, the carrying amount of the Town's deposits was \$9,866,862 and the bank balance was \$11,407,357.

Restricted Cash

Restricted cash includes amounts required to be held for customer water deposits. The restricted balance for customer water deposits totaled \$200,523 at June 30, 2022.

Hospitality taxes collected by the Town are restricted. These funds will be used to fund the operation and maintenance of current and future tourism related facilities, promote quality of life, tourism, recreation, and more. The restricted balance as of June 30, 2021 is \$577,764.

American Rescue Plan funds collected by the Town are held in a separate bank account and are restricted. These funds will be used to address the unique needs of the local communities as a response to and recovery from COVID-19.

Concentration of Credit Risk

The Towns investment policy currently does not involve investment in any individual issuers.

Custodial credit risk-deposits

In the case of deposits, this is the risk that in the event of bank failure, the Towns deposits may not be returned to it. It is the policy of the Town to obtain adequate collateral on all deposits that exceed FDIC insurance coverage. As of June 30, 2022, \$-0- was exposed to custodial credit risk because it was either insured and collateralized by FDIC or covered by collateral held by the pledging financial institution's trust department or agent of the bank as custodian.

NOTE 4 - PROPERTY TAXES

Property tax levies have a tax calendar from October 1 to September 30 each fiscal year; however, motor vehicle taxes are levied each month. Real property collections start September 30 and continue to January 15 with no penalty. A three percent penalty of ten percent, and collections March 17 and after are collected with a fifteen percent penalty and are in execution.

Property tax revenues are recognized when they become available. Available means when due or past due, and receivable means within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Delinquent tax payments, received throughout the year, are recognized as revenue in the year received, except for those received within 60 days of year-end, which are recognized as revenue as of June 30, 2022.

TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - ACCOUNTS RECEIVABLE

Water and Sewer accounts receivable of \$211,395 is net of an allowance for uncollectibles of \$7,895.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Transfers	Additions	Deletions	Balance June 30, 2022
Governmental activities					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 814,932	\$ 186,886	\$ 19,549	\$ (194,280)	\$ 827,087
Construction in process	559,358	(186,886)	492,968	-	865,440
<i>Total capital assets, not being depreciated</i>	<u>1,374,290</u>	<u>-</u>	<u>512,517</u>	<u>(194,280)</u>	<u>1,692,527</u>
<i>Capital assets, being depreciated:</i>					
Streets and sidewalks	3,032,718	-	46,238	-	3,078,956
Buildings and improvements	1,445,205	-	-	-	1,445,205
Vehicles and equipment	4,054,263	-	661,325	(238,297)	4,477,291
<i>Total capital assets being depreciated</i>	<u>8,532,186</u>	<u>-</u>	<u>707,563</u>	<u>(238,297)</u>	<u>9,001,452</u>
<i>Less accumulated depreciation for:</i>					
Streets and sidewalks	(2,056,955)	-	(34,007)	-	(2,090,962)
Buildings and improvements	(418,769)	-	(34,737)	-	(453,506)
Vehicles and equipment	(3,277,424)	-	(162,208)	235,950	(3,203,682)
<i>Total accumulated depreciation</i>	<u>(5,753,148)</u>	<u>-</u>	<u>(230,952)</u>	<u>235,950</u>	<u>(5,748,150)</u>
<i>Total capital assets being depreciated, net</i>	<u>2,779,038</u>	<u>-</u>	<u>476,611</u>	<u>(2,347)</u>	<u>3,253,302</u>
Governmental activities capital assets, net	<u>\$ 4,153,328</u>	<u>\$ -</u>	<u>\$ 989,128</u>	<u>\$ (196,627)</u>	<u>\$ 4,945,829</u>

**TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6 - CAPITAL ASSETS (continued)

	Balance June 30, 2021	Transfers	Additions	Deletions	Balance June 30, 2022
Business-type activities					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 237,055	\$ -	\$ -	\$ -	\$ 237,055
Construction in process	1,667,410	-	3,744,043	-	5,411,453
	<u>1,904,465</u>	<u>-</u>	<u>3,744,043</u>	<u>-</u>	<u>5,648,508</u>
 <i>Capital assets, being depreciated:</i>					
Water and wastewater system with improvements	16,419,044	-	49,128	-	16,468,172
Buildings	3,394,831	-	-	-	3,394,831
Vehicles and equipment	1,255,886	-	128,863	(35,366)	1,349,383
<i>Total capital assets being depreciated</i>	<u>21,069,761</u>	<u>-</u>	<u>177,991</u>	<u>(35,366)</u>	<u>21,212,386</u>
<i>Less accumulated depreciation</i>	<u>(12,455,496)</u>	<u>-</u>	<u>(495,463)</u>	<u>35,366</u>	<u>(12,915,593)</u>
<i>Total capital assets being depreciated, net</i>	<u>8,614,265</u>	<u>-</u>	<u>(317,472)</u>	<u>-</u>	<u>8,296,793</u>
Net Property, Plant and Equipment	<u><u>\$ 10,518,730</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,426,571</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,945,301</u></u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Administrative	\$ 69,877
Police	79,158
Fire	47,274
Public works and fleet	<u>34,643</u>
 Total depreciation expense - governmental activities	 <u><u>\$ 230,952</u></u>

Depreciation expense for business-type activities was \$495,463 for the year ended June 30, 2022.

**TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 - LONG-TERM DEBT:

Governmental Activities

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

<u>Direct Borrowings</u>	Balance			Balance	
	July 1, 2021	Additions	Deletions	June 30, 2022	
Capital Leases	\$ 450,000	\$ -	\$ 87,796	\$ 362,204	
General Obligation Bond	149,779	-	36,156	113,623	
Compensated Absences	178,064	13,895	-	191,959	
Total	\$ 777,843	\$ 13,895	\$ 123,952	\$ 667,786	

Capital Lease

The Town is obligated under one lease purchase agreement that was used to fund the purchase of vehicles and equipment. The lease purchase agreement requires annual payments of \$93,375, accrues interest at 1.240% and matures in March 2026. The lender has a security interest in the leased property to secure the required payments. The following is a schedule of future payments under the lease purchase agreement through maturity:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 88,884	\$ 4,491	\$ 93,375
2024	89,986	3,389	93,375
2025	91,102	2,273	93,375
2026	92,232	1,143	93,375
Total	\$ 362,204	\$ 11,296	\$ 373,500

General Obligation Bond

2015 Series - The series requires annual payments of \$39,661, accrues interest at 2.34% and matures in April 2025. The loan is collateralized by a lien on the Town Hall. General obligation bond debt service to maturity, including interest of \$5,360, is as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 37,002	\$ 2,659	\$ 39,661
2024	37,868	1,793	39,661
2025	38,753	908	39,661
Total	\$ 113,623	\$ 5,360	\$ 118,983

**TOWN OF BATESBURG-LEESVILLE, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 - LONG-TERM DEBT- ENTERPRISE FUND

Business-Type Activities

Revenue Bonds - The Town issued a bond where the Town pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at June 30, 2022 is as follows:

<u>Direct Borrowings</u>	Balance			Balance
	July 1, 2021	Additions	Deletions	June 30, 2022
2015 Series	\$ 790,000	\$ -	\$ 790,000	\$ -
2021 Series	-	4,000,000	-	4,000,000
Total	\$ 790,000	\$ 4,000,000	\$ 790,000	\$ 4,000,000

2015 Series - The series required annual payments of varying amounts and semi-annual interest payments, accrued interest at 2.28% and was to mature in March 2025. The loan was collateralized by a lien on the waterworks and sewer system. This loan was refunded during fiscal year 2022 with proceeds from the 2021 revenue bonds. The amount of principal and interest paid during the year was \$790,000 and \$15,355, respectively. The unamortized portion of the bond premium was expensed during the year for a total of \$18,750.

2021 Series - The series requires annual payments of varying amounts and semi-annual interest payments, accrues interest at 2.66% and matures in July 2041. The loan is collateralized by a lien on the waterworks and sewer system. The bond was issued for the purposes of (1) accomplishing the refunding of the Town's \$1,800,000 Waterworks and Sewer System Revenue Bond Series 2015, (2) financing all or a portion of the project, and (3) paying the costs and expenses relating to the issuance of the bond.

Revenue bond debt service to maturity, including interest of \$1,209,650 is as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 154,083	\$ 106,400	\$ 260,483
2024	158,181	102,301	260,482
2025	162,389	98,094	260,483
2026	166,708	93,774	260,482
2027	171,143	89,340	260,483
2028 - 2032	926,470	375,942	1,302,412
2033 - 2037	1,056,423	245,990	1,302,413
2038 - 2042	1,204,603	97,809	1,302,412
Total	\$ 4,000,000	\$ 1,209,650	\$ 5,209,650

NOTE 9 - DEFERRED COMPENSATION/SALARY DEFERRAL PLAN

The Town employees may participate in the 457, 403(b) and/or 401(k) deferred compensation plans available to the state and local government employees through the state public employee retirement system. These programs are administered by a state approved nongovernmental third party.

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT BENEFITS

General Information

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the 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 System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publically available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Descriptions

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established 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 State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT BENEFITS (continued)

administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of 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 below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP- As an alternative membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the SC General Assembly beginning with the November 2012 general election have the option to participate in the State ORP. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party record keepers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes. Contribution to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP vendor for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire or to serve as a peace officer employed by the Department of Corrections, and 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 earn at least \$200 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 of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT BENEFITS (continued)

Benefits

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

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

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

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT BENEFITS (continued)

contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. 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 and PORS 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.

Required employee contribution rates are as follows:

SCRS	Fiscal Year 2022	Fiscal Year 2021
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP Employee		
Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

• Required employer contributions rates are as follows:

SCRS	Fiscal Year 2022	Fiscal Year 2021
Employee Class Two	16.41%	15.41%
Employee Class Three	16.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP Employee		
Employee'	16.41%	15.41%
Employer Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	18.84%	17.84%
Employee Class Three	18.84%	17.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT BENEFITS (continued)

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.

The June 30, 2021, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2021, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of the June 30, 2021 measurement date:

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment rate of return	7%	7%
Projected salary increases	3.0% - 11.0%	3.5% - 10.5%
Includes inflation at	2.25%	2.25%
Benefits adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. This base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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

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

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT BENEFITS (continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 68 less that System's fiduciary net position. At June 30, 2022, the Town reported a liability of \$2,728,430 for its proportionate share of the SCRS' net pension liability. The Town's proportion measured as of June 30, 2022 was 0.012608%. Approximately, 43%, or \$1,162,345 of the liability was allocated to the proprietary fund. At June 30, 2022, the Town reported a liability of \$2,445,275 for its proportionate share of the PORS' net pension liability. The Town's proportion measured as of June 30, 2022 was 0.095039%. Governmental activities and business-type activities reported \$4,011,361 and \$1,162,345, respectively, for its shares of the total pension liability.

Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted at the beginning of the 2021 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 by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 percent assumed annual investment rate of return set in statute and used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	LT Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity	9.0%	9.68%	0.87%
Private Debt	7.0%	5.47%	0.39%
Real Assets	12.0%		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
Total Expected Return	100.0%		5.18%
Inflation for Actuarial Purposes			2.25%
			7.43%

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT BENEFITS (continued)

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2022, the Town recognized pension expense totaling \$512,238 for governmental activities after the necessary adjustments to the net pension liability and related deferrals. The Town recognized pension expense totaling \$(26,127) for business-type activities after the necessary adjustments to the net pension liability and related deferrals. At June 30, 2022, 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
Water & Sewer Fund – SCRS		
Difference between expected and actual experience	\$ 19,799	\$ 1,569
Assumption changes	63,623	-
Net difference between projected and actual earnings on pension plan investments	-	168,846
Deferred amounts from changes in proportionate share and differences between employer contributions & proportionate share of total plan employer contributions	11,950	60,388
Contributions subsequent to the measurement date	99,223	-
Total	\$ 194,595	\$ 230,803

~Continued on following page~

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT BENEFITS (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
General Fund - SCRS		
Difference between expected and actual experience	\$ 26,677	\$ 2,113
Assumption changes	85,722	-
Net difference between projected and actual earnings on pension plan investments	-	227,495
Deferred amounts from changes in proportionate share and differences between employer contributions & proportionate share of total plan employer contributions	16,099	81,364
Contributions subsequent to the measurement date	133,688	-
Total	\$ 262,186	\$ 310,972
General Fund – PORS		
Difference between expected and actual experience	\$ 83,186	\$ 7,615
Assumption changes	174,409	-
Net difference between projected and actual earnings on pension plan investments	-	548,220
Deferred amounts from changes in proportionate share and differences between employer contributions & proportionate share of total plan employer contributions	236,483	45,661
Contributions subsequent to the measurement date	279,083	-
Total	\$ 773,161	\$ 601,496

Amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

	SCRS Water & Sewer	SCRS Town	PORS
Measurement Period Ending June 30,			
2022	\$ (16,225)	\$ (21,861)	\$ 41,489
2023	(22,738)	(30,636)	23,852
2024	(33,289)	(44,851)	12,829
2025	(63,179)	(85,126)	(185,588)
Net balance of Deferred Outflows/(Inflows) of Resources	\$ (135,431)	\$ (182,474)	\$ (107,418)

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT BENEFITS (continued)

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
Svstem	1.00% Decrease (6%)	Current Discount Rate (7%)	1.00% Increase (8%)
SCRS	\$3,574,037	\$2,728,430	\$2,025,742
PORS	\$3,547,777	\$2,445,275	\$1,542,152

Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts will increase Pension Expense they are labeled Deferred Outflows of Resources. If they serve to reduce Pension Expense they are labeled Deferred Inflows of Resources. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions or inputs and investment gains and losses are recognized over a fixed five year period.

Discount Rate

The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made on the actuarially determined rates based on provision in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Background

Beginning in fiscal year ended June 30, 2020, the Town of Batesburg-Leesville implemented Governmental Accounting Standards Board (GASB) Statement No. 75 which replaced the requirements of Statement No. 45 for the accounting and financial reporting of other postemployment benefits (OPEB) other than pensions offered to retirees. This scope of this statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related deferred outflows and inflows of resources, note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. An implicit rate subsidy is an inherent subsidy of retiree healthcare costs by active employee healthcare costs when healthcare premiums paid by retirees and actives are the same. Under the current health plan, described in the next paragraph, healthcare premiums paid by retirees and actives are the same. The true healthcare costs for retirees are, on average, greater than active employees' healthcare costs. Thus, if both subgroups pay the same per-capita premium for their benefits, retirees are paying less than they would if their premiums were calculated solely based on retiree-only expected healthcare costs. With an implicit rate subsidy, the active employee premiums are subsidizing the retiree premiums, and that

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

subsidization creates a liability that needs to be recognized.

Plan Description

The State Insurance Benefits Program, a community-rated plan with respect to local subdivisions which is managed by the South Carolina Public Employee Benefit Authority (PEBA), offers a variety of plans to active employees, retirees and survivors. The health, dental, Basic Life and Basic Long Term Disability plans are the core benefits the participating local subdivision must provide to each employee by paying a minimum contribution for each plan. A local subdivision or entity is defined as any employer, other than a state agency or public school district, that has the South Carolina General Assembly's approval to participate in the state insurance benefits program. More specifically, Section 1-11-720 of the 1976 South Carolina Code of Laws, as amended, gives specified local government organizations the right to participate in the state insurance benefits program.

The Town of Batesburg-Leesville must offer all eligible employees the entire package of state insurance benefits and allow employees to refuse all or any part of the benefits package. The Town must ensure that all covered employees, retirees and their dependents meet the eligibility guidelines established by the S.C. PEBA or set forth in Section 1-11-730 of the 1976 S.C. Code of Laws, as amended. The Town must contribute, for its active employees, no less than the same percentage the state contributes toward the premiums for active employees of state agencies and public school districts.

Benefits Provided

Under the State Insurance Benefits Program, each local subdivision develops its own policy for funding retiree insurance premiums for its eligible retirees. Therefore, The Town of Batesburg-Leesville has the option to choose the amount, if any, it wishes to contribute toward health and dental coverage for its eligible retirees. Healthcare benefits are available to eligible participants under the South Carolina PEBA state health plan. The Town requires retirees to pay 100% of their premiums. The fact that the Town does not contribute toward retiree premiums is irrelevant when considering the implicit rate subsidy because the contribution is a matter of employer policy and is outside the scope of GASB Statement No. 75. Currently, the Town has elected not to pre-fund OPEB liabilities and to fund healthcare benefits on a pay-as-you-go basis. These benefits consist of an inherent rate insurance subsidy that retirees will receive by staying on the employer provided health plan. Retirees will reimburse the Town of Batesburg-Leesville for the insurance premiums charged. The liability and expense amounts are only included on the Statement of Net Position and Statements of Activities.

Employees Covered by Benefit Terms

Active Participants	102
Retired Participants	<u>-</u>
Total	<u>102</u>

Total OPEB Liability

The Town's total OPEB liability of \$204,427 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Cost Method – Individual entry age normal level percent of salary

Dates of Calculations

Actuarial valuation: June 30, 2022

Census Date: June 30, 2022

Measurement Date: June 30, 2022

Reporting Date: June 30, 2022

Employees Included in the Calculations – All active employees who are potentially eligible to receive medical benefits as a retiree. Former employees and their spouses or their survivors who are receiving benefits.

Discount Rate – Pursuant to GASB 75, for unfunded plans the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The Bond Buyer's 20 bond index is often cited as an appropriate benchmark. A discount rate of 3.54% was used for the June 30, 2022 measurement date.

Inflation Rate – 2.25% per year

Salary Increase Rate – 2.50% per year

Retirement Rates – The rates used for the July 1, 2021 SCRS Valuation.

Mortality Rates – The rates used for the July 1, 2021 SCRS Valuation.

Disability Rates – None assumed.

Termination Rates – The rates used for the July 1, 2021 SCRS Valuation.

Per Capita Claims Costs – Per Capita Claims Costs include medical, dental and prescription drug coverages and were developed based on the June 30, 2021 SC OPEB Valuation.

Healthcare Trend – The healthcare trend rates are based on the rates used for the June 30, 2021 SC OPEB Valuation.

Election Percentage – It is assumed that 48% of eligible retirees and 12% of spouses will elect to receive coverage upon retirement.

Marriage Percentage – 80% of active employees are assumed to be married at retirement. Female spouses are assumed to be 3 years younger than their husbands.

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Changes in the Total OPEB Liability

Balance at June 30, 2021	<u>\$ 278,786</u>
Changes for the year	
Service cost	33,806
Interest	5,985
Difference between expected and actual experience	(36,991)
Changes of assumptions or other inputs	(73,699)
Implicit rate subsidy fulfillment	<u>(3,460)</u>
Net changes	<u><u>(74,359)</u></u>
 Balance at June 30, 2022	 <u><u>\$ 204,427</u></u>

The total OPEB liability was allocated as follows:

Governmental Activities	\$ 153,435
Business-Type Activities	<u>50,992</u>
Total	<u><u>\$ 204,427</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using the discount rate of 3.54%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.54%) or 1-percentage point higher (4.54%) than the current rate:

	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Total OPEB Liability	\$228,854	\$204,427	\$182,956

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare trend rates:

	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$175,953	\$204,427	\$239,368

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Town recognized OPEB expense of \$27,119. The following table provides a summary of the deferred inflows and outflows as of June 30, 2022.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (31,448)
Changes of assumptions or other inputs	21,988	(62,655)
Total	\$ 21,988	\$ (94,103)

Collective amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future years as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Year Ended June 30		
2023	\$ 3,915	\$ (16,587)
2024	3,915	(16,587)
2025	3,915	(16,587)
2026	3,915	(16,587)
2027	3,915	(16,587)
Thereafter	2,413	(11,168)
Total	\$ 21,988	\$ (94,103)

NOTE 12 - RISK MANAGEMENT

The Town is a member of the South Carolina Local Government Assurance Group, which is a self-funded health benefits program. In this program, the Town is part of a pool of local governments for the determination of rates. Each member of the SCLGAG accepts responsibility for normal claims expense. Catastrophic claims over \$100,000 per individual per year are reinsured through an insurance company. Upon termination of participation in the SCLGAG, all unpaid claims of the Town's employees and aggregate losses on the Town's account from current and previous years will be the responsibility of the Town.

NOTE 13 - TAX ABATEMENTS

The Town has implemented GASB Statement 77, Tax Abatements. The primary objective of the Statement is to disclose the extent of the tax abatement agreements currently outstanding. Lexington and Saluda Counties are responsible for collecting tax revenues to cover operating expenses of the Town. To encourage specific development or spending, the Town may offer certain tax abatements. There are currently tax abatements totaling \$34,253 in the Town of Batesburg-Leesville.

**TOWN OF BATESBURG-LEESVILLE
NOTES TO FINANCIAL STATEMENTS**

NOTE 14 - SUBSEQUENT EVENTS

After June 30, 2022, the Town did not have any subsequent events through the report date, which is the date that the financial statements were available to be issued.

NOTE 15 – CONSTRUCTION COMMITMENTS

The Town has the following construction commitments for Utility Fund projects:

The Town has a contract with Thomas & Hutton for professional services relating to the GIS for the sewer system in the amount of \$80,400. A total of \$66,650 has been paid through June 30, 2022, leaving a remaining balance to completion of \$13,750.

The Town has a contract with North American Construction Co., Inc. for the screw pump and sludge handling project at the wastewater treatment plant in the amount of \$2,374,980. A total of \$2,129,114 has been paid through June 30, 2022, leaving a remaining balance to completion of \$245,866. The Town also has a contract with Summit Engineering for the design, permitting, and construction administration for this project in the amount of \$135,900. A total of \$122,625 has been paid through June 30, 2022, leaving a remaining balance to completion of 13,725.

The Town has a contract with Hazen and Sawyer for the Batesburg-Leesville water line extension project in the amount of \$428,500. A total of \$46,847 has been paid through June 30, leaving a remaining balance to completion of \$381,653.

The Town has a contract with North American Construction Co., Inc. for the aerator replacement project in the amount of \$1,211,565. A total of \$1,090,408 has been paid through June 30, 2022, leaving the remaining retainage payable of \$121,157. The Town also has a contract with Summit Engineering for the design, permitting, and construction administration for this project in the amount of \$105,250. A total of \$58,770 has been paid through June 30, 2022, leaving a remaining balance to completion of \$46,480.

NOTE 16 - NEW GASB PRONOUNCEMENTS

GASB Statement No. 87, Leases

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* was effective for fiscal year ending June 30, 2022. The objective of this Statement is to increase the usefulness of the Town's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This new standard had no effect on the Town as it currently has no material leases that meet the criteria for GASB 87.

NOTE 17 – TRANSFERS

There was a transfer of \$20,700 from the Hospitality Tax Fund to the General Fund to offset landscaping costs. There was a transfer of \$106,682 from the Utility Fund to the General Fund to offset a portion of the principal and interest on long-term debt. A transfer of \$294,660 was made from the General Fund to the Utility Fund for proceeds on Town land sold to be used for Utility Fund projects.

TOWN OF BATESBURG-LEESVILLE
BATESBURG-LEESVILLE, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Property taxes	\$2,022,800	\$2,022,800	\$2,107,041	\$ 84,241
Licenses, permits and fees	1,567,800	1,567,800	1,742,344	174,544
Fines and forfeitures	70,000	70,000	95,643	25,643
Garbage fees	330,000	330,000	335,243	5,243
Other local sources	379,600	379,600	389,398	9,798
State sources	204,400	204,400	163,279	(41,121)
Total Revenues	<u>4,574,600</u>	<u>4,574,600</u>	<u>4,832,948</u>	<u>258,348</u>
Expenditures				
Town council	94,350	94,350	93,197	1,153
Administrative and general	559,300	559,300	810,185	(250,885)
Fire	526,950	526,950	563,465	(36,515)
Municipal court	126,600	126,600	125,865	735
Police	2,179,900	2,179,900	2,234,727	(54,827)
Public works	645,000	645,000	574,791	70,209
Fleet	135,946	135,946	134,141	1,805
Non-departmental	174,000	174,000	206,855	(32,855)
Debt service:				
Principal	97,205	97,205	123,951	(26,746)
Interest	-	-	9,085	(9,085)
Capital outlay	136,900	136,900	135,664	1,236
Total Expenditures	<u>4,676,151</u>	<u>4,676,151</u>	<u>5,011,926</u>	<u>(335,775)</u>
Excess of Revenues Over (Under) Expenditures	<u>(101,551)</u>	<u>(101,551)</u>	<u>(178,978)</u>	<u>(77,427)</u>
Other Financing Sources (Uses):				
Operating transfers in (out)	101,551	101,551	(167,278)	(268,829)
Proceeds from sale of assets	-	-	311,550	311,550
Total Financing Sources (Uses)	<u>101,551</u>	<u>101,551</u>	<u>144,272</u>	<u>42,721</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>(34,706)</u>	<u>\$ (34,706)</u>
Fund Balance - Beginning of Year			<u>2,315,444</u>	
Fund Balance - End of Year			<u>\$2,280,738</u>	

**TOWN OF BATESBURG-LEESVILLE
 BATESBURG-LEESVILLE, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HOSPITALITY TAX
 FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Hospitality Tax	\$ 565,000	\$ 565,000	\$ 662,278	\$ 97,278
Interest	300	300	19	(281)
Other	-	-	15,218	15,218
Total Revenues	565,300	565,300	677,515	112,215
Expenditures				
Christmas lights	20,000	20,000	37,454	(17,454)
Town events	20,000	20,000	19,570	430
Town signage	-	-	21	(21)
Town website	400	400	465	(65)
Auditing services	7,500	7,500	7,375	125
Parks/recreation utilities	6,500	6,500	5,422	1,078
Parks/recreation maintenance/repair	15,000	15,000	15,377	(377)
Parks/recreation liability insurance	3,000	3,000	600	2,400
Parks and downtown lighting	16,200	16,200	16,636	(436)
Wilson St. Park	-	-	82,315	(82,315)
Leesville College Park	-	-	97,765	(97,765)
Oak St. resurfacing	-	-	98,130	(98,130)
Pine St. parking	-	-	3,210	(3,210)
Woodward Unity Park	59,000	59,000	23,529	35,471
Downtown Leesville engineering	110,000	110,000	70,410	39,590
Downtown Batesburg engineering	287,000	287,000	154,542	132,458
Capital equipment	-	-	49,849	(49,849)
Bank fees	-	-	21	(21)
Total Expenditures	544,600	544,600	682,691	(138,091)
Excess of Revenues Over (Under) Expenditures	20,700	20,700	(5,176)	(25,876)
Other Financing Sources (Uses):				
Operating transfers to general fund for landscaping	(20,700)	(20,700)	(20,700)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	(25,876)	\$ (25,876)
Fund Balance - Beginning of Year			603,640	
Fund Balance - End of Year			\$ 577,764	

**TOWN OF BATESBURG-LEESVILLE
 BATESBURG-LEESVILLE, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS
 LAST 10 FISCAL YEARS
 FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB Liability										
Service cost	\$ 33,806	\$ 32,806	\$ 25,446	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Interest cost	5,985	5,359	6,471	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Changes in benefit terms	-	-	-	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Effect of economic/demographic gains or losses	(36,991)	-	-	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Changes in assumptions or other inputs	(73,699)	1,439	32,126	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Benefit payments	-	-	-	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Implicit rate subsidy fulfillment	(3,460)	(6,612)	(6,226)	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Net change in total OPEB liability	<u>\$ (74,359)</u>	<u>\$ 32,992</u>	<u>\$ 57,817</u>	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Total OPEB liability - beginning	<u>278,786</u>	<u>245,794</u>	<u>187,977</u>	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Total OPEB liability - ending	<u>\$ 204,427</u>	<u>\$ 278,786</u>	<u>\$ 245,794</u>	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Covered-employee payroll	2,653,406	2,546,950	2,546,950	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Total OPEB liability as a percentage of covered-employee payroll	7.70%	10.95%	9.65%	NA*	NA*	NA*	NA*	NA*	NA*	NA*

NA* - Not Available

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.
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**TOWN OF BATESBURG-LEESVILLE
 BATESBURG-LEESVILLE, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY (SCRS)
 LAST 10 FISCAL YEARS
 FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Town's proportion of the net pension liability (asset)	0.012608%	0.013409%	0.013388%	0.012912%	0.013304%	0.013057%	0.012483%	0.012461%	NA*	NA*
Town's proportionate share of the net pension liability (asset)	\$ 2,728,430	\$ 3,426,314	\$ 3,057,034	\$ 2,893,224	\$ 2,994,944	\$ 2,788,956	\$ 2,367,461	\$ 2,235,059	NA*	NA*
Town's covered-employee payroll	\$ 1,425,165	\$ 1,495,991	\$ 1,413,736	\$ 1,413,736	\$ 1,338,068	\$ 1,156,096	\$ 1,264,412	\$ 1,170,430	NA*	NA*
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	191.45%	229.03%	216.24%	204.65%	223.83%	241.24%	187.24%	190.96%	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%	NA*	NA*

NA* - Not Available

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**TOWN OF BATESBURG-LEESVILLE
 BATESBURG-LEESVILLE, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY (PORS)
 LAST 10 FISCAL YEARS
 FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Town's proportion of the net pension liability (asset)	0.095039%	0.085800%	0.088806%	0.083902%	0.085850%	0.087080%	0.086830%	0.088870%	NA*	NA*
Town's proportionate share of the net pension liability (asset)	\$2,445,275	\$2,845,308	\$2,545,131	\$2,377,406	\$2,351,858	\$2,208,737	\$1,892,500	\$1,842,292	NA*	NA*
Town's covered-employee payroll	\$1,429,093	\$1,296,135	\$1,288,098	\$1,288,098	\$1,161,333	\$1,156,096	\$1,110,135	\$1,075,739	NA*	NA*
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	171.11%	219.52%	197.59%	184.57%	202.51%	191.05%	170.47%	171.26%	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%	NA*	NA*

NA* - Not Available

<p>This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.</p>

See accompanying notes to required supplementary information.

**TOWN OF BATESBURG-LEESVILLE
 BATESBURG-LEESVILLE, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE TOWN'S CONTRIBUTIONS (SCRS)
 LAST 10 FISCAL YEARS
 FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 221,756	\$ 232,776	\$ 205,840	\$ 203,719	\$ 179,435	\$ 153,145	\$ 137,920	\$ 125,821	NA*	NA*
Contributions in relation to the contractually required contribution	(221,756)	(232,776)	(205,840)	(203,719)	(179,435)	(153,145)	(137,920)	(125,821)	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 1,425,165	\$ 1,495,991	\$ 1,413,736	\$ 1,413,736	\$ 1,338,068	\$ 1,156,096	\$ 1,264,412	\$ 1,170,430	NA*	NA*
Contributions as a percentage of covered-employee payroll	15.56%	15.56%	14.56%	14.41%	13.41%	13.25%	10.91%	10.75%	NA*	NA*

NA* - Not Available

<p>This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.</p>

**TOWN OF BATESBURG-LEESVILLE
 BATESBURG-LEESVILLE, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE TOWN'S CONTRIBUTIONS (PORS)
 LAST 10 FISCAL YEARS
 FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 260,667	\$ 236,415	\$ 222,068	\$ 216,916	\$ 183,955	\$ 160,004	\$ 148,092	\$ 139,954	NA*	NA*
Contributions in relation to the contractually required contribution	(260,667)	(236,415)	(222,068)	(216,916)	(183,955)	(160,004)	(148,092)	(139,954)	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 1,429,093	\$ 1,296,135	\$ 1,288,098	\$ 1,288,098	\$ 1,161,333	\$ 1,156,096	\$ 1,110,135	\$ 1,075,739	NA*	NA*
Contributions as a percentage of covered-employee payroll	18.24%	18.24%	17.24%	16.84%	15.84%	13.84%	13.34%	13.01%	NA*	NA*

NA* - Not Available

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

TOWN OF BATESBURG-LEESVILLE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The \$37,000 actuarial gain on the total OPEB liability for the fiscal year ending June 30, 2022 is primarily attributable to termination of active employees that were not eligible for benefits.

The discount rate assumption was increased from 2.16% to 3.54%, and the demographic assumptions used were updated to those contained and used in the July 1, 2021 SCRS valuation.

NOTE 2 - PENSIONS

On April 25, 2017, Governor Henry McMaster signed into law the Retirement Funding and Administration Act of 2017 which became effective on July 1, 2017. This legislation increased the employer and employee contribution rates established a ceiling on the employee contribution rate, lowered the assumed rate of return, required a scheduled reduction of the funding period, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the Retirement System Investment Commission (RSIC) and PEBA as co-trustees.

The legislation lowered the assumed rate of return to 7 percent effective July 1, 2020. The new rate continued and was included in the calculation of the rollforward pension liability as of the measurement date of June 30, 2021.

The inflation rate used in the current calculation of the pension liability was 2.25%.

NOTE 3 - BUDGETS

The General Fund is always considered a major fund of the Town. The Hospitality Tax Fund has met the requirements to be presented as a major fund. Budgets have been legally adopted for both of these major funds. The budgets are presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

TOWN OF BATESBURG-LEESVILLE
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local Sources:				
Property taxes:				
Current	\$ 1,932,800	\$ 1,932,800	\$ 2,031,235	\$ 98,435
Delinquent	90,000	90,000	75,806	(14,194)
	<u>2,022,800</u>	<u>2,022,800</u>	<u>2,107,041</u>	<u>84,241</u>
Licenses, permits and fees:				
Business licenses	1,020,000	1,020,000	1,212,050	192,050
Franchise fees	435,600	435,600	440,681	5,081
E-911 reimbursements	71,000	71,000	42,286	(28,714)
Permits	41,200	41,200	47,327	6,127
	<u>1,567,800</u>	<u>1,567,800</u>	<u>1,742,344</u>	<u>174,544</u>
Other local sources:				
Fines and forfeitures	70,000	70,000	95,643	25,643
Garbage fees	330,000	330,000	335,243	5,243
Special revenue	70,000	70,000	85,945	15,945
Rent	12,000	12,000	14,625	2,625
School resource officer reimbursement	204,700	204,700	206,809	2,109
Police restricted funds	6,000	6,000	10,881	4,881
Police extra duty reimbursement	25,000	25,000	15,278	(9,722)
Safer Grant reimbursement	58,500	58,500	54,678	(3,822)
Interest income	800	800	72	(728)
Miscellaneous	2,600	2,600	1,110	(1,490)
	<u>779,600</u>	<u>779,600</u>	<u>820,284</u>	<u>40,684</u>
Total	<u>4,370,200</u>	<u>4,370,200</u>	<u>4,669,669</u>	<u>299,469</u>
State Sources:				
Accommodations tax	10,000	10,000	7,345	(2,655)
State shared and intergovernmental revenue	35,000	35,000	35,000	-
Merchants inventory	32,400	32,400	32,416	16
Local government fund	127,000	127,000	88,518	(38,482)
Total	<u>204,400</u>	<u>204,400</u>	<u>163,279</u>	<u>(41,121)</u>
Total Revenues	<u>\$ 4,574,600</u>	<u>\$ 4,574,600</u>	<u>\$ 4,832,948</u>	<u>\$ 258,348</u>

TOWN OF BATESBURG-LEESVILLE
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:				
Town Council				
Salaries and wages	\$ 40,800	\$ 40,800	\$ 40,400	\$ 400
Insurance - workers compensation	600	600	981	(381)
Payroll tax	3,100	3,100	3,051	49
Advertising	1,500	1,500	1,806	(306)
Legal and professional services	22,500	22,500	22,375	125
State retirement	4,650	4,650	4,368	282
Training and travel	16,700	16,700	13,904	2,796
Miscellaneous operating expenditures	1,000	1,000	730	270
Election expenditures	3,500	3,500	5,582	(2,082)
Total	94,350	94,350	93,197	1,153
Administrative and General:				
Salaries and wages - executive	349,000	349,000	356,413	(7,413)
Employee insurance	34,500	34,500	30,990	3,510
Dues and subscriptions	1,300	1,300	1,234	66
Insurance - workers compensation	1,700	1,700	1,284	416
Insurance - fire and casualty	4,400	4,400	4,792	(392)
Payroll tax	27,000	27,000	26,129	871
Postage	2,600	2,600	2,598	2
Office supplies	8,000	8,000	10,509	(2,509)
State retirement	58,000	58,000	60,495	(2,495)
Training and travel	4,500	4,500	18,533	(14,033)
Miscellaneous operating expenditures	6,900	6,900	6,093	807
Repairs and maintenance	4,500	4,500	3,487	1,013
Lease/purchase	-	-	234,053	(234,053)
Maintenance contracts	7,900	7,900	6,754	1,146
Building inspection	35,000	35,000	32,471	2,529
Telephone	11,000	11,000	11,920	(920)
Utilities	3,000	3,000	2,430	570
Total	559,300	559,300	810,185	(250,885)
Fire:				
Salaries and wages	244,000	244,000	255,413	(11,413)
Employee insurance	36,500	36,500	24,967	11,533
Due and subscriptions	3,000	3,000	4,803	(1,803)
Insurance - workers compensation	15,000	15,000	15,835	(835)

TOWN OF BATESBURG-LEESVILLE
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Fire (Continued)				
Insurance - vehicle	\$ 11,000	\$ 11,000	\$ 10,573	\$ 427
Insurance - general liability	4,300	4,300	4,354	(54)
Payroll tax	22,000	22,000	21,655	345
Office supplies	6,900	6,900	9,448	(2,548)
Fire prevention	1,500	1,500	276	1,224
State retirement	47,000	47,000	52,229	(5,229)
Physicals and immunizations	7,500	7,500	4,718	2,782
Firemen's compensation	36,000	36,000	36,000	-
Training and travel	3,000	3,000	1,727	1,273
Repairs and maintenance	45,200	45,200	71,072	(25,872)
Fuel and oil	10,000	10,000	21,296	(11,296)
Maintenance contracts	8,300	8,300	6,194	2,106
Miscellaneous operating expenditures	250	250	260	(10)
Uniforms	2,500	2,500	1,548	952
Electricity	11,500	11,500	9,427	2,073
Telecommunications	10,000	10,000	10,782	(782)
Telephone	1,500	1,500	888	612
Total	526,950	526,950	563,465	(36,515)
Municipal Court:				
Salaries and wages	81,000	81,000	81,119	(119)
Employee insurance	17,500	17,500	17,345	155
Workers compensation insurance	200	200	236	(36)
State retirement	14,000	14,000	13,836	164
Payroll tax	5,800	5,800	5,651	149
Maintenance contracts	300	300	185	115
Indigent defense	6,000	6,000	6,000	-
Jury	300	300	160	140
Jury travel and expense	1,000	1,000	-	1,000
Judge training and travel	500	500	1,333	(833)
Total	126,600	126,600	125,865	735
Police:				
Salaries and wages	1,268,000	1,268,000	1,307,927	(39,927)
Extra duty pay	25,000	25,000	14,701	10,299
Employee insurance	135,000	135,000	127,655	7,345
Dues and subscriptions	1,400	1,400	1,365	35
Insurance - workers compensation	32,000	32,000	38,483	(6,483)

TOWN OF BATESBURG-LEESVILLE
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Police (Continued)				
Insurance - general liability	\$ 6,500	\$ 6,500	\$ 6,831	\$ (331)
Insurance - vehicle	22,500	22,500	20,349	2,151
Payroll tax	95,000	95,000	96,875	(1,875)
E-911 dispatch	72,000	72,000	31,766	40,234
Office supplies	30,500	30,500	28,095	2,405
Uniforms	13,000	13,000	14,991	(1,991)
State retirement	235,000	235,000	236,502	(1,502)
Training and travel	4,000	4,000	3,226	774
Miscellaneous operating expenditures	6,000	6,000	4,495	1,505
Repairs and maintenance	59,200	59,200	59,838	(638)
Maintenance contracts	20,500	20,500	40,220	(19,720)
Professional supplies	1,300	1,300	1,435	(135)
Fuel and oil	56,000	56,000	87,527	(31,527)
Jail supplies	2,500	2,500	2,206	294
Firing range supplies	6,000	6,000	4,896	1,104
Fines - state	42,000	42,000	51,899	(9,899)
DJJ	500	500	-	500
Police restricted expenditures	6,000	6,000	7,346	(1,346)
Electricity	16,500	16,500	16,509	(9)
Telephone	17,500	17,500	16,232	1,268
Police equipment	6,000	6,000	13,358	(7,358)
Total	2,179,900	2,179,900	2,234,727	(54,827)
Public Works				
Salaries and wages	146,000	146,000	141,823	4,177
Overtime and summer help	13,500	13,500	7,534	5,966
Employee insurance	21,000	21,000	23,924	(2,924)
Garbage collections	360,000	360,000	303,876	56,124
Office supplies	500	500	-	500
Insurance - general liability	500	500	391	109
Insurance - workers compensation	13,000	13,000	12,592	408
Insurance - vehicle	4,200	4,200	4,021	179
Miscellaneous operating expenditures	900	900	1,253	(353)
Fuel and oil	17,500	17,500	19,590	(2,090)
State retirement	26,500	26,500	23,804	2,696
Payroll tax	13,000	13,000	10,842	2,158
Landfill maintenance	1,000	1,000	1,171	(171)
Vector control	1,600	1,600	1,600	-
Safety equipment	1,200	1,200	1,106	94
Small hand tools	1,500	1,500	1,585	(85)

TOWN OF BATESBURG-LEESVILLE
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Public Works (continued)				
Repairs and maintenance	\$ 18,500	\$ 18,500	\$ 11,886	\$ 6,614
Street signs	500	500	-	500
Telephone	600	600	448	152
Uniforms	3,500	3,500	2,894	606
Palmetto pride	-	-	4,451	(4,451)
Total	645,000	645,000	574,791	70,209
Fleet:				
Salaries and wages	76,000	76,000	75,054	946
Employee insurance	18,000	18,000	17,345	655
Insurance - workers compensation	2,600	2,600	2,369	231
Insurance - general liability	400	400	315	85
Insurance - vehicle	350	350	295	55
Payroll tax	6,000	6,000	5,253	747
Office supplies	2,200	2,200	1,770	430
State retirement	12,500	12,500	12,393	107
Repairs and maintenance	2,000	2,000	1,525	475
Small hand tools	2,500	2,500	2,553	(53)
Shop supplies	4,500	4,500	5,193	(693)
Safety equipment	350	350	128	222
Uniforms	2,000	2,000	2,352	(352)
Fuel and oil	1,100	1,100	1,942	(842)
Electricity	2,100	2,100	1,758	342
Telephone	360	360	442	(82)
Propane	1,800	1,800	2,347	(547)
Miscellaneous operating expenditures	1,186	1,186	1,107	79
Total	135,946	135,946	134,141	1,805
Non-Departmental:				
Covid-19 expenditures	-	-	26,265	(26,265)
IT services	11,800	11,800	13,662	(1,862)
Community notification system	2,100	2,100	2,201	(101)
Town equipment/vehicle GPS	7,600	7,600	7,543	57
Tax collection	11,000	11,000	10,271	729
Memberships and dues	6,600	6,600	6,435	165
Miscellaneous expenditures	4,000	4,000	9,630	(5,630)
Street lights	91,000	91,000	72,199	18,801
Penalties and bank fees	600	600	756	(156)
State sales use tax	300	300	903	(603)

TOWN OF BATESBURG-LEESVILLE
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Non-Departmental (continued)				
General liability	\$ 39,000	\$ 39,000	\$ 56,990	\$ (17,990)
Total	<u>174,000</u>	<u>174,000</u>	<u>206,855</u>	<u>(32,855)</u>
Debt Service:				
Administration				
Principal payment	97,205	97,205	123,951	(26,746)
Interest	-	-	9,085	(9,085)
Total	<u>97,205</u>	<u>97,205</u>	<u>133,036</u>	<u>(35,831)</u>
Capital Outlays:				
Administrative and general	-	-	1,885	(1,885)
Fire	62,400	62,400	47,041	15,359
Police	39,500	39,500	40,500	(1,000)
Public works	35,000	35,000	46,238	(11,238)
Total	<u>136,900</u>	<u>136,900</u>	<u>135,664</u>	<u>1,236</u>
Total Expenditures	<u>4,676,151</u>	<u>4,676,151</u>	<u>5,011,926</u>	<u>(335,775)</u>
Excess of Revenues Over (Under) Expenditures	<u>(101,551)</u>	<u>(101,551)</u>	<u>(178,978)</u>	<u>(77,427)</u>
Other Financing Sources (Uses):				
Proceeds from sale of assets	-	-	311,550	311,550
Operating transfers in (out)	101,551	101,551	(167,278)	(268,829)
Total Other Financing Sources (Uses)	<u>101,551</u>	<u>101,551</u>	<u>144,272</u>	<u>42,721</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>(34,706)</u>	<u>\$ (34,706)</u>
Fund Balance, Beginning of Year			<u>2,315,444</u>	
Fund Balance, End of Year			<u>\$ 2,280,738</u>	

**TOWN OF BATESBURG-LEESVILLE
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022**

	Victim's Rights Fund	Total
	<hr/>	<hr/>
ASSETS		
Cash and equivalents	\$ 4,647	\$ 4,647
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 4,647</u>	<u>\$ 4,647</u>
LIABILITIES AND FUND BALANCES		
Accrued retirement payable	\$ 119	\$ 119
Due to General Fund	15,655	15,655
	<hr/>	<hr/>
Total Liabilities	<u>15,774</u>	<u>15,774</u>
Fund Balances		
Unassigned (Deficit)	<u>(11,127)</u>	<u>(11,127)</u>
Total Fund Balances	<u>(11,127)</u>	<u>(11,127)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,647</u>	<u>\$ 4,647</u>

**TOWN OF BATESBURG-LEESVILLE
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022**

	Victim's Rights Fund	Total
REVENUES		
Special assessments	\$ 8,798	\$ 8,798
TOTAL REVENUES	8,798	8,798
EXPENDITURES		
Police	7,640	7,640
TOTAL EXPENDITURES	7,640	7,640
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,158	1,158
FUND BALANCE, BEGINNING OF YEAR	(12,285)	(12,285)
FUND BALANCE (DEFICIT), END OF YEAR	\$ (11,127)	\$ (11,127)

**TOWN OF BATESBURG-LEESVILLE
 PROPRIETARY FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022**

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Water	\$ 2,328,500	\$ 2,338,330	\$ 9,830
Wastewater	846,000	827,068	(18,932)
Fees	97,000	120,214	23,214
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	3,271,500	3,285,612	14,112
Operating Expenses:			
Utility Administration			
Salaries and wages	84,300	88,787	(4,487)
Payroll tax	6,500	6,610	(110)
Employee insurance	5,200	3,728	1,472
Alternative water	-	196	(196)
Dues and subscriptions	500	409	91
Advertising	-	1,376	(1,376)
Gilbert-Summit water	110,000	113,866	(3,866)
Insurance - vehicles	400	324	76
Insurance - workers compensation	100	58	42
Legal and professional services	15,000	20,321	(5,321)
Miscellaneous operating expenses	50	49	1
New water plant	-	8,609	(8,609)
Office supplies	1,000	1,326	(326)
Repairs and maintenance	400	-	400
State retirement	14,000	14,756	(756)
Telephone and internet	550	489	61
Training and travel	1,500	826	674
	<hr/>	<hr/>	<hr/>
Total	239,500	261,730	(22,230)
Water Operations/Maintenance			
Salaries and wages	192,000	191,258	742
Payroll tax	15,000	14,091	909
Employee insurance	21,000	12,425	8,575
Chemicals	98,000	134,687	(36,687)
DHEC monitoring	16,500	15,853	647
Dues and subscriptions	200	250	(50)
Electricity	140,000	99,634	40,366

**TOWN OF BATESBURG-LEESVILLE
 PROPRIETARY FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022**

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
Water Operations/Maintenance (continued)			
Fire and casualty insurance	\$ 11,500	\$ 11,985	\$ (485)
Insurance - workers compensation	5,000	3,309	1,691
Lab supplies	29,000	23,228	5,772
Miscellaneous operating expenses	2,700	7,761	(5,061)
Propane	750	1,290	(540)
Repairs and maintenance	59,500	60,809	(1,309)
Brodie pump station	-	3,540	(3,540)
Safety equipment	700	-	700
Small hand tools	300	53	247
State retirement	31,500	31,741	(241)
Telephone and internet	2,500	2,848	(348)
Training and travel	1,500	445	1,055
Uniforms	2,800	2,756	44
Total	630,450	617,964	12,486
Billing Office Operations/Maintenance			
Salaries and wages	105,100	103,077	2,023
Payroll tax	8,100	7,151	949
Employee insurance	23,500	16,425	7,075
Dues and subscriptions	100	-	100
Electricity	3,000	2,430	570
Fire and casualty insurance	800	763	37
Insurance - workers compensation	300	205	95
Maintenance contracts	21,000	17,202	3,798
Miscellaneous operating expenses	300	176	124
Office supplies	26,300	27,749	(1,449)
Repairs and maintenance	4,150	3,360	790
State retirement	17,500	17,062	438
Telephone and internet	5,900	6,119	(219)
Training and travel	500	266	234
Total	216,550	201,986	14,564
Wastewater			
Salaries and wages	182,000	129,478	52,522
Payroll tax	15,000	9,449	5,551

**TOWN OF BATESBURG-LEESVILLE
 PROPRIETARY FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022**

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
Wastewater (continued)			
Employee insurance	\$ 21,000	\$ 10,507	\$ 10,493
Chemicals	50,000	55,006	(5,006)
Dues and subscriptions	600	195	405
Fire and casualty insurance	18,500	22,199	(3,699)
Fuel and oil	3,500	10,375	(6,875)
Improvements	-	5,370	(5,370)
Industrial sampling	13,000	20,646	(7,646)
Insurance - vehicles	1,300	1,105	195
Insurance - workers compensation	5,000	3,514	1,486
Janitorial supplies	600	619	(19)
Lab supplies	24,000	21,277	2,723
Maintenance contracts	7,500	9,565	(2,065)
Miscellaneous operating expenses	5,200	4,518	682
Office supplies	1,200	917	283
Permits and fees	3,900	2,330	1,570
Repairs and maintenance	193,400	145,663	47,737
Safety equipment	1,500	1,929	(429)
Sludge removal	55,000	30,330	24,670
Small hand tools	1,500	779	721
State retirement	31,000	19,881	11,119
Telephone and internet	1,800	1,435	365
Training and travel	2,500	891	1,609
Uniforms	4,000	3,157	843
Utilities	139,000	137,963	1,037
	<hr/>	<hr/>	<hr/>
Total	782,000	649,098	132,902
	<hr/>	<hr/>	<hr/>
Utilities Maintenance			
Salaries and wages	206,000	198,719	7,281
Payroll tax	15,200	14,641	559
Employee insurance	21,000	16,492	4,508
Fuel and oil	12,500	12,385	115
SMIRF grant	-	57,916	(57,916)
Insurance - vehicles	2,800	2,720	80
Insurance - workers compensation	5,000	5,111	(111)
Miscellaneous operating expenses	5,200	4,747	453

**TOWN OF BATESBURG-LEESVILLE
 PROPRIETARY FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022**

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
Utilities Maintenance (continued)			
Repairs and maintenance	\$ 11,500	\$ 13,738	\$ (2,238)
Safety equipment	2,000	1,416	584
Small hand tools	3,000	8,206	(5,206)
State retirement	33,000	31,979	1,021
Telephone and internet	850	429	421
Training and travel	750	363	387
Uniforms	3,000	3,242	(242)
Water/sewer line materials	82,000	89,820	(7,820)
	<hr/>	<hr/>	<hr/>
Total	403,800	461,924	(58,124)
Non-Departmental			
Amortization of bond cost	-	18,750	(18,750)
Bank charges and fees	4,800	2,454	2,346
Bond principal and interest	208,100	112,888	95,212
Community notification system	2,100	2,201	(101)
Depreciation	-	495,463	(495,463)
Lease Purchase Payment	16,000	-	16,000
General obligation bond payment	19,830	-	19,830
IT services	11,638	13,442	(1,804)
Legal services	15,000	45,371	(30,371)
Liability insurance	5,600	6,205	(605)
Memberships and dues	6,300	5,674	626
Miscellaneous	3,400	17,804	(14,404)
Professional services	7,500	6,875	625
Senior assistance fund	14,400	11,794	2,606
Taxes and licenses	2,500	2,625	(125)
	<hr/>	<hr/>	<hr/>
Total	317,168	741,546	(424,378)
Total Operating Expenses	<hr/>	<hr/>	<hr/>
	2,589,468	2,934,247	(344,779)
Operating Income (Loss)	<hr/>	<hr/>	<hr/>
	682,032	351,365	(330,667)

**TOWN OF BATESBURG-LEESVILLE
 PROPRIETARY FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022**

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
Non Operating Revenues (Expenses)			
Interest income	\$ 1,200	\$ 99	\$ (1,101)
Grant income	-	1,444,391	1,444,391
GASB 68 adjustment	-	125,349	125,349
Other income	8,000	16,781	8,781
Total Non Operating Revenues (Expenses)	<u>9,200</u>	<u>1,586,620</u>	<u>1,577,420</u>
Income (Loss) Before Other Financing Sources			
	<u>691,232</u>	<u>1,937,985</u>	<u>1,246,753</u>
Other Financing Sources (Uses):			
Operating transfers in (out)	<u>(70,851)</u>	<u>187,978</u>	<u>258,829</u>
Total Other Financing Sources (Uses)	<u>(70,851)</u>	<u>187,978</u>	<u>258,829</u>
Net Income	<u>\$ 620,381</u>	<u>\$ 2,125,963</u>	<u>\$ 1,505,582</u>

**TOWN OF BATESBURG-LEESVILLE
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CUSTODIAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>
FIREMAN'S INSURANCE FUND				
Assets				
Cash	\$ 20,845	\$ 12,276	\$ (11,853)	\$ 21,268
Liabilities				
Due to Fireman's Organization	\$ 20,845	\$ 12,276	\$ (11,853)	\$ 21,268

TOWN OF BATESBURG-LEESVILLE
SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES
YEAR ENDED JUNE 30, 2022

FOR THE STATE TREASURER'S OFFICE

COUNTY/MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	\$ -	\$ -	\$ 90,064	\$ 90,064
Court fines and assessments remitted to State Treasurer	-	-	(52,899)	(52,899)
Total Court Fines and Assessments retained	\$ -	\$ -	\$ 37,165	\$ 37,165
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ -	\$ -	\$ 4,121	\$ 4,121
Assessments retained	-	-	4,677	4,677
Total Surcharges and Assessments retained for victim services	\$ -	\$ -	\$ 8,798	\$ 8,798

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from previous year - beginning balance	\$ (12,299)	\$ -	\$ (12,299)
Victim Service revenue			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	4,677	-	4,677
Victim Service Surcharges Retained by City/County Treasurer	4,121	-	4,121
Interest Earned	-	-	-
Grant Funds Received			
Grant from:	-	-	-
General Funds Transferred to Victim Service Fund	-	-	-
Contribution Received from Victim Service Contracts:			
(1) Town of	-	-	-
(2) Town of	-	-	-
(3) City of	-	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ (3,501)	\$ -	\$ (3,501)
Expenditures for Victim Service Program			
Salaries and Benefits	\$ 7,453	\$ -	\$ 7,453
Operating Expenditures	187	-	187
Victim Service Contract(s):			
(1) Entity's Name	-	-	-
(2) Entity's Name	-	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	-	-	-
(2) Rape Crisis Center:	-	-	-
(3) Other local direct crime victims service agency:	-	-	-
Transferred to General Fund	-	-	-
Total Expenditures from Victim Service Fund/Program(B)	\$ 7,640	\$ -	\$ 7,640
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	(11,141)	-	(11,141)
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds - End of Year	\$ (11,141)	\$ -	\$ (11,141)

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

The Honorable Mayor and Town Council
Town of Batesburg-Leesville
Batesburg-Leesville, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Batesburg-Leesville, South Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Batesburg-Leesville, South Carolina's basic financial statements and have issued our report thereon dated July 5, 2023.

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

McGregor & Company, L.L.P.

Barnwell, South Carolina
July 5, 2023