



Town of Moncks Corner
South Carolina
Comprehensive Annual Financial Report
Year Ended September 30, 2020

TOWN OF MONCK'S CORNER



The Lowcountry's Hometown South Carolina

Comprehensive Annual Financial Report

Year Ended September 30, 2020

Prepared by the
Town of Moncks Corner Administration Department





INTRODUCTORY SECTION

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- Transmittal Letter
- Principal Officials
- Organization Chart



TOWN OF MONCKS CORNER, SOUTH CAROLINA

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The Lowcountry's Hometown

PO Box 700 | Moncks Corner, SC 29461 | 843.719.7900 | monckscornersc.gov

June 14, 2021

To the Honorable Mayor, Members of Town Council, and Citizens of the Town of Moncks Corner:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Moncks Corner for the fiscal year ended September 30, 2020.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The Town's financial statements have been audited by The Baird Audit Group, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended September 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimate made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Moncks Corner's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Moncks Corner, named for landowner Thomas Monck, dates back to 1728. It began as a trading post with a few taverns and stores. The Northeastern Railroad laid its tracks in 1856, and the train depot became the center of Town. The Town of Moncks Corner is the county seat of Berkeley County, located near the center of the county and approximately thirty-three miles from Charleston, South Carolina. Its boundary extends east to the West Branch of the Cooper River, 3 miles south of the outlet of Lake Moultrie. US Route 52 is the main highway through the town, leading south to Charleston and north 80 miles to Florence. US Route 17 Alternate also passes through the town, leading east 49 miles to Georgetown and southwest 16 miles to Summerville. The Town is a total area of 10.58 square miles, of which 5.2 square miles or approximately 49 percent is developed.

The Town of Moncks Corner was incorporated in 1909 and operates under the Mayor-Council form of government; often called the strong mayor form of government because the Mayor is granted by state law the right to exercise legislative as well as executive and administrative authority. Legislative authority is vested in the Mayor and six Councilmembers, who are elected at large to serve staggered four-year terms of office. The Mayor is the presiding officer and serves as chief administrative officer. The Mayor is responsible for preparation, administration and reporting of the budget and financials to Council.

The Mayor, with Council's approval, hires an Administrator to assist the Mayor with administrative matters and to oversee the day-to-day operations of the Town. The Administrator is responsible for implementing the policies and ordinances of Town Council. The Administrator is assisted by several staff departments including administration, community development, police, fire, public service, recreation, and municipal court.

The Town of Moncks Corner provides a full range of services, including police and fire protection, sanitation service, stormwater, street and roadside maintenance, building regulation, planning, zoning, code enforcement, and recreational activities.

The Town of Moncks Corner maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by Town Council. Activities of the General Fund, Special Revenue Funds, Capital Projects Fund and Debt Service Funds are included in the annual appropriated budget, which is prepared using GAAP in all material respects. The level of budgetary control, the level at which expenditures cannot legally exceed the appropriated amount, is at the fund level. All appropriations lapse at the end of each year.

Local Economy

The Town of Moncks Corner has grown dramatically since incorporation when there were just 232 residents. According to the US Census Bureau, 2019 population estimates 11,986 residents. A significant portion of growth can be attributed to the annexation of new areas being developed. Since 2010, over fifteen hundred housing units and at least twenty-five commercial establishments have been completed. As such, the Town's building permit revenues have tripled. Management

anticipates this growth to remain consistent for several years as Moncks Corner continues to annex and becomes more integrated into the urbanized region.

In addition, commercial development continues to rise in the Town's business district along Highway 52. As such, the service industry has expanded substantially in recent years. With this expansion, the Town's property tax, hospitality tax and business license revenues have increased significantly. Over the past five years, property tax revenue has increased 61%; hospitality tax revenue 32%; and business license revenue 57%. As the population continues to grow and businesses are established, management anticipates further revenue will be generated.

Long- Term Financial Planning

The General Funds fiscal year end unassigned fund balance is 54% of the total general fund expenditures. This represents six months of general operating funds and falls above the Government Finance Officers Association (GFOA) best practices recommended two months. The Town does not anticipate using the general fund's unassigned fund balance for the approved fiscal year 2020/2021 General Fund budget, therefore fund balance is expected to remain sufficient.

The Town issued \$368,000 in general obligation bonds in June 2011 for a fire truck and another \$1,780,000 general obligation bonds were issued in December 2014 to finance various projects and equipment purchases. As of fiscal year end, the Town has approximately \$1.5 million of general obligation bond debt outstanding that is subject to the State's 8% debt limit; resulting in an unused legal debt margin of \$3,598,000. The Town's general obligation bond debt payments are secured by the Town's full faith, credit and taxing power and paid from three mills of property tax collections.

In October 2010, the Town issued approximately \$6.9 million in installment purchase revenue bonds to finance the construction of the Moncks Corner Regional Recreation Complex. The Complex consists of four baseball fields, a soccer field, a football field, basketball courts, market pavilion and two concession stands. The revenue bond debt payments are secured by the local hospitality and local accommodations tax revenue. In December 2019, the Town received advice based on the current interest rate environment and expectations in the near term, that it may be possible to refund some portion or all of the outstanding Series 2010 Bonds and achieve substantial net present value saving to the Town, estimated to be in excess of 5% of the principal amount refunded. Based on the potential for such savings, the Board of Directors of the Corporation found it to be in the best interest of the Corporation to approve and enter into a Supplemental Trust Agreement dated December 19, 2019 supplementing and amending the Original Trust Agreement to provide for the issuance and sale of a Series of additional bonds in the amount of \$5,520,000 designated as the "Moncks Corner Regional Recreation Corporation Installment Purchase Revenue Refunding Bond, Series 2019". As of fiscal year end, the Town has approximately \$5.5 million revenue bond debt outstanding.

Relevant Financial Policies

The Town has implemented internal controls that are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss, theft, or misuse; and to check the accuracy and reliability of financial records for preparing the financial statements. The framework in which the Town's procedures are applied include all five essential components identified by the Committee of Sponsoring Organizations (COSO): control environment, risk assessment, control activities, information and communication, and monitoring.

Budgetary controls are maintained by issuing purchase orders prior to expenditures. All purchase orders are approved by the appropriate department heads; reviewed by the Purchasing Agent; then approved by the appropriate level of management. A detailed budget and actual expenditures comparison is provided each month to the appropriate department head and the Town Administrator. A financial statement is presented monthly to the Mayor and Town Council.

The Town Administrator submits a proposed budget for the General Fund and all other funds to the Mayor and Town Council at least 60 days prior to the beginning of the fiscal year. The Budget is legally enacted and adopted by ordinance by the Mayor and Town Council. All budgetary transfers are authorized by the Town Administrator and the Mayor; however, Town Council must approve any amendment to the budget which causes a change in the total expenditures. Budgets are adopted on a basis consistent with GAAP.

Major Initiatives

Town Council established statements that affirm the vision, mission and values of the Town. Along with the statements, strategic goals were also developed for the following objectives: (1) clean up / improve the Town's appearance; (2) expand Town services / diversify revenue base; (3) promote the Town's sense of safety; (4) improve business development environment; (5) improve operations / communications; (6) expand enrichment activities that improve quality of life and (7) leverage intergovernmental partnerships.

The Town formed a Special Revenue Fund (SRF) – Abatements and Improvements Fund to initiate the first strategic goal to clean up and improve the Town's appearance. This SRF is funded by a General Fund transfer of all permit revenues generated over \$250,000. These improvements comprised of the demolition of dilapidated buildings; mast arms at US 52 and Old Highway 52; and beautification of Main Street.

The Town's second strategic goal is to expand Town services and diversify revenue base. At fiscal year end the Town completed construction of a new Public Service Building to house our existing Public Services personnel and equipment; in addition, two departments were added to our Public Services to include Storm Water Maintenance and Sanitation Services.

The Police Department continues to successfully accomplish strategic goal 3; promoting the Town's sense of safety by increasing the visibility of the department by visiting local businesses; organizing community outreach programs with the Town's citizens and providing neighborhood watch meetings. The Police Department along with Fire, Recreation and Public Service more

recently worked with State, Federal and local agencies to provide COVID testing and vaccination sites during the pandemic.

The Town is collaborating with its partners, the Berkeley County's Economic Development Department and Berkeley Chamber of Commerce, to achieve strategic goal 4 – improve business development environment; by making resources available for local entrepreneurs seeking to start or expand businesses. Also, Moncks Corner's Main Street initiative, Corner Renaissance seeks ways to strengthen and expand the Town's downtown economic base. To further expand this initiative, the Town has employed a full time Main Street Director to collaborate with businesses and the community to promote downtown activities, educate businesses, serve as a clearinghouse, visionary and facilitator based on the Main Street Four Point Approach (organization, promotion, design and economic development).

Moncks Corner has created several ways to achieve strategic goal 5, improve operations / communications. First, the Town has improved its website to inform citizens of Town Council meetings, agendas, departmental services, recreation, events and financial transparency. The website also provides citizens and businesses downloadable forms, access to municipal legislation adopted by the Town, and links to other governmental agencies for their convenience. Also, the Town has established a Facebook page to promote a better understanding of the services the Town provides and our efforts to meet expectations. In 2021 the Town plans to rebuild our website with a new look, as well as add many features and functionality.

The Recreation Department has grown significantly over the last few years. As such, strategic goal 6 – expand enrichment activities that improve quality of life has become a priority. The construction of the Moncks Corner Regional Recreation Complex was the first step in exceling recreation programs to our community. More recently were a football field, press box, soccer field, basketball courts, parking and concession stand was added to our Complex allowing staff to expand activities. Several programs have been developed such as adult sports, adult classes and a youth summer camp program. Recently Youth Flag Football was added to our spring sports and in addition, Adult and Youth Kickball was added to our summer sports. Also, the Town has initiated an online registration process for the efficiency of youth sport sign-ups. The Town is in the process of partnering with local businesses, civic organizations, community leaders and citizens by bringing our resources together to construct a Miracle League Field for special needs children. The Town continues to implement new activities for its residents to enjoy living in the community.

The Town serves as the collective voice of its citizens to all levels of government to achieve strategic goal 7, leverage intergovernmental partnerships. The Town partners with the County, State and Federal governments to provide our citizens with services such as road maintenance, storm water / drainage repairs and fire and police protection.

Acknowledgements

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire Town staff and the staff of Greene Finney LLP, Certified Public Accountants and Consultants. We also thank the Mayor and members of Town Council for their continued oversight and support throughout the past year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeffrey V. Lord", with a long horizontal flourish extending to the right.

Jeffrey V. Lord
Town Administrator



ELECTED OFFICIALS



From Left to Right: James B. Ware, III, DeWayne G. Kitts, Charlotte A. Cruppenink, Michael A. Locklear (Mayor), David A. Dennis, Jr. (Mayor Pro-Tempore), Latorie Lloyd Walker and James N. Law, Jr.

MANAGEMENT

Jeffrey V. Lord

Town Administrator

Marilyn Baker

Administrative Services Director - Clerk
To Council

Doug Polen

Community Development Director

Robert Gass

Fire Chief

Robert Watson

Municipal Judge

Rick Ollic

Police Chief

Logan Faulkner

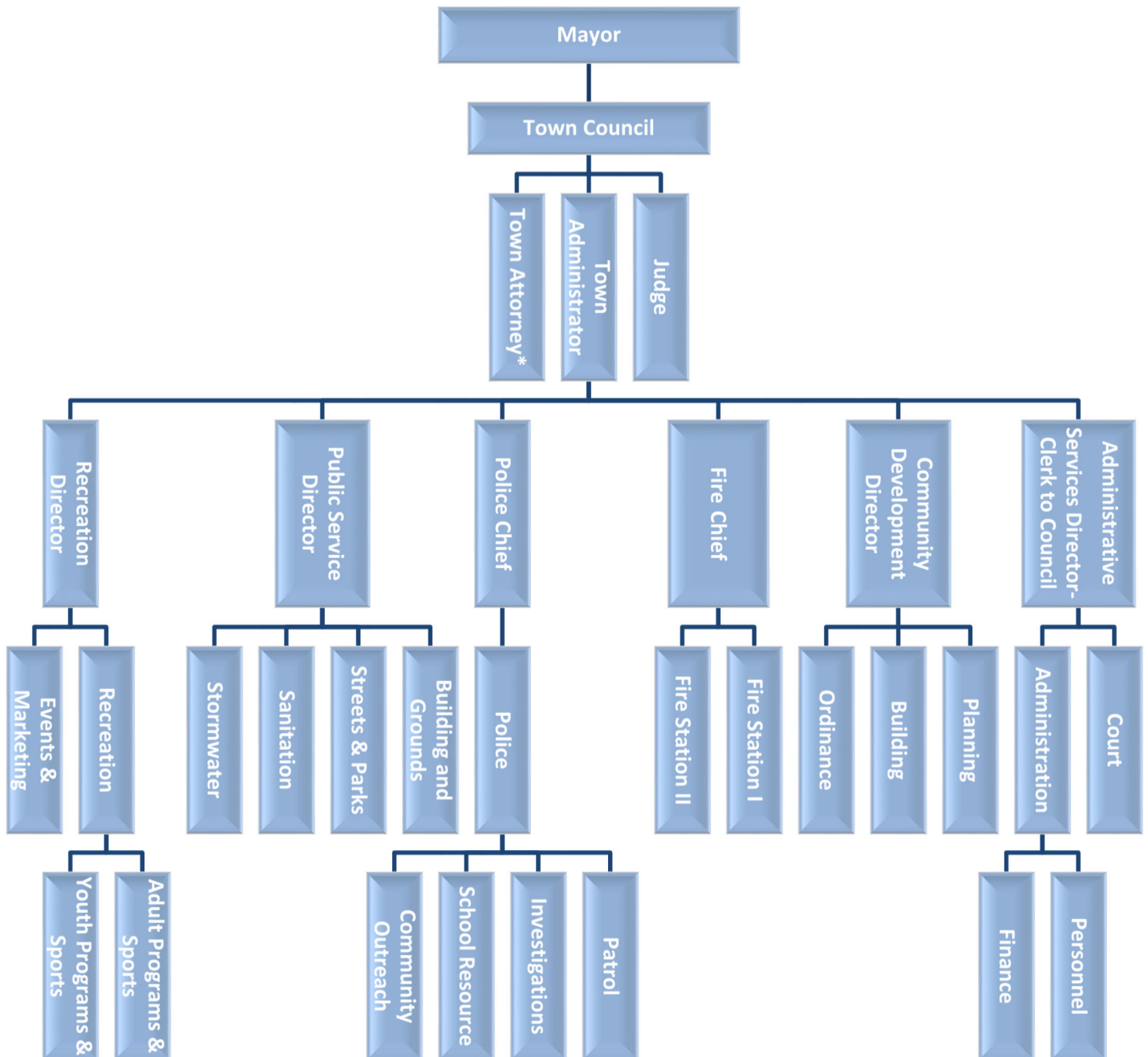
Public Service Director

Rebecca Ellison

Recreation Director

Organization Chart

TOWN OF MONCK'S CORNER CITIZENS



*Denotes Services that are contracted outside the organization



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Moncks Corner
South Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion & Analysis
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- Notes to the Financial Statements
- Required Supplementary Information
- Supplementary Information





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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of Town Council
Town of Moncks Corner
Moncks Corner, South Carolina

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Moncks Corner, South Carolina, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Moncks Corner, South Carolina, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, the other postemployment benefit plan – defined benefit healthcare plan – schedules of employer contributions and funding progress, and the pension schedules on pages 15-24 and 68-77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Moncks Corner, South Carolina's basic financial statements. The supplementary information, combining and individual nonmajor fund financial statements, 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 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 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 June 14, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Monck Corner, South Carolina's internal control over financial reporting and compliance.



The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
June 14, 2021

TOWN OF MONCKS CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020

As management of the Town of Moncks Corner (Town), South Carolina, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2020 as compared to fiscal year ended September 30, 2019.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of fiscal year by approximately \$10,694,000 (net position). Of the total net position, approximately \$11,130,000 is the net investment in capital assets, approximately \$947,000 is restricted, and the remaining amount of approximately \$1,383,000 is an unrestricted net deficit (primarily due to the Town's proportionate share of the net pension liability per GASB #68 and the net OPEB liability per GASB #75).
- The government's total net position decreased approximately \$99,000 (1%) due to total revenues of approximately \$12,370,000 being exceeded by total expenses of approximately \$12,469,000.
- At close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of approximately \$6,775,000, an increase of approximately \$264,000 (4%) in comparison with prior fiscal year.
- At the end of the fiscal year, unassigned fund balance for the General Fund was approximately \$5,621,000 or 54% of total General Fund expenditures for the year ended September 30, 2020.
- The Town's net capital assets were approximately \$19,191,000, increasing by approximately \$695,000 (4%) during the current fiscal year, due to additions of approximately \$2,055,000 offset by depreciation expense of approximately \$1,055,000, and net disposals of approximately \$305,000.
- The Town's total long-term obligations increased by approximately \$348,000 (4%) during the current fiscal year due to the issuance of the 2019 Installment Purchase Revenue Refunding Bonds of approximately \$5,520,000 and \$633,000 in new lease purchase offset by the refunding of the 2010 series Revenue bonds of approximately \$5,720,000, principal payments on outstanding debt of approximately \$361,000 partially offset by amortization of the bond discount of approximately \$76,000 and the net increase in the compensated absences liability of \$25,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the financial statements, this report contains supplementary information that will enhance the reader's understanding of the financial condition of the Town.

The financial statements include two kinds of financial statements that present different views of the Town. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business and are presented using the accrual basis of accounting. In addition, the *fund financial statements* provide a more detailed look at the Town's activities and are presented using the modified accrual basis of accounting.

Government-Wide Financial Statements

The *statement of net position* presents the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the differences between them 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 fiscal year. The statement presents all underlying events which give rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items, such as uncollected taxes or earned but unused annual leave that will produce changes in cash flows in future fiscal periods.

TOWN OF MONCKS CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Basic Financial Statements (Continued)

Typically, both *government-wide financial statements* distinguish functions that are principally supported by 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 administrative, community development, police, fire, public services, and recreation. The Town has no business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like all other governmental entities in South Carolina, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town can be divided into two categories: governmental 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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The relationship between the *governmental activities* (reported in the statement of net position and the statement of activities) and *governmental funds* is described in reconciliations that are a part of the fund financial statements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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*.

Governmental funds individually presented in the Town of Moncks Corner's statements include four major funds: the General Fund, the Franchise Fund, the Local Tax Fund, and the Capital Improvement Fund. The Town also maintains eight non-major governmental funds presented in a total column termed as "Other Non-Major Governmental Funds".

Fiduciary Funds - *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government in a trustee or agency capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs.

Agency funds are used to account for assets the Town holds on behalf of others. The Firemen's Insurance and Inspection Fund is used to account for the receipt and disbursement of funds received from the State relating to the collection of the one percent tax received on all fire insurance premiums written in the state.

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 following the basic financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that is presented immediately following the notes to the financial statements. The Town adopts an annual budget for its General Fund, Local Tax Fund, and Capital Improvements Fund. Budgetary comparison schedules have been provided for the General Fund, Local Tax Fund, and Capital Improvements Fund to demonstrate compliance with these budgets. The Town has also included budgetary comparison schedules for the six other special revenue funds.

The combining statements referred to earlier in connection with the non-major special revenue and debt service funds are presented immediately following the required supplementary information.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements for the fiscal year ended September 30, 2020 are prepared using the financial statement-reporting model as mandated by the Governmental Accounting Standards Board (GASB).

STATEMENT OF NET POSITION		
	2020	2019
Assets		
Current and other assets	\$ 11,910,466	\$ 11,432,225
Capital assets	19,191,173	18,496,033
Total Assets	31,101,639	29,928,258
Deferred Outflows of Resources		
Deferred OPEB charges	42,317	18,744
Deferred pension charges	1,956,357	1,086,871
Total Deferred Outflows of Resources	1,998,674	1,105,615
Liabilities		
Net OPEB liability	82,414	74,574
Net pension liability	9,205,953	7,397,984
Other long term liabilities	8,286,299	7,938,090
Other liabilities	657,704	1,150,038
Total Liabilities	18,232,370	16,560,686
Deferred Inflows of Resources		
Deferred revenue	4,128,453	3,616,048
Deferred OPEB credits	2,036	2,420
Deferred pension credits	43,172	61,264
Total Deferred Inflows of Resources	4,173,661	3,679,732
Net Position		
Net invested in capital assets	11,130,350	10,758,280
Restricted for		
Public safety	139,033	148,714
Tourism	12,510	15,229
Capital projects	330,413	315,491
Debt service	253,392	798,387
Stormwater	156,360	-
Other	55,503	43,046
Unrestricted	(1,383,279)	(1,285,692)
Total Net Position	\$ 10,694,282	\$ 10,793,455

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by approximately \$10,694,000 as of September 30, 2020. A decrease of approximately \$99,000 (1%) from last fiscal year as discussed in detail below.

Total assets increased approximately \$1,173,000 (4%) primarily due to an increase of approximately \$695,000 (4%) in capital assets and an increase of approximately \$478,000 (4%) in current assets. The current assets increase of \$478,000 is primarily due to increases of approximately \$448,000 in taxes receivable and \$175,000 in restricted cash. The Town's net capital assets increased by approximately \$695,000 (4%) during the current fiscal year to additions of approximately \$2,055,000 offset by depreciation expense of approximately \$1,055,000, and net disposals of approximately \$305,000. Major additions included construction of the public service building, public safety vehicles and two garbage trucks.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020

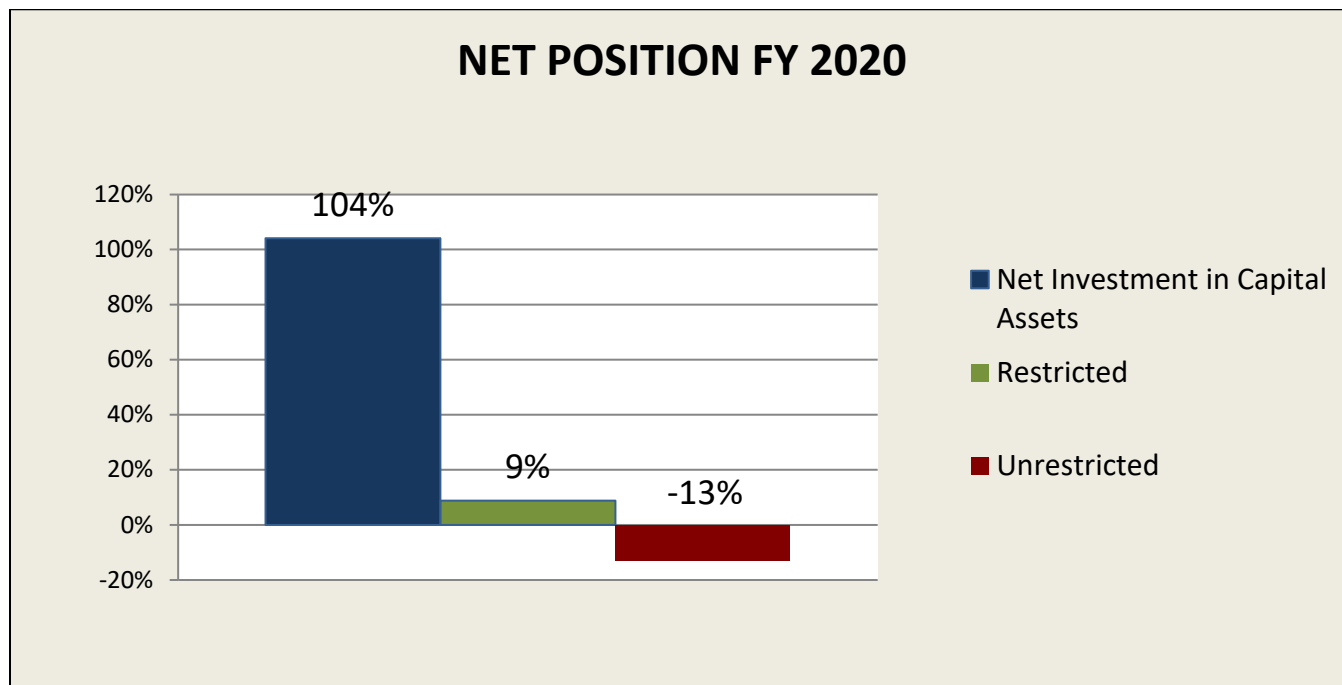
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Total deferred outflows of resources increased approximately \$893,000 (45%) primarily due to changes in the actuarial valuations of the State retirement plans. Total liabilities at September 30, 2020 increased approximately \$1,672,000 (9%) primarily due to increases of approximately \$1,808,000 (20%) in the net pension liability and \$348,000 (4%) in long-term liabilities, offset by a decrease of approximately \$484,000 in accounts payable. Deferred inflows of resources increased approximately \$494,000 (12%) primarily due to an increase of approximately \$512,000 (12%) in deferred revenue.

Assets exceeded liabilities and deferred inflows of resources by approximately \$10,694,000 (net position). The largest portion of the Town's net position, approximately \$11,130,000, is invested in capital assets (i.e., land, buildings, equipment, infrastructure, etc.) less any related outstanding debt, including capital leases, used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot generally be used to liquidate these liabilities.

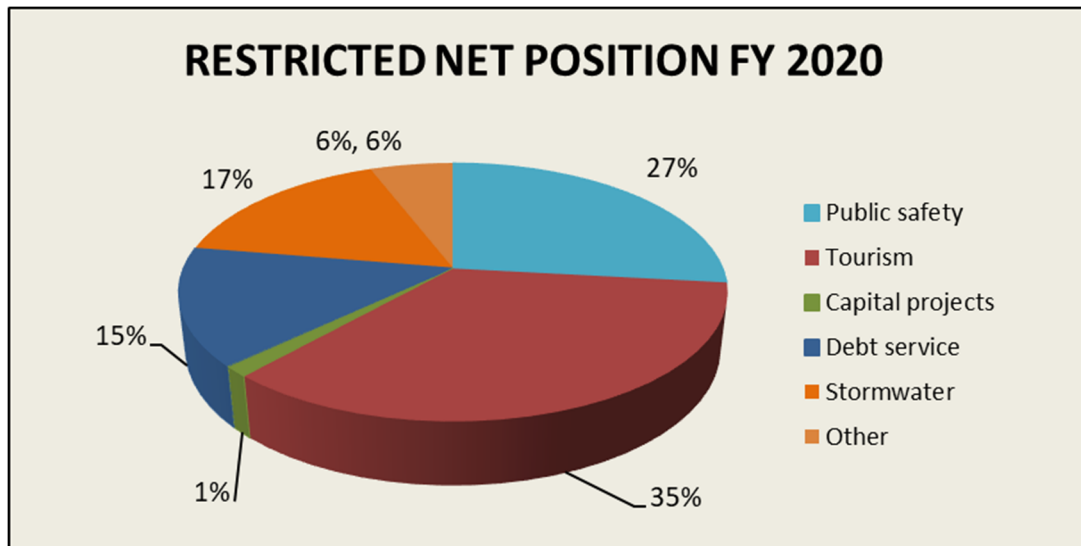
An additional portion of the Town's net position, approximately \$947,000 (9%) is restricted for public safety, tourism, capital projects, debt service and other obligations. One portion of restricted net position, approximately \$253,000, is to be expended for the Town's annual general and revenue bond payments and other obligations. The remainder, approximately \$693,000, is restricted for capital projects, public safety, tourism, and other obligations.

The Town's unrestricted net position deficit of \$1,383,000 or (13%) is primarily due to the Town's proportionate share of the net pension liability per GASB #68 and the net OPEB liability per GASB #75.



TOWN OF MONCK'S CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



STATEMENT OF ACTIVITIES

	2020	2019
REVENUES		
Program Revenues		
Charges for services	\$ 4,617,863	\$ 4,142,869
Operating grants and contributions	370,320	357,315
Capital grants and contributions	1,900	437,506
General Revenues		
Property taxes, including fee in lieu of taxes	3,184,151	2,839,708
Local option sales taxes	1,691,657	1,663,457
Hospitality taxes	981,455	1,049,385
Accommodations taxes	58,488	97,149
Franchise fees	932,465	546,450
Unrestricted revenue from use of money and property	86,939	157,269
Intergovernmental	191,288	183,335
Miscellaneous	253,329	359,333
Gain on Disposal on Capital Assets	-	10,987
Total Revenues	12,369,855	11,844,763
EXPENSES		
Administration	2,423,948	1,746,255
Community Development	758,746	999,249
Police	3,190,161	3,046,954
Fire	2,298,376	1,834,384
Public service	1,866,141	2,301,223
Recreation	1,186,812	1,348,888
Interest and other charges	744,844	410,927
Total Expenses	12,469,028	11,687,880
Change in Net Position	(99,173)	156,883
Net Position - Beginning of Year	10,793,455	10,636,572
Net Position - End of Year	\$ 10,694,282	\$ 10,793,455

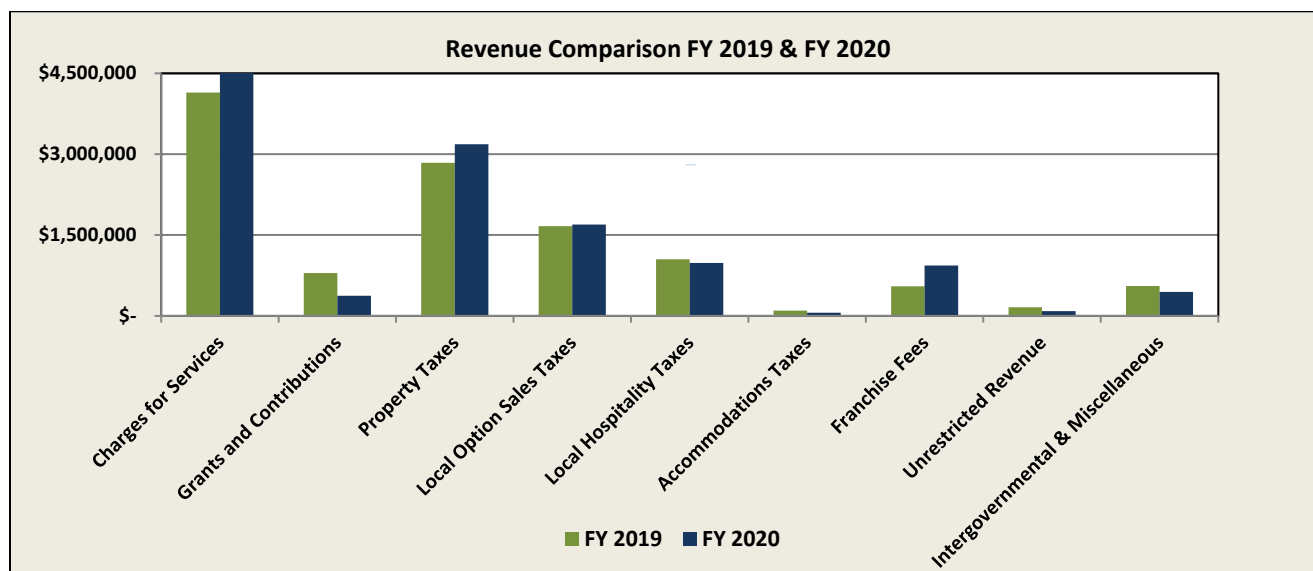
TOWN OF MONCK'S CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The Town's net position decreased approximately \$99,000 (1%) from the prior year beginning net position due to expenditures exceeding revenues as discussed below.

Total revenues increased approximately \$525,000 (4%) from the prior year with key elements of this increase as follows:

- Charges for services increased approximately \$135,000 (5%) primarily due to the implantation of a stormwater fee effective in fiscal year 2020.
- Operating grants and contributions increased about \$13,000 (4%) from fiscal year 2019 primarily due to increases in operating grants awarded in FY2020.
- Capital grants and contributions decreased approximately \$436,000 (22,927%) primarily due to Santee Cooper contributions of \$438,000 that were not received in FY2020.
- Property taxes increased approximately \$344,000 (11%) primarily due to an increase in assessed values.
- Local options sales taxes and hospitality taxes decreased approximately \$40,000 (1%) due to decreases in hospitality driven revenues related to the COVID-19 pandemic.
- Franchise Fees increased approximately \$386,000 (41%) due to increases in unavailable revenue in the Santee Cooper underground franchise fund offset by decreases in franchise fees collected in FY2020.



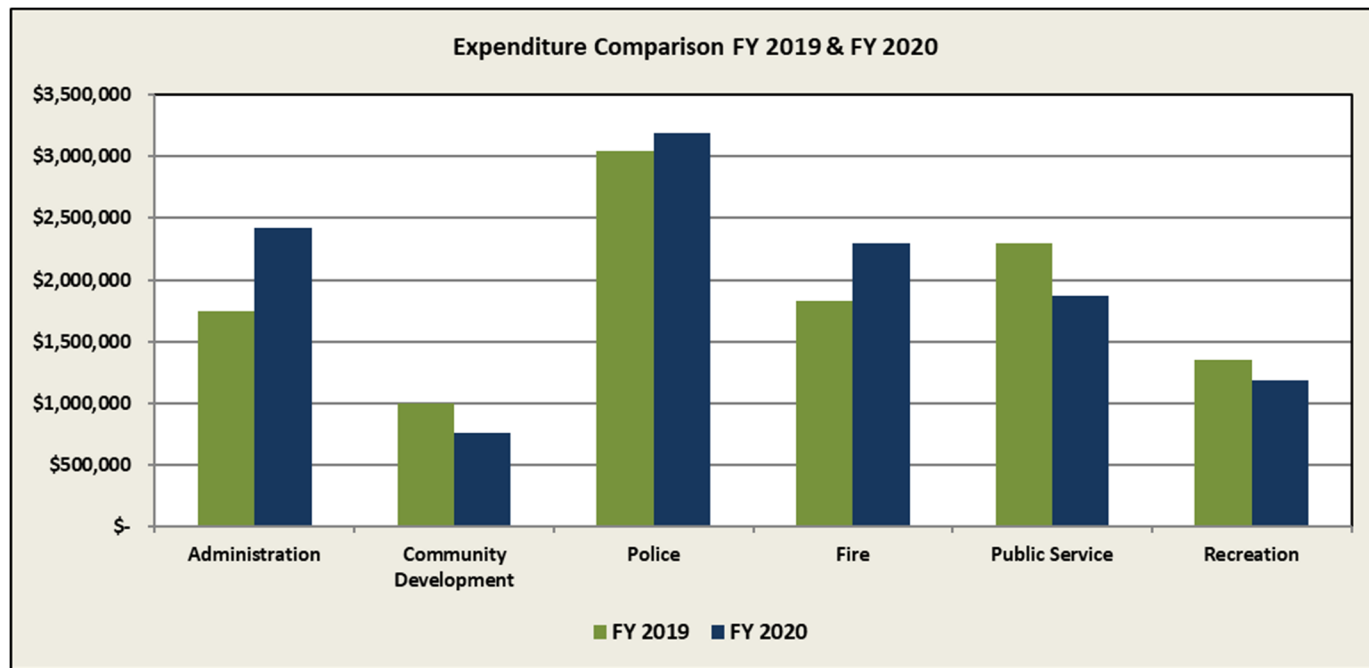
The Town's total departmental expenses, excluding interest expense, increased approximately \$447,000 (6%) from the prior year due to the following department-wide increases:

- Approximately \$541,000 (14%) in salaries and wages due to merit increases and staffing.
- Fringe benefit increases of \$269,000 (23%) as mandatory health and retirement contributions increased.
- Approximately \$678,000 (28%) in Administrative expenditures due to increases in capital outlay.
- Approximately \$464,000 (20%) in Fire Department expenditures primarily due to the staffing increases.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes are highlighted in the table below.



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 near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of fiscal year 2020, the Town's governmental funds reported combined ending fund balances of approximately \$6,775,000. Of this amount, approximately \$271,000 is restricted for debt payments on the revenue and general obligation bonds. Other restricted amounts are as follows: Approximately \$156,000 for stormwater, approximately \$139,000 restricted for public safety, approximately \$14,000 for capital projects, and approximately \$13,000 restricted for tourism to promote the Town. The non-spendable amount of approximately \$86,000 is for prepaid items. The committed amount of approximately \$79,000 will be used for future development. The assigned amount includes approximately \$389,000 assigned to be used for capital improvements per Council's designation. The remainder of the total governmental fund balance of approximately \$5,621,000 is unassigned fund balance.

General Fund - The General Fund is the chief operating fund of the Town. As of September 30, 2020, the total fund balance was approximately \$5,707,000. As a measure of liquidity, it may be useful to compare total unassigned fund balance to total General Fund expenditures. Total unassigned fund balance of the General Fund of approximately \$5,621,000 represents approximately 54% of the total General Fund expenditures for the year ended September 30, 2020. This total represents about five months of general operating funds. The net increase in the fund balance of the General Fund was approximately \$1,004,000 (18%) during fiscal year 2020. Some of the financial highlights for the General Fund are as follows:

- General Fund revenues increased by approximately \$687,000 (7%) over the prior year primarily due to the following:
 - Taxes increased approximately \$504,000 (12%) due to an increase in assessed values as annexed areas were incorporated in Town.
 - Licenses, permits and franchise fees increased by approximately \$85,000 (2%) primarily related to an increase in business licenses fees due to continued growth in the area.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (CONTINUED)

- Charges for services, fine and forfeitures, and other miscellaneous revenues decreased approximately \$96,000 (9%) primarily due to a reduction in recreation charges for services due to the pandemic.
- General Fund expenditures increased by approximately \$847,000 (9%) over the prior year primarily due to the following:
 - Salaries and fringe benefits increased approximately \$557,000 (14%) primarily due to merit and staffing increases; and increases in mandatory fringe benefit contributions.
 - Expenditures for the Public Service Department increased approximately \$108,000 (7%) primarily due to additional contract labor and other operational expenses maintaining the streets and parks.
 - Community Development departmental expenditures decreased \$226,000 (24%) primarily due to decrease in sanitation contract fees.
 - Capital Outlay increased \$155,000 (18%) due to costs related to the construction of the new public service building, and public service vehicles and equipment including two garbage trucks.
- General Fund financing sources (uses) resulted in a net increase of uses of approximately \$633,000 from last fiscal year primarily due to the following:
 - Series 2020 Capital Lease which was issued to finance the purchase of three sanitation vehicles and a truck.

Franchise Fund - The Town of Moncks Corner and Santee Cooper have an agreement that states 20% of the total franchise fees paid by Santee Cooper will be allocated to a fund held by Santee Cooper and solely used to construct underground power line projects within the Town. In addition to the franchise fees allocated to the fund, Santee Cooper also contributes an additional amount equal to 20% of the franchise fees. These funds are retained by Santee Cooper until allowable expenditures are incurred. The Town's Franchise Fund records revenues and related expenditures used to construct underground power line projects such as the underground facilities at the Recreation Complex and SC6 / US 17A intersection conversion. Total project expenditures were approximately \$4,000 in fiscal year 2020.

Capital Improvement Fund - The Capital Improvement Fund represents the portion of local option sales tax revenues that Town Council voted to use for capital improvements. Prior years, the Mayor and Council allocated 10% of local option sales tax for capital improvement projects. In FY20 the Mayor and Council allocated \$810,000 for general operating purposes and the balance of \$785,000 was used for property tax relief. The Capital Improvements Fund had a fund balance of \$200,000 at the beginning of the fiscal year. Transfers in the amount of \$167,500 from the Abatement & Improvements Fund and \$299,500 from the Local Tax Fund were budgeted for the purpose of the construction of the new Public Service Building and Shade Shelters for the Moncks Corner Regional Recreation Complex fields.

Other Governmental Funds - The Other Governmental Funds are non-major funds which have a combined total fund balance of approximately \$975,000, a decrease of approximately \$500,000 (51%) from last year. The primary reason for this decrease was the use of approximately \$412,000 in accumulated resources for the payment to the Bond Escrow Agent. Other Governmental Funds consist of six special revenue funds and two debt service funds. The special revenue funds account for proceeds of specific revenue sources that are restricted, committed, or assigned to specified expenditures. The Town's special revenue funds are comprised of the Victims' Advocate Fund, which accounts for court fees collected for victims; the Accommodations Tax Fund, which accounts for the two percent tax collected and distributed by the State; the Abatements and Improvements Fund, which diverts additional permit revenues from the General Fund so the Town does not remain dependent upon the growth revenues and for the Town to complete short-term projects; the Police Narcotics Fund, which reports confiscated funds; the Stormwater Utility Fund is used to account for the Town's annual stormwater utility fee and disbursements to fund stormwater projects; and the Tree Mitigation Fund, which encourages the protection and replacement of trees within Town limits. The Debt Service Fund is used to allocate the 3 mills of property tax collections to pay the Town's general obligation bond debt. And the Community Recreation Complex Debt Service Fund records transfers in of local hospitality and accommodations tax revenues from the Local Tax Fund for the Series 2019 Installment Purchase Refunding Revenue Bond payments.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020

GENERAL FUND BUDGETARY HIGHLIGHTS

By state statute, Town Council adopts an annual operating budget for the Town by the last day of September. The General Fund's actual revenues were approximately \$10,338,000 and were approximately \$484,000 (5%) more than budgeted revenues.

Actual expenditures were approximately \$10,393,000 and were approximately \$182,000 (2%) less than budgeted expenditures.

Overall, the fund balance of the General Fund increased approximately \$1,004,000 compared to a budgeted use of fund balance of approximately \$297,000. A budgetary comparison schedule can be found as listed in the table of contents.

During the Covid-19 pandemic; many of the budgeted line items for FY 20 were affected. In an effort to protect the public and staff, recreation activities were suspended. The Town experienced a high turnover in the Police Department, Public Service Department and Fire Departments. Some open positions remained unfilled due to either the uncertainty of the pandemic or qualified applicants were difficult to find. The South Carolina Judicial Branch was forced to alter courts normal activities statewide. In-person proceedings, jury trials were halted in an effort to protect the public, attorneys, judges, and court personnel. Revenue adjustments decreased \$305,095 and expenditure adjustments resulted in a decrease of \$471,000. Significant reductions include anticipated FEMA Grant Funding for firefighting equipment was unawarded in the amount of \$210,000; Capital Improvements transfer for the construction of the Public Service Department in the amount of \$350,000. Business license and plan reviews were down \$75,000 due to a reduction in construction and new business operations. Revenues for recreation activities, camps and facility rentals decreased \$120,350. Overall business activities decreased due to the pandemic. Receipts for Hurricane Dorian and the Cares Act were received during FY 20.

In an effort to provide consistent and reliable sanitation services to the citizens of Moncks Corner, Town Council adopted a budget amendment related for the creation and operation of a Sanitation Department. The Town entered into a lease purchase agreement in the amount of \$633,000 for the purchase of three new 2020 Peterbilt sanitation trucks and one 2020 Ford F-250 pickup truck.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The Town's capital assets for its governmental activities as of September 30, 2020, amount to approximately \$19,191,000 (net of accumulated depreciation). This amount is an increase of approximately \$695,000 (4%) from the prior year as additions of approximately \$2,055,000 were offset by depreciation expense of approximately \$1,055,000 and net disposals of approximately \$305,000. Major additions included construction of the public service building of approximately \$951,000, public safety vehicles of approximately \$158,000 and public service vehicles including two garbage trucks of approximately \$583,000.

Additional information on the Town's capital assets can be found in Note III.D in the notes to the financial statements.

Long Term Debt - At fiscal year end, the Town's total long term debt was approximately \$8,061,000 (including compensated absences). Approximately \$1,466,000 of this amount is general obligation bond debt. General obligation bonds are secured by the Town's full faith, credit and taxing power. Principal and interest are paid out from the Debt Service Fund from three mills of property tax collections for debt service. State statutes limit the amount of general obligation debt a governmental entity may issue to eight percent (8%) of its total assessed value. As of September 30, 2020, the debt limitation for the Town was approximately \$5,064,000. Total assessed value of real, personal, and vehicle taxes within the Town's taxing jurisdiction is approximately \$63,300,000. The Town is currently at forty-one percent (29%) of its general obligation bond debt limit resulting in an unused legal debt margin of approximately \$3,598,000.

During the fiscal year, the Town issued the 2019 Series Installment Purchase Refunding Revenue Bonds, approximately \$5,520,000 which refunded the entire principal outstanding 2010 Series IPRB Bonds of \$5,720,000. The revenue bond debt payments are secured by the local hospitality and local accommodations tax revenue collected in the Local Tax Fund and transferred to the Community Recreation Complex Debt Service Fund for principal and interest payments. The Town also entered into a capital lease obligation in the amount of \$633,000 for the purchase of two sanitation vehicles and a truck.

TOWN OF MONCKS CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

The Town's total long-term obligations increased by approximately \$348,000 (4%) during the current fiscal year due to issuance of the 2019 Series IPRB Bonds and refunding of the Series 2010 IPRB Bonds. the issuance of the 2020 series capital lease used to purchase two garbage trucks for approximately \$633,000, principal payments on outstanding debt of approximately \$412,000 partially offset by amortization of the bond discount of approximately \$76,000.

Additional information on the Town's long term debt can be found in Note III. E in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

- Property taxes will increase slightly as more areas are annexed.
- Operating millage will remain at 64.1 mills for FY 2021.
- Debt mills will remain the same at 3 mills for general obligation bond debt.
- Property tax credits of \$811,000 will be allocated to the municipal taxpayers on their tax bills as part of the fiscal year 2021 budget.
- The Police Department was awarded the Department of Public Safety Grant for a traffic officer again for FY 2021.
- The Fire Department was awarded a three-year Staffing for Adequate Fire & Emergency Response (SAFER) Grant. for the hiring of 6 firefighters. Total grant award \$921,456
- Other personnel costs are anticipated to increase as health insurance and retirement rates increase for fiscal year 2021.
- The FY 2021 budget reflects the adversity of the environment due to COVID-19. Both revenue and expenditures were budgeted conservatively to reflect these conditions. Fiscal Year 2021 revenue and other financing sources are projected to be \$12,044,721 which represents an increase of 9.2% over FY 2020 adopted budget. The increase is primarily due to anticipated grant revenue and transfers from the Local Tax and Stormwater Funds. Budget expenditures and other financing uses are expected to be \$12,044,721 which is a 9.2% increase from last fiscal year's adopted budget. The increase is primarily due to personnel and debt service expenditures related to the Public Service Department's Sanitation and Stormwater divisions.
- Storm water fees for FY 2021 will be set at \$36.00 for all single-family residential units and all annual non-residential property fees will be set at \$36.00 per ERU for all other properties on the property tax bills.
- The Town continues to work to establish funding through fundraisers and sponsorships to construct a Miracle League Field for special needs children. This project is anticipated to be 1.5 million at completion.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Justine Lovell, Finance Director, J.Lovell@monckscorner.sc.gov or mailed to 118 Carolina Avenue, Moncks Corner, South Carolina 29461.

Basic Financial Statements

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,454,005
Receivables:	
Due from other governments	554,755
Taxes receivable	4,279,761
Accounts receivable	226,308
Prepaid expenses	86,451
Cash and cash equivalents - restricted	1,309,186
Capital assets:	
Non-depreciable	5,244,131
Depreciable, net	13,947,042
TOTAL ASSETS	31,101,639
DEFERRED OUTFLOWS OF RESOURCES	
Deferred other postemployment benefit ("OPEB") charges	42,317
Deferred pension charges	1,956,357
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,998,674
LIABILITIES	
Accounts payable	344,828
Bail and bonds posted	7,178
Accrued salaries and wages	200,448
Unearned revenue	7,745
Accrued interest payable	97,505
Noncurrent Liabilities:	
Net OPEB liability - due in more than one year	82,414
Net pension liability - due in more than one year	9,205,953
Due within one year	654,137
Due in more than one year	7,632,162
TOTAL LIABILITIES	18,232,370
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	4,128,453
Deferred OPEB credits	2,036
Deferred pension credits	43,172
TOTAL DEFERRED INFLOWS OF RESOURCES	4,173,661
NET POSITION	
Net investment in capital assets	11,130,350
Restricted for:	
Public safety	139,033
Tourism	12,510
Capital projects	330,413
Debt service	253,392
Stormwater	156,360
Other	55,503
Unrestricted	(1,383,279)
TOTAL NET POSITION	\$ 10,694,282

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

See accompanying independent auditor's report.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	Expenses	Charges For Services	Operating Grants And	Capital Contributions	
PRIMARY GOVERNMENT					Governmental Activities
Governmental Activities:					
Administrative	\$ 2,423,948	2,614,343	-	-	\$ 190,395
Community development	758,746	1,256,499	-	-	497,753
Police	3,190,161	76,344	365,220	-	(2,748,597)
Fire	2,298,376	-	3,957	-	(2,294,419)
Public service	1,866,141	485,438	500	1,900	(1,378,303)
Recreation	1,186,812	185,239	643	-	(1,000,930)
Interest Expense	744,844	-	-	-	(744,844)
TOTAL PRIMARY GOVERNMENT	\$ 12,469,028	4,617,863	370,320	1,900	(7,478,945)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					3,184,151
Local Option Sales Taxes					1,691,657
Hospitality Taxes					981,455
Accommodation Taxes					58,488
Franchise Fees					932,465
Unrestricted Revenue from Use of Money and Property					86,939
Intergovernmental					191,288
Miscellaneous					253,329
Total General Revenues					<u>7,379,772</u>
CHANGE IN NET POSITION					(99,173)
NET POSITION, Beginning of Year					<u>10,793,455</u>
NET POSITION, End of Year					\$ <u>10,694,282</u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	GENERAL FUND	FRANCHISE FUND
ASSETS		
Cash and cash equivalents	\$ 5,031,931	-
Receivables:		
Due from other governments	237,933	316,822
Taxes receivable	4,093,721	-
Accounts receivable	225,563	-
Prepaid items	86,451	-
Due from other funds	665,037	-
Cash and cash equivalents - restricted	-	-
TOTAL ASSETS	\$ 10,340,636	316,822
LIABILITIES		
Accounts payable	\$ 325,619	-
Bail and bonds posted	7,178	-
Accrued salaries and wages	200,448	-
Unearned revenue	-	-
Due to other funds	21,976	-
TOTAL LIABILITIES	555,221	-
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	126,291	316,822
Deferred revenue	3,951,915	-
TOTAL DEFERRED INFLOWS OF RESOURCES	4,078,206	316,822
FUND BALANCES		
Nonspendable:		
Prepaid items	86,451	-
Restricted:		
Public safety	-	-
Tourism	-	-
Capital projects	-	-
Debt service	-	-
Stormwater	-	-
Victims' services	-	-
Committed:		
Future development	-	-
Assigned:		
Capital projects	-	-
Unassigned	5,620,758	-
TOTAL FUND BALANCES	5,707,209	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 10,340,636	316,822

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

LOCAL TAX FUND	CAPITAL IMPROVEMENT FUND	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
-	21,509	400,565	\$ 5,454,005
-	-	-	554,755
5,119	-	180,921	4,279,761
-	-	745	226,308
-	-	-	86,451
-	-	21,976	687,013
738,977	-	570,209	1,309,186
744,096	21,509	1,174,416	\$ 12,597,479
-	7,918	11,291	\$ 344,828
-	-	-	7,178
-	-	-	200,448
-	-	7,745	7,745
665,037	-	-	687,013
665,037	7,918	19,036	1,247,212
-	-	3,472	446,585
-	-	176,538	4,128,453
-	-	180,010	4,575,038
-	-	-	86,451
-	-	139,033	139,033
-	-	12,510	12,510
-	13,591	-	13,591
-	-	271,249	271,249
-	-	156,360	156,360
-	-	6,944	6,944
79,059	-	-	79,059
-	-	389,274	389,274
-	-	-	5,620,758
79,059	13,591	975,370	6,775,229
744,096	21,509	1,174,416	\$ 12,597,479

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION
OF GOVERNMENTAL ACTIVITIES**

SEPTEMBER 30, 2020

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	6,775,229
Amounts reported for the 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 governmental funds. The cost of the assets was \$24,728,347 and the accumulated depreciation was \$5,537,174.		19,191,173
Other assets are not available to pay for current period expenditures and therefore are not reported or are reported as unavailable revenues in the governmental funds:		
Property taxes		81,204
School resource officer reimbursement		48,559
Franchise fees		316,822
The Town's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(7,292,768)
The Town's proportionate shares of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to its OPEB plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(42,133)
Long-term obligations, including debt and compensated absences, are not due or payable in the current period and therefore are not reported in the governmental funds. Long-term obligations consisted of:		
Debt		(8,060,823)
Compensated absences		(225,476)
Accrued interest payable		(97,505)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	10,694,282

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.



TOWN OF MONCK'S CORNER, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2020

	GENERAL FUND	FRANCHISE FUND
REVENUES		
Taxes	\$ 4,705,916	-
Licenses, permits, and franchise fees	3,871,614	1,900
Intergovernmental revenue	543,452	-
Charges for services	956,006	-
Fines and forfeitures	53,151	-
Miscellaneous revenues	207,642	1,900
TOTAL REVENUES	10,337,781	3,800
EXPENDITURES		
Current:		
Administrative	1,674,111	-
Community development	722,060	-
Police	2,636,625	-
Fire	1,760,086	-
Public service	1,637,942	3,800
Recreation	896,659	-
Capital outlay	1,009,660	-
Debt service:		
Principal	41,570	-
Interest	14,364	-
Payment to refunded debt escrow agent	-	-
TOTAL EXPENDITURES	10,393,077	3,800
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(55,296)	-
OTHER FINANCING SOURCES (USES)		
Proceeds from the disposal of capital assets	14,115	-
Payment to refunded debt escrow agent	-	-
Proceeds from the issuance of debt	633,000	-
Transfers in	974,285	-
Transfers out	(561,950)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,059,450	-
NET CHANGES IN FUND BALANCES	1,004,154	-
FUND BALANCES, Beginning of Year	4,703,055	-
FUND BALANCES, End of Year	\$ 5,707,209	-

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

LOCAL TAX FUND	CAPITAL IMPROVEMENT FUND	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
1,001,876	-	170,387	\$ 5,878,179
-	-	15,325	3,888,839
-	-	100,223	643,675
-	-	459,672	1,415,678
-	-	23,193	76,344
3,206	66,632	1,274	280,654
1,005,082	66,632	770,074	12,183,369
-	-	33,095	1,707,206
-	-	-	722,060
-	-	23,661	2,660,286
-	-	-	1,760,086
-	3,279	47,600	1,692,621
4,275	-	12,000	912,934
-	1,034,898	4,275	2,048,833
-	-	319,000	360,570
-	-	393,523	407,887
-	-	412,478	412,478
4,275	1,038,177	1,245,632	12,684,961
1,000,807	(971,545)	(475,558)	(501,592)
-	-	-	14,115
-	-	(5,401,761)	(5,401,761)
-	-	5,520,000	6,153,000
-	817,000	331,950	2,123,235
(1,087,100)	-	(474,185)	(2,123,235)
(1,087,100)	817,000	(23,996)	765,354
(86,293)	(154,545)	(499,554)	263,762
165,352	168,136	1,474,924	6,511,467
79,059	13,591	975,370	\$ 6,775,229

TOWN OF MONCKS CORNER, SOUTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED SEPTEMBER 30, 2020

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ 263,762**

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

Because some revenues will not be collected for several months after the Town's fiscal year ends, they are not considered to be available and are recorded as unavailable revenues in the governmental funds. This amount represents the change in unavailable revenue from the prior year.	146,248
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds but increases long-term liabilities in the Statement of Net Position.	(6,153,000)
Bond principal payments and lease purchase payments are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	5,905,572
Bond discounts are recorded in the year the debt is issued in the governmental funds, but are amortized over the life of the debt in the Statement of Activities.	(75,642)
Changes in the Town's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(920,391)
Changes in the Town's proportionate share of the net 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 in the Statement of Activities.	16,117
Interest on long-term obligations in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and payable and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due and payable. This amount represents the change in accrued interest from the prior year.	48,160
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This amount represents the change in the accrual for compensated absences compared to prior year.	(25,139)
In the Statement of Activities the gain on the disposal of capital assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.	(304,738)
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This amount represents the amount by which capital asset additions of \$2,054,901 exceeded depreciation of \$1,055,023 in the current period.	999,878

TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (99,173)**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

STATEMENT OF ASSETS AND LIABILITIES - FIDUCIARY FUND - AGENCY FUND

SEPTEMBER 30, 2020

	<u>AGENCY FUND</u>
ASSETS	
Cash and cash equivalents	\$ 22,427
Accounts receivable	78
TOTAL ASSETS	<u>\$ 22,505</u>
LIABILITIES	
Accounts payable	\$ 153
Assets held for others	22,352
TOTAL LIABILITIES	<u>\$ 22,505</u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF MONCKS CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

The Town of Moncks Corner, South Carolina (the “Town”) operates under a charter originally granted by the State of South Carolina on December 26, 1885. The Mayor and six council members (the “Council”) establish policy for the Town. Administrative functions are directed by the Town Administrator. The Town’s major operations, as provided by its charter, include general administrative services, planning, public safety (police and fire), public service and recreation.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

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 to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town’s accounting policies are described below.

As required by GAAP, the financial statements must present the Town’s financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the Town both appoints a voting majority of the entity’s governing body, and either 1) the Town is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the Town. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the Town and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the Town.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the Town having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the Town; and (c) issue bonded debt without approval by the Town. An entity has a financial benefit or burden relationship with the Town if, for example, any one of the following conditions exists: (a) the Town is legally entitled to or can otherwise access the entity’s resources, (b) the Town is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the Town is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above for being fiscally independent if excluding it would cause the Town’s financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the Town. Based on the criteria above, the Town has one blended component unit.

Blended Component Unit. The Moncks Corner Regional Recreation Corporation (the “Corporation”) is a tax-exempt, 501(c)(3) not-for-profit organization. The Corporation was organized exclusively for public and charitable purposes, specifically for the acquisition and construction of the Moncks Corner Regional Recreation Complex, issuance of bonds to finance the construction, and ownership of the facility. The Corporation leases the facility to the Town for essential governmental functions through a tax-exempt lease purchase agreement which commenced in the year ended September 30, 2013. The Corporation is governed by a three-member Board of Directors. Separate financial statements for the Corporation are not issued. The activities of the Corporation are reported in the Town’s financial statements as a non-major debt service fund.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Town. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Town does not have any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, includes property taxes, grants, and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The government-wide financial statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental **fund financial statements** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, intergovernmental revenues, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the government generally considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease purchase are reported as other financing sources.

Fund financial statements report detailed information about the Town. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and reported in a single column.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used as an aid to management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following major funds and fund types are used by the Town.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund types are those through which most governmental functions of the Town are financed. The Town's expendable financial resources and related assets and liabilities are accounted for through governmental funds.

The Town's governmental fund types and major funds are as follows:

The **General Fund, a major fund** and a budgeted fund, is the general operating fund of the Town and accounts for all revenues and expenditures of the Town except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Special revenue funds are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Town has the following special revenue funds:

The **Franchise Fund, a major fund** and an unbudgeted fund, is used to account for the accumulation of resources from the Town's underground utilities franchise fee. These funds are to be spent only for support of the underground utilities.

The **Local Tax Fund, a major fund** and a budgeted fund, is used to account for the accumulation of resources from the Town's two-cent hospitality tax whereas a portion of the collections are restricted for the Installment Purchase Revenue Bond payments. The fund also records revenues received from the one percent local accommodations tax.

Non-major special revenue funds consist of the following: Victims' Advocate, Accommodations Tax, Abatements and Improvements, Police Narcotics, Stormwater Utility, and Tree Mitigation.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned for (a) the acquisition, construction, or renovation of major capital facilities, (b) ongoing major improvement projects which usually span more than one year, and (c) major equipment or other capital asset acquisitions which are not financed by another fund.

The **Capital Improvement Fund, a major fund** and a budgeted fund is used to account for and report the accumulation of resources, including local option sales tax revenues, which are used for capital projects.

Debt service funds are used to account for the accumulation of resources and payments of long-term bond principal and interest from government resources.

The Town reports two non-major debt service funds that are used to service the Town's outstanding general obligation bonds and the Corporation's outstanding bonds.

Fiduciary fund types include the **Agency Fund**. This fund is used to account for assets held by the Town on behalf of individuals, other governments, and/or other funds. The Firemen's Insurance and Inspection Fund is accounted for as an agency fund. The Agency Fund is custodial in nature and does not present results of operations.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

The Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and money market mutual funds to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not money market mutual funds are reported as investments.

Investments

The Town's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types, and component units within the State of South Carolina) that authorize the Town to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

1. Cash, Cash Equivalents, and Investments (Continued)

Investments (Continued)

The Town's cash investment objectives are preservation of capital, liquidity, and yield. The Town reports its cash and investments at fair value which is normally determined by quoted market prices. The Town currently or in the past year has primarily used the following investments:

- Open-end mutual funds which are primarily invested in money market funds which invest in short-term obligations of the United States and related agencies.
- Repurchase agreements, as described in (f) above.

2. Receivables and Payables

During the course of its operations, the Town has numerous transactions occurring between funds. These transactions include expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. To the extent that certain transactions between funds had not been paid or received as of year-end, balances of interfund amounts or payables have been recorded.

Taxes receivable shown are comprised of delinquent real property taxes and the January 2020 property tax assessment levied for the 2021 fiscal year, which is deferred in the General Fund and Debt Service Fund.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expenditures are reported in the year in which services are consumed.

4. Capital Assets

Capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements.

All capital assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value (as estimated by the Town) at the date of donation. As allowed by GASB #34, the Town has elected to prospectively report public domain ("infrastructure") general capital assets. Therefore, infrastructure capital assets acquired prior to July 1, 2003 have not been recorded. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Town maintains a minimum capitalization threshold of \$5,000 for all capital assets.

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

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

4. Capital Assets (Continued)

Description	Years
Land Improvements	10-30 years
Buildings	10-50 years
Equipment	3-15 years
Vehicles	5-12 years

5. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees terminating or retiring are paid for accumulated vacation leave based on their hourly rate of pay earned at the time of termination or retirement. Sick leave can only be paid for illness while employed with the Town. There is no liability for unpaid accumulated sick leave since the Town does not have a policy to pay any amounts when employees separate from service with the Town.

The Town reports compensated absences in accordance with the provisions of GASB #16, *Accounting for Compensated Absences*. The entire compensated absence liability and expense is reported in the government-wide financial statements. The governmental funds will also recognize compensated absences for terminations and retirements (matured liabilities) that occurred prior to year end that are expected to be paid within a short time subsequent to year end (if material). Resources from the General Fund have generally been used to liquidate the liability.

6. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All current payables and accrued liabilities from governmental funds are reported in the governmental fund financial statements.

In the government-wide financial statements, debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are recognized during the period in which they are incurred.

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

7. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has two types of deferred outflows of resources: (1) The Town reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The Town reports *deferred OPEB charges* in its Statement of Net Position in connection with its OPEB Plan.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

7. *Deferred Outflows and Inflows of Resources (Continued)*

The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town currently has four types of deferred inflows of resources: (1) The Town reports *unavailable revenue* for property taxes, school resource officer reimbursement, and franchise fees only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (revenues) in the period the amounts become available. (2) The Town also reports *deferred revenue* not only in the governmental funds Balance Sheet but also in the government-wide Statement of Net Position; it is deferred and recognized as an inflow of resources (property tax revenue) in the period for which it is intended to finance. (3) The Town reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (4) The Town reports *deferred OPEB credits* in its Statement of Net Position in connection with its OPEB Plan. The *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

8. *Fund Balance*

The Town implemented GASB #54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB #54") in fiscal year 2011. GASB #54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The Town classifies governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because they are not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action (ordinance) made by the highest level of decision making authority (Town Council) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. Town Council assigns fund balance by an approved motion before the report issuance date.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

8. Fund Balance (Continued)

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The Town generally requires restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the Town generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are incurred.

9. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the Statement of Net Position. Net position is classified as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

10. Pensions and Other Postemployment Benefits

In government-wide financial statements, pensions and other postemployment benefits ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.B and Note IV.C and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The Town recognizes net pension and net OPEB liabilities for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the Town's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the Town's fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

11. Fair Value

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

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

11. Fair Value (Continued)

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

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

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

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

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The Town believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

12. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

13. Comparative Data

Comparative data (i.e. presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town has elected to present its budgetary comparison information for the General Fund and Local Tax Fund as separate schedules and not as financial statements. The Town does not have a legally adopted budget for the Franchise Fund, a major special revenue fund; thus, no budgetary schedule is presented for the Franchise Fund. See the Notes to the Budgetary Comparison Schedules following the notes to the financial statements for details regarding the Town's budgetary information and process.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town's deposits might not be recovered. The Town does not have a deposit policy for custodial credit risk, but follows the investment policy statutes of the State of South Carolina. As of September 30, 2020, none of the Town's bank balances of approximately \$2,259,000 (with a carrying value of approximately \$1,966,000) were uncollateralized and exposed to custodial credit risk.

As of September 30, 2020, the Town had the following investments and maturities (as defined by GASB #40):

Investment Type	Fair Value Level ⁽¹⁾	Credit Rating ^	Fair Value	Investment Maturities in Years
				< 1 yr
Overnight Repurchase Agreement	Level 1	NR, NR	\$ 4,819,422	\$ 4,819,422

^ If available, credit ratings are for Standard & Poor's and Moody's Investors Service.

⁽¹⁾ See Note I.C.11 for details of the Town's fair value hierarchy.

NR – Not rated.

Interest Rate Risk: The Town does not have a formal investment policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates; however, its investments are generally short-term, which limits its interest rate risk.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2020, the Town was not exposed to custodial credit risk for its investments.

Credit Risk for Investments: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town minimizes this risk by investing in instruments that consist of U.S. Government obligations and/or repurchase agreements collateralized by U.S. Government obligations.

Concentration of Credit Risk for Investments: The Town places no limit on the amount the Town may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are exempt from concentration of credit risk disclosures.

Certain cash and cash equivalents of the Town are legally restricted for specified purposes. The major types of restrictions at September 30, 2020 were those imposed by the revenue source (i.e. hospitality tax, accommodations tax, etc.) and unspent bond proceeds.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

A. Deposits and Investments (Continued)

Investments

Reconciliation to the Financial Statements

Statement of Net Position	Amount
Unrestricted Current Assets:	
Cash and Cash Equivalents	\$ 5,454,005
Restricted Current Assets:	
Cash and Cash Equivalents, Restricted	1,309,186
	<u>6,763,191</u>
 <u>Statement of Assets and Liabilities - Fiduciary Fund - Agency Fund</u>	
Unrestricted Current Assets:	
Cash and Cash Equivalents	22,427
Total per the financial statements	<u>\$ 6,785,618</u>
Notes	Amount
Carrying Value of Deposits	\$ 1,966,196
Investments	4,819,422
Total per the notes	<u>\$ 6,785,618</u>

B. Receivables and Deferred Inflows of Resources

The Town's 2019 property taxes were levied on October 1, 2019 and were due beginning on this date based on the assessed valuation as of January 1, 2019. Property taxes were considered late on January 16, 2020. Motor vehicle property tax is levied and collected on a portion of taxable vehicles monthly. Penalties and charges are assessed if taxes are not paid by the following dates:

January 16 through February 1	- 3% penalty for tax due
February 2 through March 15	- 10% penalty for tax due
March 16 - Lien Date	- 15% penalty for tax due plus \$15 for a delinquent execution charge

Assessed values are established by the Berkeley County Tax Assessor and the South Carolina Tax Commission. The Town's operating and debt service tax rates for the 2019 property tax year were 67.3 mills and 3.0 mills, respectively. Town property taxes are billed and collected by Berkeley County under a joint billing and collection agreement.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

B. Receivables and Deferred Inflows of Resources (Continued)

The Town had net receivables related to governmental funds at September 30, 2020, of the following:

Description	General Fund	Franchise Fund	Local Tax Fund	Stormwater Utility Fund	Debt Service Fund	Totals
Property taxes	\$ 4,093,721	-	5,119	-	180,921	\$ 4,279,761
Local Option Sales Tax	-	-	-	-	-	-
Accommodations Taxes	-	-	-	-	-	-
Franchise Fees	224,360	316,822	-	-	-	541,182
State Aid to Subdivisions	46,737	-	-	-	-	46,737
Sanitation Fees	11,643	-	-	-	-	11,643
Other	180,756	-	-	745	-	181,501
Net Receivables	<u>\$ 4,557,217</u>	<u>316,822</u>	<u>5,119</u>	<u>745</u>	<u>180,921</u>	<u>\$ 5,060,824</u>

There were no material allowances for uncollectible amounts as of September 30, 2020.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At September 30, 2020, the governmental funds had approximately \$447,000 in deferred inflows of resources related to property taxes, franchise fees, and school resource officer reimbursement, that were not available and approximately \$4,128,000 in deferred inflows of resources related to property taxes that were levied for fiscal year 2021.

C. Interfund Receivables, Payables, and Transfers

Interfund balances at September 30, 2020, consisted of the following:

Fund	Receivables	Payables
General Fund	\$ 665,037	\$ 21,976
Local Tax Fund	-	665,037
Non-major Governmental Funds	21,976	-
Totals	<u>\$ 687,013</u>	<u>\$ 687,013</u>

Interfund balances generally result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. The General Fund payable and Nonmajor Governmental Funds' receivables are a result of debt service property taxes owed to the nonmajor debt service fund as of September 30, 2020. The Local Tax Fund payable to the General Fund is the result of a budgeted transfer made after year-end.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

C. Interfund Receivables, Payables, and Transfers (Continued)

Transfers between funds for the year ended September 30, 2020, consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 974,285	\$ 561,950
Local Tax Fund	-	1,087,100
Capital Improvement Fund	817,000	-
Non-major Governmental Funds	331,950	474,185
Totals	<u>\$ 2,123,235</u>	<u>\$ 2,123,235</u>

Transfers are used to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. Capital Assets

Capital asset activity for the Town's governmental activities for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Non-Depreciable:				
Land	\$ 5,031,107	75,005	-	\$ 5,106,112
Construction In Progress	129,150	8,869	-	138,019
Total Capital Assets, Non-Depreciable	<u>5,160,257</u>	<u>83,874</u>	<u>-</u>	<u>5,244,131</u>
Capital Assets, Depreciable:				
Land Improvements	7,590,573	-	-	7,590,573
Buildings	4,942,386	951,053	300,449	5,592,990
Equipment	1,660,122	109,262	38,986	1,730,398
Vehicles	3,699,073	910,712	39,530	4,570,255
Total Capital Assets, Depreciable	<u>17,892,154</u>	<u>1,971,027</u>	<u>378,965</u>	<u>19,484,216</u>
Less: Accumulated Depreciation for:				
Land Improvements	887,509	228,301	-	1,115,810
Buildings	892,326	57,163	-	949,489
Equipment	856,987	273,413	37,986	1,092,414
Vehicles	1,919,556	496,146	36,241	2,379,461
Total Accumulated Depreciation	<u>4,556,378</u>	<u>1,055,023</u>	<u>74,227</u>	<u>5,537,174</u>
Total Capital Assets, Depreciable, Net	<u>13,335,776</u>	<u>916,004</u>	<u>304,738</u>	<u>13,947,042</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,496,033</u>	<u>999,878</u>	<u>304,738</u>	<u>\$ 19,191,173</u>

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Capital Assets (Continued)

Depreciation expense for the Town's governmental activities was charged to functions/programs as follows:

Functions/Programs	Amount
Governmental Activities:	
Administrative	\$ 237,706
Community Development	39,155
Police	146,984
Fire	244,563
Public service	58,817
Recreation	327,798
Total Depreciation Expense - Governmental Activities	<u>\$ 1,055,023</u>

E. Long-Term Obligations

The Town generally issues bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. Revenue bonds are obligations of the Town that are secured by revenue from a specific source. Lease purchase obligations are special obligations of the Town payable from the general revenues of the Town. The full faith, credit and taxing powers of the Town are not pledged for the payment of revenue bonds or lease purchase obligations nor the interest thereon.

Details on the Town's outstanding debt issues for the governmental activities as of September 30, 2020 are as follows:

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

	Principal Outstanding at Year End
<u>General Obligation Bonds (Direct Placement)</u>	
\$368,000 General Obligation Bonds (June 2011) were issued to finance the acquisition of a fire truck. Principal is payable annually and interest is payable semi-annually at a rate of 2.65%. Debt service requirements range from \$36,752 - 67,749 per year through September 1, 2021 and are funded with resources from the Debt Service Fund.	\$ 66,000
\$1,780,000 General Obligation Bonds (December 2014) were issued to fund the \$800,000 principal payment on the note payable due in June 2015 and to finance various projects and equipment purchases. Annual payments, including interest at a rate of 2.45% are required through March 1, 2029 and are funded with resources from the Debt Service Fund.	1,400,000
<u>Revenue Bonds (Direct Placement)</u>	
\$5,520,000 Installment Purchase Refunding Revenue Bonds, Series 2019 (December 2019) were issued to refund the Installment Purchase Revenue Bonds, Series 2010 issuance. Principal is payable annually, and interest is due semi-annually at a rate of 2.760%. Debt service requirements range from \$349,761 to \$365,876 per year through December 1, 2039. The issuance resulted in an economic gain of \$1,124,588 and a NPV cash flow savings of \$448,707. The Series 2010 bonds were fully redeemed on December 1, 2020.	5,520,000
<u>Lease Purchase Obligations (Direct Borrowings)</u>	
\$483,000 capital lease was entered into in August 2019, with semi-annual installments of \$55,934 beginning in October 2019 through September 2029 which includes interest at 2.9%. The proceeds from this capital lease obligation were used to purchase a fire truck.	441,823
<u>Lease Purchase Obligations (Direct Borrowings)</u>	
\$633,000 capital lease was entered into in February 2020, with annual installments ranging from \$133,476 to \$134,100 which includes interest at 1.890%. The proceeds from this capital lease obligation were used to purchase three sanitation vehicles and a truck.	633,000
<u>Total Outstanding Debt Issuances</u>	<u>\$ 8,060,823</u>

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

A summary of changes in long-term obligations for the Town's governmental activities for the year ended September 30, 2020 is presented below.

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds:					
GO Bond Series 2011	\$ 130,000	-	64,000	66,000	\$ 66,000
GO Bond Series 2014	1,480,000	-	80,000	1,400,000	81,000
Total General Obligation Bond Debt	1,610,000	-	144,000	1,466,000	147,000
Revenue Bonds:					
Series 2010	5,720,000	-	5,720,000	-	-
Series 2019	-	5,520,000	-	5,520,000	215,000
Discount - Series 2010	(75,642)	-	(75,642)	-	-
Total Revenue Bond Debt	5,644,358	5,520,000	5,644,358	5,520,000	215,000
Lease Purchases:					
Series 2019	483,395	-	41,572	441,823	43,529
Series 2020	-	633,000	-	633,000	123,000
Total Lease Purchases	483,395	633,000	41,572	1,074,823	166,529
Compensated Absences	200,337	136,742	111,603	225,476	125,608
Total Governmental Activities	\$ 7,938,090	6,289,742	5,941,533	8,286,299	\$ 654,137

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City or Town shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City or Town voting in favor of such further bonded debt. As of September 30, 2020, the Town had approximately \$1,466,000 of bonded debt subject to the 8% limit of approximately \$5,064,000 resulting in an unused legal debt margin of approximately \$3,598,000.

Presented below are the debt service requirements to maturity as of September 30, 2020.

Year Ending September 30,	Principal	Interest	Total
2021	\$ 528,529	208,939	\$ 737,468
2022	539,826	196,445	736,271
2023	552,162	182,924	735,086
2024	565,514	169,115	734,629
2025	582,953	154,855	737,808
2026-2030	2,181,839	574,766	2,756,605
2031-2035	1,445,000	331,545	1,776,545
2036-2040	1,665,000	117,093	1,782,093
Totals	\$ 8,060,823	1,935,682	\$ 9,996,505

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION

A. Risk Management

Participation in Public Entity Risk Pools for Property and Casualty Insurance

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. For all of these risks, the Town is a member of the South Carolina Municipal Insurance Reserve Fund ("SCMIRF"), a public entity risk pool operating as a common risk management and insurance program for local governments for general risk. The Town pays an annual premium for this coverage. For the year ended September 30, 2020, the Town made premium payments totaling approximately \$203,000. SCMIRF's net position from its most recently issued audited financial statements at December 31, 2019 totaled approximately \$14,253,000.

The Town also participates in the South Carolina State Accident Fund, a public entity risk pool operating as a common risk management and insurance program for workers' compensation. The Town pays quarterly premiums for this coverage. For the year ended September 30, 2020, the Town made payments totaling approximately \$121,000. The South Carolina State Accident Fund's net position from its most recently issued audited financial statements as of June 30, 2020 totaled approximately \$147,083,000.

For the above public entity risk pools, there were no significant reductions in coverage in the past fiscal year and settled claims in excess of insurance coverage for the last three years were immaterial.

B. Retirement Plans

The Town participates in the State of South Carolina's retirement plans. 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' ("Systems") five defined benefit plans. PEBA has an 11-member Board of Directors ("PEBA Board"), 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 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.

The PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the System's Pension Trust Funds. The CAFR is publicly available through the 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. The 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.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Description

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

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

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

Plan Benefits

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

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Benefits (Continued)

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

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

- PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 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.

Plan 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 contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA 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.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Contributions (Continued)

Additionally, the PEBA 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 PEBA Board, effective on the following July 1, 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 1, and annually thereafter as necessary, the PEBA 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.

As noted earlier, both employees and the Town are required to contribute to the Plans at rates established and as amended by the PEBA. The Town's contributions are actuarially determined but are communicated to and paid by the Town as a percentage of the employees' annual eligible compensation. Required employer and employee contribution rates for the past three years (effective July 1) are as follows:

	SCRS Rates			PORS Rates		
	2019	2020	2021	2019	2020	2021
Employer Contribution Rate: ^						
Retirement*	14.41%	15.41%	15.41%	16.84%	17.84%	17.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	<u>14.56%</u>	<u>15.56%</u>	<u>15.56%</u>	<u>17.24%</u>	<u>18.24%</u>	<u>18.24%</u>
Employee Contribution Rate ^	<u>9.00%</u>	<u>9.00%</u>	<u>9.00%</u>	<u>9.75%</u>	<u>9.75%</u>	<u>9.75%</u>

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

The required contributions and percentages of amounts contributed Town to the Plans for the past three years were as follows:

Year Ended September 30,	SCRS Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed
2020	\$ 273,486	100%	\$ 443,478	100%
2019	226,048	100%	380,681	100%
2018	\$ 204,953	100%	\$ 333,258	100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2020. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2020 (measurement date) to the Town were approximately \$11,000 and \$16,000 for the SCRS and PORS, respectively.

The Town recognized contributions (on-behalf benefits) from the State of approximately \$11,000 and \$16,000 for the year ended September 30, 2020. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the Town's governmental fund financial statements

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Contributions (Continued)

Eligible payrolls Town covered under the Plans for the past three years were as follows:

Year Ended September 30,	SCRS Payroll	PORS Payroll	Total Payroll
2020	\$ 1,757,627	2,431,350	\$ 4,188,977
2019	1,528,228	2,174,275	3,702,503
2018	\$ 1,485,060	2,022,708	\$ 3,507,768

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019 for use in the July 1, 2021 actuarial valuation.

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

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020 (measurement date) for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.25%	7.25%
Projected Salary Increases*	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

* Includes inflation at 2.25%.

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

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

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

Long-Term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2020 measurement date, for the SCRS and PORS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 51,844,187,763	26,292,418,682	\$ 25,551,769,081	50.7%
PORS	\$ 8,046,386,629	4,730,174,642	\$ 3,316,211,987	58.8%

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

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

At September 30, 2020, the Town reported liabilities of approximately \$3,808,000 and \$5,398,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2020, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2019 that was projected forward to the measurement date. The Town's proportion of the NPL were based on a projection of the Town's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2020 measurement date, the Town's SCRS proportion was 0.01490 percent, which was an increase of 0.00017 percent from its proportion measured as of June 30, 2019. At the June 30, 2020 measurement date, the Town's PORS proportion was 0.16278 percent, which was an increase of 0.01983 percent from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the Town recognized pension expense of approximately \$1,637,000, including \$622,000 and \$1,016,000 for the SCRS and PORS, respectively. At September 30, 2020, the Town reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 43,936	\$ 14,399
Change in Assumptions	4,665	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	280,088	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	222,938	-
Employer Contributions Subsequent to the Measurement Date	69,856	-
Total SCRS	<u>621,483</u>	<u>14,399</u>
PORS		
Differences Between Expected and Actual Experience	114,724	23,762
Change in Assumptions	65,876	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	552,769	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	500,122	5,011
Employer Contributions Subsequent to the Measurement Date	101,383	-
Total PORS	<u>1,334,874</u>	<u>28,773</u>
Total SCRS and PORS	<u>\$ 1,956,357</u>	<u>\$ 43,172</u>

Approximately \$70,000 and \$101,000 that were reported as deferred outflows of resources related to the Town's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

Year Ended September 30,	SCRS	PORS	Total
2021	\$ 179,252	415,308	\$ 594,560
2022	163,304	319,502	482,806
2023	123,199	304,755	427,954
2024	71,473	165,153	236,626
Total	<u>\$ 537,228</u>	<u>1,204,718</u>	<u>\$ 1,741,946</u>

Discount Rate

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

Sensitivity Analysis

The following table presents the sensitivity of the Town's proportionate share of the NPL of the Plans to changes in the discount rate, calculated using the discount rate of 7.25 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.25 percent) or 1% point higher (8.25 percent) than the current rate:

System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Town's proportionate share of the net pension liability of the SCRS	\$ 4,719,174	3,807,697	\$ 3,046,603
Town's proportionate share of the net pension liability of the PORS	7,146,382	5,398,256	3,994,623
Total	<u>\$ 11,865,556</u>	<u>9,205,953</u>	<u>\$ 7,041,226</u>

Plans Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for the SCRS and PORS. The CAFR is publicly available through the 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.

Payable to Plans

The Town reported payables of approximately \$36,000 and \$52,000 to the PEBA as of September 30, 2020, representing required employer and employee contributions for the month of September 2020 for the SCRS and PORS, respectively. These amounts are included in Accounts Payable on the financial statements and were paid in October 2020.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits

Plan Description

The Town sponsors a single-employer defined benefit healthcare plan (the "OPEB Plan") that provides health insurance for retirees. The OPEB Plan covers all employees that meet the following criteria: (1) the person is employed by the Town at the time of retirement, (2) the employee is eligible to retire under SCRS or SCPORS, (3) the employee is at least age 55, and (4) the employee has served at least the last ten consecutive years as an employee of the Town at the time of retirement. The amount the Town contributes to the retirees' health insurance is approved in the annual budget. These contributions are neither guaranteed nor mandatory. Benefit provisions are established and amended by Town Council.

The OPEB Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust ("SC ORBET"), and thus is considered an agent multiple-employer plan, whose OPEB Plan assets are administered by the Municipal Association of South Carolina ("MASC"). SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the OPEB Plan. A copy of the report may be obtained by writing to: Chief Financial Officer for Risk Management Services, Municipal Association of South Carolina, P.O. Box 12109, Columbia, South Carolina 29211.

Plan Membership

As of December 31, 2019, the last actuarial valuation, the following employees were covered by the OPEB Plan's benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefit Payments	7
Active Members	84
Total Membership	91

Plan Benefits and Contributions

The Town pays a portion of retiree insurance premiums for employees whose start date is prior to March 1, 2019. Employees whose start date is March 1, 2019 or after will incur the entire cost of the retiree insurance. Currently the Town pays the following:

<u>Years of Service to the Town</u>	<u>Town Contribution to Insurance Premium</u>
Up to 14 years	\$ -
15 - 24 years	141.00
25 years and up	\$ 212.00

For the OPEB Plan, the retiree contributes the balance between the actuarially calculated costs less the fixed dollar amount. The Town's annual other postemployment benefits ("OPEB") expense is actuarially determined in accordance with the parameters of GASB Statement No. 75.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions and Method

Actuarial valuations of the OPEB 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, inflation, healthcare cost trend rates, and future salary changes. Amounts determined regarding the net OPEB liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan (the plan as understood by the employer and its members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table provides a summary of the significant actuarial assumptions and methods used in the latest actuarial valuation for the OPEB Plan.

Actuarial Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Inflation	2.25%
Investment Rate of Return	4.75% which includes inflation
Discount Rate	4.75%
Healthcare Cost Trend Rate	7.25% for 2019 decreasing to an ultimate rate of 4.75% for 2023 and beyond
Payroll Growth	SCRS - 3.00% - 7.00%; PORS - 3.50% - 9.50%
Coverage Elections	50% of eligible retirees will elect coverage and 20% of those will elect to cover the spouse
Active Participation/Marriage	100% of all active employees are assumed to be married with female spouses assumed to be 3 years younger
Mortality Table	UP-84 and PBGC Disabled Retiree Mortality Table
Implicit Subsidy	Total cost of coverage for pre-65 retirees is 35% higher than the average premium rate to account for implicitly subsidized costs

The actuarial assumptions used above were based on the results of the 2016 actuarial experience study adopted by SCRS and PORS.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB Plan Investments is based upon 35-year capital market assumptions, as well as current consensus expectations and market-based inputs. The long-term expected rate of return represents assumptions developed using an arithmetic building block approach and are presented net of investment fees. There are no municipal bond rate assumptions used in deriving the discount rate, and the discount rate forecast period extends for 50 years. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class	Target Allocation
Fixed Income	94.3%
Cash and Cash Equivalents	5.7%
Total	100.0%

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The Town's net OPEB liability was measured as of December 31, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances as of December 31, 2018	\$ 212,690	138,116	\$ 74,574
Changes for the year:			
Service Cost	10,871	-	10,871
Interest	9,666	-	9,666
Difference Between Expected/Actual Experience	17,332	-	17,332
Change of Assumptions or Other Inputs	8,151	-	8,151
Contributions - Employer	-	32,264	(32,264)
Net Investment Income	-	5,916	(5,916)
Benefit Payments	(18,588)	(18,588)	-
Net Changes	27,432	19,592	7,840
Balances as of December 31, 2019	\$ 240,122	157,708	\$ 82,414

For the year ended September 30, 2020, the Town recognized OPEB expense of approximately \$18,000. At September 30, 2020, the Town reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 15,408	\$ 2,036
Net Difference Between Projected/Actual Earnings on OPEB Plan Investments	4,463	
Changes of Assumptions	7,246	-
Employer Contributions Subsequent to the Measurement Date	15,200	-
Total	\$ 42,317	\$ 2,036

Approximately \$15,000 that was reported as deferred outflows of resources related to the Town's contributions subsequent to the measurement date to the OPEB Plan, respectively, will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the OPEB Plan will increase (decrease) OPEB expense as follows:

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Year Ended September 30,	Total
2021	\$ 4,016
2022	4,014
2023	3,574
2024	2,639
2025	2,445
Thereafter	8,393
Total	<u>\$ 25,081</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 4.75%. The projection of cash flows used to determine the discount rate assumed that the Town's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the OPEB liability.

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

The following table presents the sensitivity of the Town's net OPEB liability to changes in the discount rate, calculated using the discount rate of 4.75%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (3.75%) or 1% point higher (5.75%) than the current rate:

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
Net OPEB Liability	\$ 101,138	82,414	\$ 65,649

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following table presents the sensitivity of the Town's net OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 7.25% decreasing to 4.75%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (6.25% decreasing to 3.75%) or 1% point higher (8.25% decreasing to 5.75%) than the current rate:

	1% Decrease (6.25% decreasing to 3.75%)	Current Healthcare Cost Trend Rate (7.25% decreasing to 4.75%)	1% Increase (8.75% decreasing to 5.75%)
Net OPEB Liability	\$ 63,448	82,414	\$ 105,171

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

IV. OTHER INFORMATION (CONTINUED)

D. Commitments and Contingencies

The Town receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the Town at September 30, 2020.

The Town is periodically the subject of litigation by a variety of plaintiffs. The Town management believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.

E. Conduit Debt Obligations

In May 2007, the Town, as project sponsor, entered into a loan agreement with the South Carolina Water Quality Revolving Fund Authority for the purpose of providing financial assistance to the Combined Waterworks and Sewer System of the Town of Moncks Corner, South Carolina ("Waterworks") for construction projects related to the water and sewer system. The note is secured by a pledge of the net revenues of Waterworks, and is payable from those revenues. In April 2007, Waterworks resolved to adopt the representations, covenants, and agreements set forth in the note, and to carry forth the duties so imposed. The Town is not obligated in any manner for repayment of the note beyond the resources to be provided by Waterworks. Accordingly, the note is not reported as a liability in the accompanying financial statements. As of September 30, 2020, the aggregate principal outstanding was approximately \$2,638,000.

F. COVID-19 Pandemic

On January 30, 2020, the World Health Organization announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China, and in March 2020, classified the outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the outbreak continues to evolve as of the date of these financial statements. Management continues to actively monitor the impact from this health crisis on its financial condition, liquidity, operations, workforce and citizens.

As local and federal governments recommended or mandated restrictions on business and travel in an effort to curb the pandemic by changing consumer behavior, the Town's revenues were negatively impacted. Such restrictions are currently expected to be temporary; however, there is considerable uncertainty about their duration. Given the daily evolution of the pandemic, the Town cannot estimate the duration or gravity of its impact at this time. If the pandemic continues for a long period of time, it may have a material adverse effect on the Town's results of operations, net position/fund balance and liquidity for the year ended September 30, 2021.

G. Subsequent Events

In December 2020, the Town entered into a lease purchase agreement with U.S. Bankcorp Government Leasing and Finance, Inc. for the purchase of a sanitation truck and a grapple truck totaling \$350,000.

The Town expects to receive approximately \$4,477,000 in Coronavirus State and Local Fiscal Recovery Funds through the American Rescue Plan Act (ARP) in the year ended September 30, 2021.



Required Supplementary Information

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL - GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2020

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Taxes	\$ 4,509,889	4,509,889	4,705,916	\$ 196,027
Licenses, permits, and franchise fees	3,591,500	3,635,850	3,871,614	235,764
Intergovernmental revenue	731,499	546,620	543,452	(3,168)
Charges for services	1,142,900	979,150	956,006	(23,144)
Fines and forfeitures	50,000	50,000	53,151	3,151
Miscellaneous revenues	22,056	132,240	207,642	75,402
TOTAL REVENUES ALL SOURCES	10,047,844	9,853,749	10,337,781	484,032
EXPENDITURES				
Current:				
Administrative	1,782,400	1,830,535	1,674,111	156,424
Community development	1,075,916	1,086,716	722,060	364,656
Police	3,014,721	2,735,821	2,636,625	99,196
Fire	1,741,690	1,820,910	1,760,086	60,824
Public service	1,422,564	1,528,850	1,637,942	(109,092)
Recreation	1,149,040	960,476	896,659	63,817
Capital outlay	579,500	555,500	1,009,660	(454,160)
Debt service:				
Principal	41,572	41,572	41,570	2
Interest and other charges	14,362	14,362	14,364	(2)
TOTAL EXPENDITURES	10,821,765	10,574,742	10,393,077	181,665
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(773,921)	(720,993)	(55,296)	665,697
OTHER FINANCING SOURCES (USES)				
Proceeds from the disposal of assets	10,000	10,000	14,115	4,115
Proceeds from issuance of debt	-	-	633,000	633,000
Transfers in	975,871	975,871	974,285	(1,586)
Transfers out	(211,950)	(561,950)	(561,950)	-
TOTAL OTHER FINANCING SOURCES (USES)	773,921	423,921	1,059,450	635,529
NET CHANGES IN FUND BALANCES	-	(297,072)	1,004,154	1,301,226
FUND BALANCES, Beginning of Year	4,703,055	4,703,055	4,703,055	-
FUND BALANCES, End of Year	\$ 4,703,055	4,405,983	5,707,209	\$ 1,301,226

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Town's final budget reflected the use of appropriated fund balance of \$297,072.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -
LOCAL TAX FUND**

YEAR ENDED SEPTEMBER 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 1,042,000	1,042,000	1,001,876	\$ (40,124)
Miscellaneous revenues	550	550	3,206	2,656
TOTAL REVENUES ALL SOURCES	1,042,550	1,042,550	1,005,082	(37,468)
EXPENDITURES				
Current:				
Recreation	4,500	4,500	4,275	225
TOTAL EXPENDITURES	4,500	4,500	4,275	225
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,038,050	1,038,050	1,000,807	(37,243)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,087,100)	(1,087,100)	(1,087,100)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,087,100)	(1,087,100)	(1,087,100)	-
NET CHANGES IN FUND BALANCES	(49,050)	(49,050)	(86,293)	(37,243)
FUND BALANCES, Beginning of Year	165,352	165,352	165,352	-
FUND BALANCES, End of Year	\$ 116,302	116,302	79,059	\$ (37,243)

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Town's original and final budget reflected the use of appropriated fund balance of \$49,050.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE BUDGETARY COMPARISON SCHEDULES

YEAR ENDED SEPTEMBER 30, 2020

A. BASIS OF ACCOUNTING

The budgetary comparison schedules have been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

B. BUDGETARY INFORMATION

The Town follows the following procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The Town Administrator and Town Accountant submit to the Town Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to inform and obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance prior to September 30.
4. Town Council must approve any revisions that alter the total expenditures of a fund. The legal level of budgetary authority is at the fund level.
5. Legally adopted budgets are employed as a management control device during the year for the General Fund, Local Tax Fund and Capital Improvement Fund (major funds) as well as the following nonmajor funds: Victims' Advocate, Accommodations Tax, Abatements and Improvements, Stormwater Utility, Debt Service and Community Recreation Complex Debt Service.
6. The budgets for the budgeted funds are legally adopted on a basis consistent with GAAP.
7. The budgets at the end of the year for these funds represent the budgets adopted and amended by the Town Council.



TOWN OF MONCKS CORNER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE TOWN OF MONCKS CORNER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM**

LAST SEVEN FISCAL YEARS

	Year Ended September 30,						
	2020	2019	2018	2017	2016	2015	2014
Town of Moncks Corner's Proportion of the Net Pension Liability	0.01490%	0.01473%	0.01358%	0.01267%	0.01105%	0.01072%	0.01156%
Town of Moncks Corner's Proportionate Share of the Net Pension Liability	\$ 3,807,697	3,301,061	3,042,954	2,852,221	2,359,836	2,033,289	\$ 1,990,593
Town of Moncks Corner's Covered Payroll	\$ 1,662,509	1,532,333	1,408,773	1,276,515	1,069,822	1,005,514	\$ 1,049,663
Town of Moncks Corner's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	229.03%	215.43%	216.00%	223.44%	220.58%	202.21%	189.64%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.714%	54.398%	54.105%	53.338%	52.906%	56.992%	59.919%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the year presented.
The Town implemented GASB #68/71 during the year ended September 30, 2015. Information before 2014 is not available.
The discount rate was lowered from 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

TOWN OF MONCKS CORNER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE TOWN OF MONCKS CORNER'S CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM**

LAST SEVEN FISCAL YEARS

	Year Ended September 30,						
	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 273,486	226,048	204,953	147,461	127,429	107,326	\$ 113,997
Contributions in Relation to the Contractually Required Contribution							
Contributions from the Town	262,573	215,135	194,040	147,461	127,429	107,326	113,997
Contributions from the State	10,913	10,913	10,913	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	\$ -
Town of Moncks Corner's Covered Payroll	\$ 1,757,627	1,528,228	1,485,060	1,226,888	1,137,185	980,770	\$ 1,067,275
Contributions as a Percentage of Covered Payroll	15.56%	14.79%	13.80%	12.02%	11.21%	10.94%	10.68%

Notes to Schedule:

The Town implemented GASB #68/71 during the year ended September 30, 2015. Information before 2014 is not available.

TOWN OF MONCKS CORNER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE TOWN OF MONCKS CORNER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE OFFICERS RETIREMENT SYSTEM**

LAST SEVEN FISCAL YEARS

	Year Ended September 30,						
	2020	2019	2018	2017	2016	2015	2014
Town of Moncks Corner's Proportion of the Net Pension Liability	0.16278%	0.14295%	0.14332%	0.13326%	0.12477%	0.11893%	0.11938%
Town of Moncks Corner's Proportionate Share of the Net Pension Liability	\$ 5,398,256	4,096,923	4,061,022	3,650,684	3,164,633	2,592,053	\$ 2,285,482
Town of Moncks Corner's Covered Payroll	\$ 2,459,090	2,067,718	1,983,052	1,796,492	1,590,588	1,473,033	\$ 1,435,868
Town of Moncks Corner's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	219.52%	198.14%	204.79%	203.21%	198.96%	175.97%	159.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%	67.55%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the year presented.

The Town implemented GASB #68/71 during the year ended September 30, 2015. Information before 2014 is not available.

The discount rate was lowered from 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

TOWN OF MONCKS CORNER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE TOWN OF MONCKS CORNER'S CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM

LAST SEVEN FISCAL YEARS

	Year Ended September 30,						
	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 443,478	380,681	333,258	264,884	224,286	202,263	\$ 186,740
Contributions in Relation to the Contractually Required Contribution							
Contributions from the Town	427,125	364,328	316,905	264,884	224,286	202,263	186,740
Contributions from the State	16,353	16,353	16,353	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	\$ -
Town of Moncks Corner's Covered Payroll	\$ 2,431,350	2,174,275	2,022,708	1,798,712	1,616,524	1,498,230	\$ 1,437,316
Contributions as a Percentage of Covered Payroll	18.24%	17.51%	16.48%	14.73%	13.87%	13.50%	12.99%

Notes to Schedule:

The Town implemented GASB #68/71 during the year ended September 30, 2015. Information before 2014 is not available.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS

LAST THREE FISCAL YEARS

	Year Ended		
	September 30, 2020	September 30, 2019	September 30, 2018
Total OPEB Liability:			
Service Cost	\$ 10,871	10,526	\$ 10,192
Interest	9,666	9,608	9,600
Differences Between Expected and Actual Experience	17,332	(593)	(2,522)
Changes of Assumptions	8,151	-	-
Benefit Payments, Including Refunds of Member Contributions	(18,588)	(18,020)	(16,236)
Net Change in Total OPEB Liability	27,432	1,521	1,034
Total OPEB Liability - Beginning of Year	212,690	211,169	210,135
Total OPEB Liability - End of Year (a)	<u>\$ 240,122</u>	<u>212,690</u>	<u>\$ 211,169</u>
OPEB Plan Fiduciary Net Position:			
Employer Contribution	\$ 32,264	29,005	\$ 34,977
Net Investment Income	5,916	1,619	3,401
Benefit Payments, Including Refunds of Member Contributions	(18,588)	(18,020)	(16,236)
Administrative Expense	-	(3,652)	(3,119)
Net Change in OPEB Plan Fiduciary Net Position	19,592	8,952	19,023
OPEB Plan Fiduciary Net Position - Beginning of Year	138,116	129,164	110,141
OPEB Plan Fiduciary Net Position - End of Year (b)	<u>\$ 157,708</u>	<u>138,116</u>	<u>\$ 129,164</u>
Net OPEB Liability (Asset) - End of Year (a) - (b)	<u>\$ 82,414</u>	<u>74,574</u>	<u>\$ 82,005</u>
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	65.68%	64.94%	61.17%
Covered Payroll	\$ 3,428,411	2,579,185	\$ 2,579,185
Net OPEB Liability as a Percentage of Covered Payroll	2.40%	2.89%	3.18%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of December 31st of the preceding year (measurement date).

The Town adopted GASB #75 during the year ended September 30, 2018. Information is not available for prior years.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF THE TOWN'S CONTRIBUTIONS

LAST THREE FISCAL YEARS

	Year Ended		
	September 30, 2020	September 30, 2019	September 30, 2018
Actuarially Determined Contribution	\$ 15,329	16,369	\$ 18,373
Contributions in Relation to the Actuarially Determined Contribution	32,264	29,005	34,977
Contribution Deficiency (Excess)	<u>\$ (16,935)</u>	<u>(12,636)</u>	<u>\$ (16,604)</u>
Covered Payroll	\$ 3,428,411	2,579,185	\$ 2,579,185
Contributions as a Percentage of Covered Payroll	0.94%	1.12%	1.36%

Notes to Schedule:

The Town adopted GASB #75 during the year ended September 30, 2018. Information is not available for prior years.

Valuation Date: June 30, 2019

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Amortization Period	15 Years
Asset Valuation Method	Market Value
Inflation	2.25%
Healthcare Cost Trend Rates	9.5% Initial, Decreasing 0.5% per year to an ultimate rate of 5.5%
Salary Increases	SCRS - 3.0% - 7.0%; PORS - 3.5% - 9.5% (including inflation)
Investment Rate of Return	4.75%, Net of OPEB Plan Investment Expenses, Including Inflation
Retirement Age	Plan Normal Retirement Date
Mortality	1984 Unisex Pension Mortality Table (UP-84)

Other Information:

None



Supplementary Information

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	VICTIMS' ADVOCATE FUND	ACCOMMODATIONS TAX FUND	ABATEMENTS AND IMPROVEMENTS FUND	POLICE NARCOTICS FUND
ASSETS				
Cash and cash equivalents	\$ -	-	400,565	-
Receivables:				
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Due from other funds	-	128	-	19,444
Cash and cash equivalents - restricted	6,944	12,382	-	127,334
TOTAL ASSETS	\$ 6,944	12,510	400,565	146,778
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	-	11,291	-
Unearned revenue	-	-	-	7,745
TOTAL LIABILITIES	-	-	11,291	7,745
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Deferred revenues	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCES				
Restricted:				
Public safety	-	-	-	139,033
Tourism	-	12,510	-	-
Debt service	-	-	-	-
Stormwater	-	-	-	-
Victims' services	6,944	-	-	-
Assigned:				
Capital projects	-	-	389,274	-
TOTAL FUND BALANCES	6,944	12,510	389,274	139,033
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,944	12,510	400,565	146,778

STORMWATER UTILITY FUND	TREE MITIGATION FUND	DEBT SERVICE FUND	COMMUNITY RECREATION COMPLEX DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
-	-	-	-	\$ 400,565
-	-	180,921	-	180,921
745	-	-	-	745
553	-	1,851	-	21,976
155,062	-	41,846	226,641	570,209
156,360	-	224,618	226,641	\$ 1,174,416
-	-	-	-	\$ 11,291
-	-	-	-	7,745
-	-	-	-	19,036
-	-	3,472	-	3,472
-	-	176,538	-	176,538
-	-	180,010	-	180,010
-	-	-	-	139,033
-	-	-	-	12,510
-	-	44,608	226,641	271,249
156,360	-	-	-	156,360
-	-	-	-	6,944
-	-	-	-	389,274
156,360	-	44,608	226,641	975,370
156,360	-	224,618	226,641	\$ 1,174,416

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2020

	VICTIMS' ADVOCATE FUND	ACCOMMODATIONS TAX FUND	ABATEMENTS AND IMPROVEMENTS FUND	POLICE NARCOTICS FUND
REVENUES				
Taxes	\$ -	-	-	-
Licenses, permits, and franchise fees	-	-	-	-
Intergovernmental revenue	-	38,067	-	-
Charges for services	-	-	-	-
Fines and forfeitures	8,255	-	-	14,938
Miscellaneous revenues	-	128	-	446
TOTAL REVENUES	8,255	38,195	-	15,384
EXPENDITURES				
Current:				
Administrative	-	5,819	27,276	-
Police	2,871	-	-	20,790
Public service	-	-	-	-
Recreation	-	-	-	-
Capital outlay	-	-	-	4,275
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
TOTAL EXPENDITURES	2,871	5,819	27,276	25,065
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	5,384	32,376	(27,276)	(9,681)
OTHER FINANCING SOURCES (USES)				
Payment to Refunded Bond Escrow Agent	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
Transfers In	12,000	-	174,950	-
Transfers Out	-	(35,095)	(167,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	12,000	(35,095)	7,450	-
NET CHANGE IN FUND BALANCES	17,384	(2,719)	(19,826)	(9,681)
FUND BALANCES, Beginning of Year	(10,440)	15,229	409,100	148,714
FUND BALANCES, End of Year	\$ 6,944	12,510	389,274	139,033

STORMWATER UTILITY FUND	TREE MITIGATION FUND	DEBT SERVICE FUND	COMMUNITY RECREATION COMPLEX DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
-	-	170,387	-	\$ 170,387
15,325	-	-	-	15,325
-	-	-	62,156	100,223
459,672	-	-	-	459,672
-	-	-	-	23,193
553	-	147	-	1,274
475,550	-	170,534	62,156	770,074
-	-	-	-	33,095
-	-	-	-	23,661
47,600	-	-	-	47,600
-	12,000	-	-	12,000
-	-	-	-	4,275
-	-	144,000	175,000	319,000
-	-	39,664	353,859	393,523
-	-	-	412,478	412,478
47,600	12,000	183,664	941,337	1,245,632
427,950	(12,000)	(13,130)	(879,181)	(475,558)
-	-	-	(5,401,761)	(5,401,761)
-	-	-	5,520,000	5,520,000
-	-	25,000	120,000	331,950
(271,590)	-	-	-	(474,185)
(271,590)	-	25,000	238,239	(23,996)
156,360	(12,000)	11,870	(640,942)	(499,554)
-	12,000	32,738	867,583	1,474,924
156,360	-	44,608	226,641	\$ 975,370

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -
CAPITAL IMPROVEMENT FUND**

YEAR ENDED SEPTEMBER 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Miscellaneous revenues	\$ 15,000	15,000	66,632	\$ 51,632
TOTAL REVENUES ALL SOURCES	15,000	15,000	66,632	51,632
EXPENDITURES				
Current:				
Public service	682,000	-	3,279	(3,279)
Capital outlay	-	1,032,000	1,034,898	(2,898)
TOTAL EXPENDITURES	682,000	1,032,000	1,038,177	(6,177)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(667,000)	(1,017,000)	(971,545)	45,455
OTHER FINANCING SOURCES (USES)				
Transfers in	467,000	817,000	817,000	-
TOTAL OTHER FINANCING SOURCES (USES)	467,000	817,000	817,000	-
NET CHANGES IN FUND BALANCES	(200,000)	(200,000)	(154,545)	45,455
FUND BALANCES, Beginning of Year	168,136	168,136	168,136	-
FUND BALANCES, End of Year	\$ (31,864)	(31,864)	13,591	\$ 45,455

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Town's original and final budget reflected the use of appropriated fund balance of \$200,000.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL - VICTIMS' ADVOCATE FUND

YEAR ENDED SEPTEMBER 30, 2020

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Fines and forfeitures	\$ 7,500	7,500	8,255	\$ 755
TOTAL REVENUES ALL SOURCES	7,500	7,500	8,255	755
EXPENDITURES				
Current:				
Police	8,750	8,750	2,871	5,879
TOTAL EXPENDITURES	8,750	8,750	2,871	5,879
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,250)	(1,250)	5,384	6,634
OTHER FINANCING SOURCES (USES)				
Transfers in	12,000	12,000	12,000	-
TOTAL OTHER FINANCING SOURCES (USES)	12,000	12,000	12,000	-
NET CHANGES IN FUND BALANCES	10,750	10,750	17,384	6,634
FUND BALANCES, Beginning of Year	(10,440)	(10,440)	(10,440)	-
FUND BALANCES, End of Year	\$ 310	310	6,944	\$ 6,634

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Town's original and final budget reflected an expected surplus of \$10,750.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -
ACCOMMODATIONS TAX FUND**

YEAR ENDED SEPTEMBER 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental revenue	\$ 42,500	42,500	38,067	\$ (4,433)
Miscellaneous revenues	25	25	128	103
TOTAL REVENUES ALL SOURCES	42,525	42,525	38,195	(4,330)
EXPENDITURES				
Current:				
Administrative	5,819	5,819	5,819	-
TOTAL EXPENDITURES	5,819	5,819	5,819	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	36,706	36,706	32,376	(4,330)
OTHER FINANCING SOURCES (USES)				
Transfers out	(36,681)	(36,681)	(35,095)	1,586
TOTAL OTHER FINANCING SOURCES (USES)	(36,681)	(36,681)	(35,095)	1,586
NET CHANGES IN FUND BALANCES	25	25	(2,719)	(2,744)
FUND BALANCES, Beginning of Year	15,229	15,229	15,229	-
FUND BALANCES, End of Year	\$ 15,254	15,254	12,510	\$ (2,744)

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Town's original and final budget reflected an expected surplus of \$25.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA**BUDGETARY COMPARISON SCHEDULE****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -
ABATEMENTS AND IMPROVEMENTS FUND****YEAR ENDED SEPTEMBER 30, 2020**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
EXPENDITURES				
Current:				
Administrative	\$ 26,000	26,000	27,276	\$ (1,276)
TOTAL EXPENDITURES	<u>26,000</u>	<u>26,000</u>	<u>27,276</u>	<u>(1,276)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(26,000)</u>	<u>(26,000)</u>	<u>(27,276)</u>	<u>(1,276)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	174,950	174,950	174,950	-
Transfers out	<u>(167,500)</u>	<u>(167,500)</u>	<u>(167,500)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>7,450</u>	<u>7,450</u>	<u>7,450</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(18,550)	(18,550)	(19,826)	(1,276)
FUND BALANCES, Beginning of Year	<u>409,100</u>	<u>409,100</u>	<u>409,100</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ 390,550</u>	<u>390,550</u>	<u>389,274</u>	<u>\$ (1,276)</u>

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Town's original and final budget reflected the use of appropriated fund balance of \$18,550.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -
STORMWATER UTILITY FUND**

YEAR ENDED SEPTEMBER 30, 2020

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Licenses, permits, and franchise fees	\$ -	-	15,325	\$ 15,325
Charges for services	425,000	425,000	459,672	34,672
Miscellaneous revenues	-	-	553	553
TOTAL REVENUES ALL SOURCES	425,000	425,000	475,550	50,550
EXPENDITURES				
Current:				
Public service	153,410	153,410	47,600	105,810
TOTAL EXPENDITURES	153,410	153,410	47,600	105,810
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	271,590	271,590	427,950	156,360
OTHER FINANCING SOURCES (USES)				
Transfers out	(271,590)	(271,590)	(271,590)	-
TOTAL OTHER FINANCING SOURCES (USES)	(271,590)	(271,590)	(271,590)	-
NET CHANGES IN FUND BALANCES	-	-	156,360	156,360
FUND BALANCES, Beginning of Year	-	-	-	-
FUND BALANCES, End of Year	\$ -	-	156,360	\$ 156,360

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -
DEBT SERVICE FUND**

YEAR ENDED SEPTEMBER 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 145,000	145,000	170,387	\$ 25,387
Miscellaneous revenues	70	70	147	77
TOTAL REVENUES ALL SOURCES	145,070	145,070	170,534	25,464
EXPENDITURES				
Current:				
Debt service	-			
Principal	144,000	144,000	144,000	-
Interest and other charges	39,705	39,705	39,664	41
TOTAL EXPENDITURES	183,705	183,705	183,664	41
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(38,635)	(38,635)	(13,130)	25,505
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	25,000	25,000	-
TOTAL OTHER FINANCING SOURCES (USES)	25,000	25,000	25,000	-
NET CHANGES IN FUND BALANCES	(13,635)	(13,635)	11,870	25,505
FUND BALANCES, Beginning of Year	32,738	32,738	32,738	-
FUND BALANCES, End of Year	\$ 19,103	19,103	44,608	\$ 25,505

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Town's original and final budget reflected the use of appropriated fund balance of \$13,635.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -
COMMUNITY RECREATION COMPLEX DEBT SERVICE FUND**

YEAR ENDED SEPTEMBER 30, 2020

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Intergovernmental revenue	\$ 120,882	120,882	62,156	\$ (58,726)
Miscellaneous revenues	150	150	-	(150)
TOTAL REVENUES ALL SOURCES	121,032	121,032	62,156	(58,876)
EXPENDITURES				
Debt service				
Principal	175,000	175,000	175,000	-
Interest and other charges	359,067	359,067	353,859	5,208
Payment to Refunded Bond Escrow Agent	-	-	412,478	(412,478)
TOTAL EXPENDITURES	534,067	534,067	941,337	(407,270)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(413,035)	(413,035)	(879,181)	(466,146)
OTHER FINANCING SOURCES (USES)				
Payment to Refunded Bond Escrow Agent	-	-	(5,401,761)	(5,401,761)
Proceeds from the issuance of debt	-	-	5,520,000	5,520,000
Transfers in	120,000	120,000	120,000	-
TOTAL OTHER FINANCING SOURCES (USES)	120,000	120,000	238,239	118,239
NET CHANGES IN FUND BALANCES	(293,035)	(293,035)	(640,942)	(347,907)
FUND BALANCES, Beginning of Year	867,583	867,583	867,583	-
FUND BALANCES, End of Year	\$ 574,548	574,548	226,641	\$ (347,907)

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Town's original and final budget reflected the use of appropriated fund balance of \$293,035.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

UNIFORM SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES (PER ACT 96)

YEAR ENDED SEPTEMBER 30, 2020

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			53,151	53,151
Court fines and assessments remitted to State Treasurer			(53,151)	(53,151)
Total Court Fines and Assessments retained			-	-
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			20,774	20,774
Assessments retained			53,403	53,403
Total Surcharges and Assessments retained for victim services			74,177	74,177

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	(10,440)	-	(10,440)
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	6,438		6,438
Victim Service Surcharges Retained by City/County Treasurer	1,817		1,817
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund	12,000		12,000
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)	9,815		9,815
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	-		-
Operating Expenditures	(2,871)		(2,871)
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)	(2,871)		(2,871)
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)			
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year	6,944		6,944





STATISTICAL SECTION

- Financial Trends Information
- Revenue Capacity Information
- Debt Capacity Information
- Demographic and Economic Information
- Operating Information



STATISTICAL SECTION

This part of the Town of Moncks Corner's ("Town") comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes, and required supplementary information says about the Town's overall financial health.

Contents	Page
Financial Trends Information <i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	96
Revenue Capacity Information <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	101
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	105
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	110
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</i>	112

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

Table 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

UNAUDITED

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net Investment in Capital Assets	\$ 11,130,350	10,758,280	8,372,996	7,482,884	6,002,725	5,233,751	4,222,826	2,653,193	2,637,496	\$ 2,215,297
Restricted	947,211	1,320,867	3,599,403	1,927,518	2,758,379	3,157,880	2,682,780	3,142,256	2,100,787	1,994,235
Unrestricted	(1,383,279)	(1,285,692)	(1,335,827)	12,998	(123,277)	(1,050,451)	3,214,841	2,901,675	3,016,254	2,819,447
Total Governmental Activities Net Position	\$ 10,694,282	10,793,455	10,636,572	9,423,400	8,637,827	7,341,180	10,120,447	8,697,124	7,754,537	\$ 7,028,979

Note: The Town implemented GASB #68 and GASB #75 in fiscal years ending September 30, 2015 and September 30, 2018, respectively. The implementation of these standards resulted in decreases to unrestricted net position as a result of reporting net pension and OPEB liabilities and related deferred inflows and outflows related to the Town's pension and OPEB Plans.

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

UNAUDITED

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental Activities										
Administrative	\$ 2,423,948	1,746,255	2,196,832	2,063,707	1,639,974	1,314,658	1,303,069	1,295,704	1,295,764	\$ 1,222,627
Community Development	758,746	999,249	853,972	373,889	282,183	249,981	263,617	89,002	88,056	86,388
Police	3,190,161	3,046,954	3,074,785	2,661,318	2,238,489	1,979,090	1,935,847	1,847,774	1,760,325	1,736,339
Fire	2,298,376	1,834,384	1,091,999	1,136,477	1,035,003	947,507	949,909	1,081,379	1,124,074	1,022,997
Public Services	1,866,141	2,301,223	1,489,491	1,949,764	1,307,375	922,234	881,361	1,115,545	888,295	814,179
Recreation	1,186,812	1,348,888	1,003,493	721,892	566,800	677,941	765,694	597,193	368,511	387,202
Interest on Long Term Debt	744,844	410,927	421,845	434,075	447,878	491,482	541,408	302,213	305,611	238,023
Total Primary Governmental Expenses	\$ 12,469,028	11,687,880	10,132,417	9,341,122	7,517,702	6,582,893	6,640,905	6,328,810	5,830,636	\$ 5,507,755
Program Revenues										
Governmental Activities										
Charges for Services	\$ 2,614,343	2,478,851	2,107,233	1,960,641	1,651,320	1,562,170	1,614,499	1,581,401	1,472,764	\$ 1,498,431
Administrative	1,256,499	1,203,425	1,386,132	657,281	602,987	398,785	302,774	77,483	82,295	50,642
Community Development	76,344	72,940	144,247	283,549	291,132	318,848	244,877	230,144	232,117	245,403
Police	-	-	-	-	-	-	-	8,350	5,365	2,331
Public Services	485,438	-	-	528,674	501,587	472,820	463,446	453,775	437,595	436,630
Recreation	185,239	387,653	318,864	170,537	237,678	151,863	97,329	103,652	102,321	110,284
Operating Grants and Contributions	370,320	357,315	379,123	414,897	234,870	173,099	137,266	248,255	325,766	309,084
Capital Grants and Contributions	1,900	437,506	90,616	251,330	42,006	419,774	527,612	505,341	-	-
Total Governmental Activities Program Revenue	4,990,083	4,937,690	4,426,215	4,266,909	3,561,580	3,497,359	3,387,803	3,208,401	2,658,223	2,652,805
Total Primary Government Net (Expense)	\$ (7,478,945)	(6,750,190)	(5,706,202)	(5,074,213)	(3,956,122)	(3,085,534)	(3,253,102)	(3,120,409)	(3,172,413)	\$ (2,854,950)
General Revenues and Other Changes In Net Position										
Governmental Activities										
Taxes:										
Property Taxes	\$ 3,184,151	2,839,708	2,600,052	2,408,637	1,857,665	1,760,586	1,683,438	1,552,471	1,467,708	\$ 1,497,372
Local Option Sales Taxes	1,691,657	1,663,457	1,483,914	1,348,061	1,218,110	1,113,627	1,114,817	900,000	890,000	836,750
Hospitality Taxes	981,455	1,049,385	985,068	907,038	848,798	795,762	726,693	662,852	639,395	622,100
Accommodation Taxes	58,488	97,149	66,781	74,424	66,260	74,920	75,601	58,380	68,408	64,029
Franchise Fees	932,465	546,450	825,457	661,360	811,148	658,164	687,710	699,065	580,004	542,542
Unrestricted Revenue from Use of Money and Property	86,939	157,269	148,048	136,741	133,423	135,471	178,040	5,912	5,761	12,790
Intergovernmental	191,288	183,335	178,099	174,524	173,579	165,098	119,050	161,854	182,912	167,222
Gain on Sale of Capital Assets	-	10,987	403,792	15,977	24,047	-	3,025	-	-	-
Miscellaneous Revenue	253,329	359,333	353,811	133,024	119,739	110,631	111,933	22,462	40,801	111,428
Total Primary Government General Revenues	\$ 7,379,772	6,907,073	7,045,022	5,859,786	5,252,769	4,814,259	4,700,307	4,062,996	3,874,989	\$ 3,854,233
Change In Net Position										
Total Primary Government	\$ (99,173)	156,883	1,338,820	785,573	1,296,647	1,728,725	1,447,205	942,587	702,576	\$ 999,283

TOWN OF MONCKS CORNER, SOUTH CAROLINA

Table 3

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund										
Nonspendable	\$ 86,451	84,676	58,218	83,243	38,959	60,865	62,581	59,946	25,944	\$ 66,813.00
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	373,514	1,604,093	20,518	123,344	-	186,152	444,846	52,308
Unassigned	5,620,758	4,618,379	3,679,670	2,641,224	3,791,468	3,258,329	2,468,145	1,499,575	1,241,370	1,404,566
Total general fund	5,707,209	4,703,055	4,111,402	4,328,560	3,850,945	3,442,538	2,530,726	1,745,673	1,712,160	1,523,687
All other governmental funds										
Nonspendable	-	-	21,721	3	5,410	410	-	327	-	421
Restricted for:										
Public safety	139,033	148,714	148,057	131,038	46,163	-	-	12,418	15,509	72,328
Tourism	12,510	15,229	5,886	4,465	30,593	56,964	52,100	43,837	50,522	36,781
Capital projects	13,591	168,136	1,564,958	-	1,536,722	1,507,744	1,080,832	1,660,230	3,280,548	3,529,544
Debt service	271,249	900,321	865,314	-	842,147	884,937	864,069	819,307	830,615	806,093
Stormwater	156,360	-	-	-	-	-	-	-	-	-
Other	6,944	12,000	-	848,223	14,917	718,795	685,779	579,908	472,515	343,815
Committed	79,059	165,352	273,109	-	710,446	-	-	988,456	1,091,319	1,018,498
Assigned	389,274	409,100	419,211	858,260	73,022	55,394	6,986	30,765	106,317	112,686
Unassigned	-	(10,440)	(11,927)	(886)	-	-	(27)	(8,787)	(8,077)	-
Total all other governmental funds	1,068,020	1,808,412	3,286,329	1,841,103	3,259,420	3,224,244	2,689,739	4,126,461	5,839,268	5,920,166
Total all governmental funds	\$ 6,775,229	6,511,467	7,397,731	6,169,663	7,110,365	6,666,782	5,220,465	5,872,134	7,551,428	\$ 7,443,853

TOWN OF MONCKS CORNER, SOUTH CAROLINA

Table 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$ 5,878,179	5,561,263	5,083,963	4,697,292	3,953,485	3,696,758	3,550,117	3,063,731	3,027,735	\$ 2,925,804
Licenses, permits and franchise fees	3,888,839	4,236,084	3,588,677	3,497,267	2,944,866	2,640,289	2,706,362	2,362,316	2,139,114	2,093,677
Intergovernmental	643,575	718,748	695,922	814,357	548,390	407,748	833,061	829,810	471,995	444,934
Charges for services	1,415,678	1,051,803	1,072,351	709,157	729,125	608,013	568,235	516,087	528,593	529,376
Fines and forfeitures	76,344	65,631	134,493	273,603	280,712	309,859	237,347	253,942	260,903	260,152
Miscellaneous	280,654	850,273	503,499	346,891	164,274	548,287	425,620	178,527	156,557	236,823
Total revenues	12,183,269	12,483,802	11,078,905	10,338,567	8,620,852	8,210,954	8,320,742	7,204,413	6,584,897	6,490,766
Expenditures										
Administrative	1,707,206	1,778,732	2,096,996	1,958,994	1,516,099	1,287,273	1,288,170	1,274,088	1,264,182	1,193,720
Community development	722,060	948,473	822,326	352,122	269,118	249,316	263,624	89,265	87,065	85,839
Police	2,660,286	2,662,438	2,644,279	2,265,012	1,975,536	1,780,506	1,778,941	1,708,634	1,653,112	1,639,915
Fire	1,760,086	1,163,012	1,084,128	959,279	900,082	859,505	859,455	976,367	1,032,647	947,290
Public service	1,692,621	2,416,541	1,396,209	1,884,011	1,285,526	905,626	866,524	1,095,849	884,098	793,421
Recreation	912,934	1,585,840	742,448	475,799	455,047	613,237	770,926	583,010	354,509	347,277
Capital outlay	2,048,833	2,594,115	1,002,399	2,387,964	982,556	1,261,027	1,558,590	3,412,162	803,744	4,364,549
Debt service:										
Principal	360,570	310,000	301,709	324,371	374,838	1,118,483	305,148	321,853	292,777	183,286
Interest	407,887	411,497	423,405	435,827	450,815	431,625	435,187	291,493	289,207	190,984
Debt issuance costs	412,478	-	-	-	-	38,039	-	-	6,000	143,215
Total expenditures	12,684,961	13,870,648	10,513,899	11,043,379	8,209,617	8,544,637	8,126,565	9,752,721	6,667,341	9,889,496
Excess (deficiency) of revenues over expenditures	(501,692)	(1,386,846)	565,006	(704,812)	411,235	(333,683)	194,177	(2,548,308)	(82,444)	(3,398,730)
Other financing sources (uses)										
Proceeds from the disposal of capital assets	14,115	17,187	411,195	15,977	32,348	-	3,025	1,014	15,787	12,649
Payment to refunded debt escrow agent	(5,401,761)	-	-	-	-	-	-	-	-	-
Proceeds from issuance of debt	6,153,000	483,395	-	-	-	1,780,000	-	868,000	151,250	7,180,250
Transfers in	2,123,235	1,798,850	2,333,714	1,823,775	700,608	1,432,614	544,069	878,539	679,057	3,996,190
Transfers out	(2,123,235)	(1,798,850)	(2,333,714)	(1,823,775)	(700,608)	(1,432,614)	(544,069)	(878,539)	(679,057)	(3,996,190)
Total other financing sources (uses)	765,354	500,582	411,195	15,977	32,348	1,780,000	3,025	869,014	167,037	7,192,899
Net change in fund balances	\$ 263,662	(886,264)	976,201	(688,835)	443,583	1,446,317	197,202	(1,679,294)	84,593	\$ 3,794,169
Debt service as a percentage of noncapital expenditures	11.10%	6.40%	7.62%	8.78%	11.42%	21.80%	11.27%	9.67%	10.03%	9.37%

Table 5

TOWN OF MONCKS CORNER, SOUTH CAROLINA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(accrual basis of accounting)

UNAUDITED

Fiscal Year	Property Taxes	Local Option Sales Taxes	Hospitality Taxes	Accommodations Taxes	Total
2020	\$ 3,184,151	1,691,657	981,455	58,488	\$ 5,915,751
2019	2,839,708	1,663,457	1,049,385	97,149	5,649,699
2018	2,600,052	1,483,914	985,068	66,781	5,135,815
2017	2,408,637	1,348,061	907,038	74,424	4,738,160
2016	1,857,665	1,218,110	848,798	66,260	3,990,833
2015	1,760,586	1,113,627	795,762	74,920	3,744,895
2014	1,683,438	1,114,817	726,693	75,601	3,600,549
2013	1,552,471	900,000	662,852	58,380	3,173,703
2012	1,467,708	890,000	639,395	68,408	3,065,511
2011	\$ 1,497,372	836,750	622,100	64,029	\$ 3,020,251

Table 6

TOWN OF MONCKS CORNER, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Tax Year	Real Property	Personal Property	Motor Vehicles	Less:		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
					Real Property	Tax Exempt				
2021	2020	\$ 52,215,830	5,789,550	5,357,940	63,500		\$ 63,299,820	70.30	\$ 1,183,613,402	5.35%
2020	*2019	46,885,360	5,771,530	5,150,550	63,937		57,743,503	67.10	1,065,370,000	5.42%
2019	2018	40,224,010	4,958,270	4,327,120	61,176		49,448,224	70.30	911,232,838	5.43%
2018	2017	37,143,680	4,967,060	4,583,710	62,050		46,632,400	70.30	845,660,847	5.51%
2017	2016	33,551,160	4,350,670	5,720,130	49,551		43,572,409	70.30	787,779,934	5.53%
2016	*2015	32,194,400	4,405,070	5,628,560	50,122		42,177,908	59.40	751,200,675	5.61%
2015	2014	31,174,400	4,354,951	5,352,010	49,652		40,831,709	59.40	723,331,090	5.64%
2014	2013	28,176,730	4,450,610	4,140,940	46,697		36,721,583	61.40	647,106,377	5.67%
2013	2012	26,954,460	4,371,900	2,960,090	44,750		34,241,700	61.40	605,717,807	5.65%
2012	2011	\$ 26,100,140	4,760,550	4,145,690	44,879	\$	34,961,501	61.40	\$ 611,491,197	5.72%

Source: Berkeley County Auditor

*Reassessment Year

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Tax Year	Town of Moncks Corner	Berkeley County	County School	Trident Tech	Overlapping Rates
2021	2020	70.30	48.50	221.80	3.40	344.00
*2020	2019	67.10	48.50	221.80	3.40	340.80
2019	2018	70.30	50.50	236.80	3.40	361.00
2018	2017	70.30	50.50	236.80	3.40	361.00
2017	2016	70.30	50.50	238.80	3.40	363.00
2016	2015	59.40	50.50	224.90	3.40	338.20
*2015	2014	59.40	50.50	207.90	3.40	321.20
2014	2013	61.40	49.75	201.90	3.75	316.80
2013	2012	61.40	50.00	186.90	3.50	301.80
2012	2011	61.40	50.00	186.90	3.50	301.80

Source: Berkeley County Auditor

*Reassessment Year

TOWN OF MONCKS CORNER, SOUTH CAROLINA

Table 8

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

Taxpayer	2020				2011			
	Taxable Assessed Value	Rank	Taxes Paid		Taxable Assessed Value	Rank	Taxes Paid	
Berkeley Electric Cooperative	\$ 2,073,700	1	\$ 686,822		\$ 1,299,990	1	\$ 374,459	
Walmart Real Estate	914,430	2	313,957		704,640	2	202,676	
Home Telephone Company	544,790	3	181,082					
Trident Medical Center	512,750	4	165,057		596,500	4	169,912	
Berkeley Cable Telephone	470,330	5	153,758		653,550	3	186,162	
Gaskins Cohen Jr.	439,160	6	146,337					
Tail Race Shops LLC	383,940	7	136,280		240,100	8	72,789	
High Point Ventures	355,740	8	112,941					
Johnco LP / John Cumbie	351,910	9	120,991					
Gaskins Cohen Jr.	326,840	10	106,789		254,620	7	71,521	
Johnco LP / John Cumbie					236,260	9	67,114	
Rosen Moncks Corner					226,590	10	74,218	
TMP LLC					280,340	6	77,850	
Epson Oaks Apartments					316,680	5	90,499	
Totals	\$ 6,373,590		\$ 2,124,013		\$ 4,809,270		\$ 1,387,199	

Note: These figures represent millage solely for the Town of Moncks Corner.

Table 9

TOWN OF MONCKS CORNER, SOUTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the		Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
		Amount				
2020	\$ 2,871,060	\$ 2,734,135	95%	\$ 102,702	\$ 2,836,837	99%
2019	2,760,511	2,595,874	94%	97,567	2,693,441	98%
2018	2,632,620	2,394,364	91%	76,651	2,471,015	94%
2017	2,416,624	2,210,379	91%	81,372	2,291,751	95%
2016	1,697,277	1,576,759	93%	51,811	1,628,570	96%
2015	1,495,965	1,399,352	94%	64,179	1,463,531	98%
2014	1,356,144	1,245,012	92%	82,206	1,327,218	98%
2013	1,338,838	1,207,550	90%	125,487	1,333,037	100%
2012	1,310,006	1,161,851	89%	124,244	1,286,095	98%
2011	\$ 1,317,332	\$ 1,149,536	87%	\$ 99,845	\$ 1,249,381	95%

Sources: Berkeley County Treasurer
Berkeley County Auditor

Table 10

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Notes Payable	Revenue Bonds	Lease Purchases				
2020	\$ 1,466,000	-	5,520,000	1,074,823	\$	8,060,823	n/a	n/a
2019	1,610,000	-	5,644,358	483,395		7,737,753	2.45%	\$
2018	1,750,000	-	5,810,756	-		7,560,756	2.68%	
2017	1,886,709	-	5,972,154	-		7,858,863	3.24%	
2016	2,020,244	-	6,128,552	30,836		8,179,632	3.51%	
2015	2,149,654	60,000	6,279,950	61,264		8,550,868	3.96%	
2014	424,982	943,119	6,426,349	91,300		7,885,750	4.17%	
2013	478,271	845,333	6,562,747	120,945		8,007,296	4.27%	
2012	529,554	233,848	6,691,897	-		7,455,299	4.68%	
2011	\$ 612,932	161,997	6,816,007	-	\$	7,590,936	5.41%	\$

¹ See the Schedule of Demographic and Economic Statistics for personal income and population data.

Table 11

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund		Total	Percentage of Estimated Actual Taxable Value ¹ of Property		Per Capita ²
2020	\$	1,466,000	44,608	\$	1,421,392	0.12%	n/a
2019		1,610,000	32,678		1,577,322	0.15%	\$ 132
2018		1,750,000	21,912		1,728,088	0.19%	151
2017		1,886,709	24,120		1,862,589	0.22%	170
2016		2,020,244	33,185		1,987,059	0.25%	193
2015		2,149,654	89,141		2,060,513	0.27%	216
2014		424,982	80,791		344,191	0.05%	38
2013		478,271	55,571		422,700	0.07%	48
2012		529,554	80,998		448,556	0.07%	53
2011	\$	612,932	80,161	\$	532,771	0.09%	\$ 66

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics.

TOWN OF MONCKS CORNER, SOUTH CAROLINA

Table 12

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

OUTSTANDING AT YEAR END

UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Berkeley County General	\$ 50,161,000	4.86%	\$ 2,438,246
Berkeley County School District	227,835,000	4.86%	11,074,696
Subtotal, Overlapping Debt	277,996,000	4.86%	13,512,942
Town of Moncks Corner Direct Debt	8,060,823	100.00%	8,060,823
Total Direct and Overlapping Debt	<u>\$ 286,056,823</u>		<u>\$ 21,573,765</u>

Sources: Berkeley County Treasurer

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Moncks Corner. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

Table 14

PLEDGED-REVENUE COVERAGE

LAST TEN FISCAL YEARS

UNAUDITED

Revenue Bonds						
Fiscal Year	Local			Revenue Bonds - Debt Service		
	Hospitality	Accommodations	Total			Coverage
	Tax Collections	Tax Collections	Tax Collections	Principal	Interest	
2020	\$ 981,455	20,421	1,001,876	175,000	\$ 250,304	2.36
2019	1,049,385	23,210	1,072,595	170,000	367,788	1.99
2018	985,068	23,509	1,008,577	165,000	376,257	1.86
2017	904,811	27,494	932,305	160,000	260,743	2.22
2016	847,923	23,742	871,665	155,000	392,210	1.59
2015	795,524	26,783	822,307	150,000	398,886	1.50
2014	726,150	27,047	753,197	140,000	403,505	1.39
2013	661,624	26,933	688,557	135,000	270,832	1.70
2012	637,548	20,114	657,662	130,000	266,191	1.66
2011	\$ 620,746	21,329	642,075	-	\$ 169,841	3.78

Note: Revenue bond obligations are secured by Hospitality and Local Accommodations Tax collections recorded in the Local Tax Fund. A transfer is made from the Local Tax Fund to the Community Recreation Complex Debt Service Fund for the debt payment.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

Table 15

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Population ¹	Personal Income (amounts expressed in thousands)		Per Capita Personal Income ²	Median Age ³	School Enrollment ⁴	Unemployment Rate ⁵
2020	n/a	n/a		n/a	n/a	n/a	n/a
2019	11,986	\$	316,227	\$	35.3	2,899	2.5%
2018	11,419		282,221		34.0	2,512	3.2%
2017	10,933		242,232		34.0	2,381	3.9%
2016	10,286		233,286		34.8	2,278	7.5%
2015	9,549		216,113		36.8	2,288	8.5%
2014	9,161		188,900		35.8	2,114	12.7%
2013	8,842		187,442		37.2	2,038	12.2%
2012	8,401		159,233		35.8	2,234	10.9%
2011	8,043	\$	140,254	\$	35.1	2,155	9.8%

Source:

1, 2, 3 Figures obtained from the US Census Bureau

4 Figures obtained from the Town of Moncks Corner Planning Department Demographics Report and are Estimates.

5 Figures obtained from the Bureau of Labor Statistics

n/a - These statistics are not yet available.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

Table 16

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

	2020				2011			
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank
Berkeley County Government	1150	1	2.23%	414	3	0.96%		
Berkeley County School District	838	2	1.63%	610	2	1.42%		
Santee Cooper	751	3	1.46%	773	1	1.79%		
Walmart	350	4	0.68%	n/a	10	n/a		
Berkeley Electric Co-operative	192	5	0.37%	236	4	0.55%		
Home Telecom	155	6	0.30%	105	5	0.24%		
Town of Moncks Corner	118	7	0.23%	80	7	0.19%		
Berkeley Mental Health	69	8	0.13%	n/a	6	n/a		
Roper St. Francis	60	9	0.12%	89	9	n/a		
Piggly Wiggly	58	10	0.11%	n/a	8	n/a		
Total	3741		7.26%	2307		5.15%		

Sources: Town of Moncks Corner Local Businesses
SC Department of Employment and Workforce

TOWN OF MONCKS CORNER, SOUTH CAROLINA

Table 17

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN CALENDAR YEARS

UNAUDITED

Function	Full - Time Equivalent Employees as of December 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government	7	7	7	7	7	7	6	5	5	5
Administration	6	6	6	6	6	5	5	5	5	5
Justice	3	3	2	4	4	3	3	3.5	3.5	3
Public Safety										
Police										
Sworn	31	31	30	31	26	27	25	23	22	23
Non-Sworn	2	4	3	3	3	3	3	3	3	3
Fire	24	18	11	12	14	13	13	13	14	14
Public Services	20	11	10	11	8	8	5	6	7	6
Community Development	6	5	4	4	3.5	3.5	4.5	3	3	3
Recreation	18.5	18	15.5	8.5	8	9	7.5	5.5	4.5	4.5
Total	118	103	89	87	80	79	72	67	67	66.5

Source: Town of Moncks Corner - Human Resources

TOWN OF MONCKS CORNER, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Justice										
Cases Filed	2,729	2,555	2,318	2,278	3,459	5,215	4,863	4,850	4,522	4,719
Police										
Part I Offenses ¹	463	474	473	489	488	641	494	582	575	508
Fire										
Emergency Calls	1,953	1,853	1,620	1,111	1,179	1,193	1,028	836	890	780
Inspections ²	699	530	123	253	183	252	518	3,499	3,122	2,208
Community Development										
Building Permits	573	521	485	535	629	434	398	402	408	349
Dwelling Units	4,925	4,678	4,596	4,342	4,088	3,838	3,662	3,528	3,351	3,236
Culture and Recreation										
Youth Athletic Enrollment	885	2,130	1,318	1,139	1,009	1,156	1,234	1,232	1,214	1,183

Sources: Various town departments.

¹ Part I offenses are murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson.² 2010 - 2013 Fire Inspections based on former Fire Inspector's calculations.

TOWN OF MONCKS CORNER, SOUTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation Acreage	70.95	70.95	70.95	70.95	70.95	70.95	70.95	70.95	70.95	70.95
Recreation Facilities	2	2	2	2	2	2	2	2	2	2
Community Development										
Streets - Miles	103.26	103.26	99.52	91.69	89.58	88.76	86.24	85.17	84.12	82.69
Total Acres	6,771.20	6,771.20	5,592.96	4,989.53	4,972.91	4,941.71	4,941.45	4,936.02	4,888.89	4,730.64

Sources: Various town departments and asset database.







COMPLIANCE SECTION

- Independent Auditor's Report





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INDEPENDENT AUDITORS' 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 Members of Town Council
Town of Moncks Corner
Moncks Corner, 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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Moncks Corner, South Carolina, as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Moncks Corner, South Carolina's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Moncks Corner, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Moncks Corner, 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 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 statement of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given those 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Moncks Corner, South Carolina's financial statements are free from material misstatements, 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.

A handwritten signature in black ink that reads "Baird Audit Group, LLC". The script is cursive and fluid, with the letters connected.

The Baird Audit Group, LLC

Augusta, Georgia
June 14, 2021