



**Town of Moncks Corner
South Carolina
Annual Comprehensive Financial Report
Year Ended September 30, 2022**

TOWN OF MONCK'S CORNER



The Lowcountry's Hometown South Carolina

Annual Comprehensive Financial Report

Year Ended September 30, 2022

Prepared by the
Town of Moncks Corner Administration Department





INTRODUCTORY SECTION

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- Transmittal Letter
- Principal Officials
- Organization Chart
- Certificate of Achievement for Excellence in Financial Reporting



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The Lowcountry's Hometown

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

April 5, 2023

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 annual comprehensive financial report of the Town of Moncks Corner for the fiscal year ended September 30, 2022.

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, 2022 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, 2022, 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 10.87 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, information technology, 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, 2021 population estimates 13,644 residents. A significant portion of growth can be attributed to the annexation of new areas being developed. Within the past ten years, over eighteen hundred housing units and at least twenty-four 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 47%; hospitality tax revenue 58%; and business license revenue 43%. 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 78% of the total general fund expenditures. This represents seven months of general operating funds and falls above the Government Finance Officers Association (GFOA) best practices recommended two months. The Town does anticipate using the general fund's unassigned fund balance for the approved fiscal year 2022/2023 General Fund budget. The fund balance is predicted to remain at 39% of the total general fund which is a little over three months of general operating funds which is still above the recommended two months.

The Town issued \$1,780,000 general obligation bonds in December 2014 to finance various projects and equipment purchases. As of fiscal year end, the Town has approximately \$1.3 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 \$3,982,286. 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, soccer fields, 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 \$5.1 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 budgeted 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. The Town is currently conducting a space needs analysis to determine existing and anticipated future space needs with an emphasis in the recreation department. With the hopes of adding more opportunities for the community.

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 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. The Town collaborates 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). ARPA Business Assistance Grant was started this year helping business improve not only businesses facades but also help with their website development.

Moncks Corner has created several ways to achieve strategic goal 5, improve operations / communications. First, the Town has created an app for your phone to inform citizens of Town Council meetings, agendas, departmental services, recreation, and events. Also, there is website that provides citizens and businesses downloadable forms, access to municipal legislation adopted by the Town, and links to other governmental agencies for their convenience. The Town has established a Facebook, Twitter, and Instagram page to promote a better understanding of the services the Town provides and our efforts to meet expectations.

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 Moncks Corner Regional Recreation Complex was the first step in exceling recreation programs to our community which included softball/baseball fields, football field, press box, soccer fields, basketball courts, parking and two concession stands. Several programs have been developed such as adult sports, adult classes, and a youth summer camp program. The Town has initiated an online registration process for the efficiency of youth sports and camp sign-ups. The Town partnered with local businesses, civic organizations, community leaders along with citizens to bring resources together and constructed a Miracle League Field for special needs. 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 Cauley, 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, Chadwick Sweatman, DeWayne G. Kitts, Michael A. Locklear (Mayor), David A. Dennis, Jr. (Mayor Pro-Tempore), Latorie Lloyd and James N. Law, Jr.

MANAGEMENT

Jeffrey V. Lord

Town Administrator

Marilyn Baker

Administrative Services Director - Clerk to Council

Justine Lovell

Finance Director

Doug Polen

Community Development Director

Robert Gass

Fire Chief

Shaheena Bennett

Municipal Judge

Stephen Young

Interim Police Chief

Logan Faulkner

Public Service Director

Rebecca Ellison

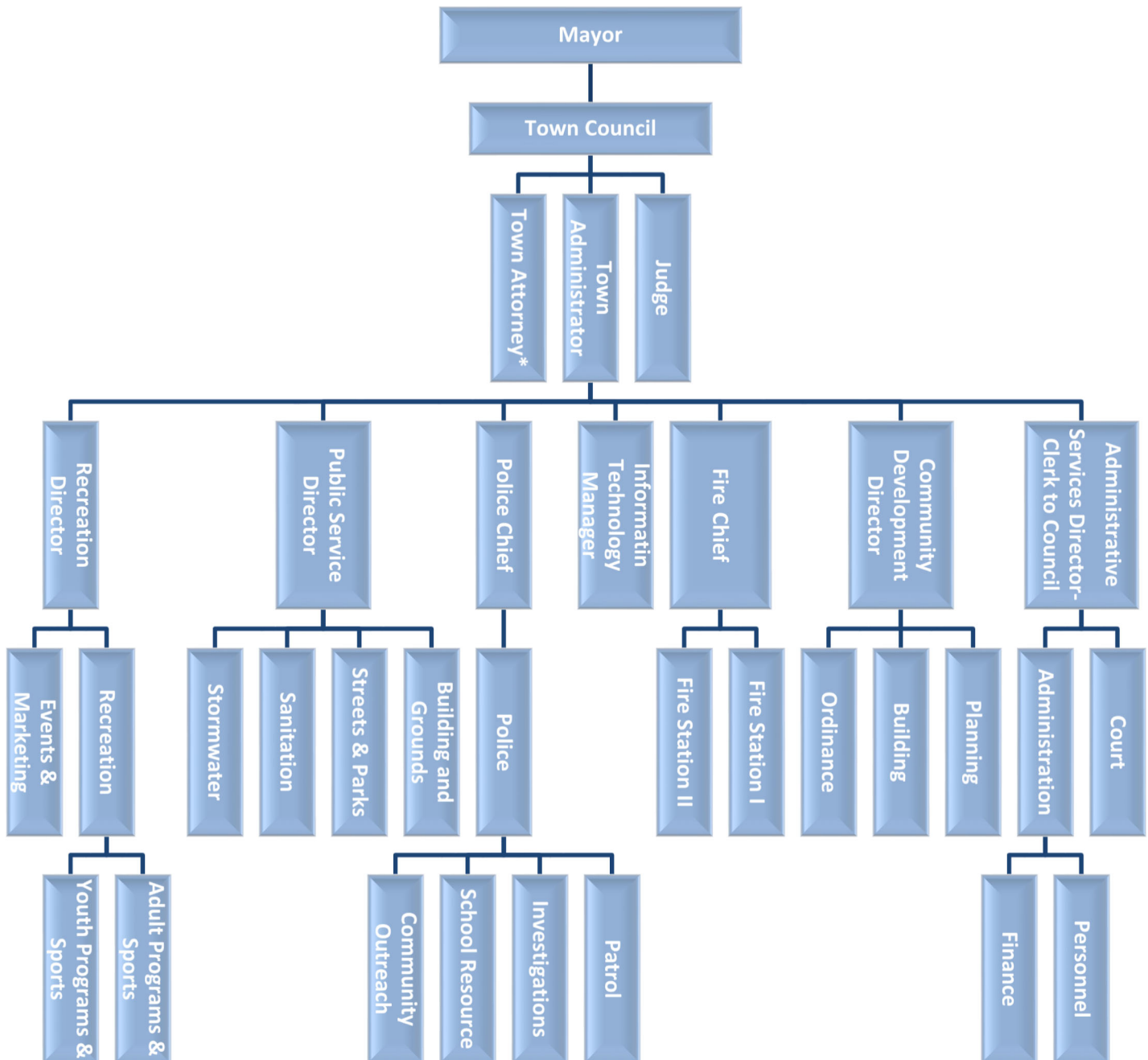
Recreation Director

Mo Ibrahim

Information Technology Manager

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

- Independent Auditors' Report
- Management's Discussion & Analysis
- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information
- Supplementary Information





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INDEPENDENT AUDITORS' REPORT

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

We 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, 2022, 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, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements due to fraud or error. In making those risk assessments, the auditor considers internal control 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 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, 2022, and the respective changes in financial position 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 and 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 17-26 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 Auditing 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 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, the combining and individual nonmajor fund financial statements, is 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 related 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 other 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 April 5, 2023, on our consideration of the Town of Moncks Corner'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 Moncks Corner, South Carolina's internal control over financial reporting and compliance.



The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
April 5, 2023



TOWN OF MONCKS CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022

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, 2022, as compared to fiscal year ended September 30, 2021.

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 \$17,659,000 (net position). Of the total net position, approximately \$13,103,000 is the net investment in capital assets, approximately \$1,894,000 is restricted, and the remaining amount of approximately \$2,662,000 is unrestricted.
- The government's total net position increased approximately \$4,173,000 (31%) due to total expenses of approximately \$13,443,000 being exceeded by total revenues of approximately \$17,616,000.
- At close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of approximately \$12,314,000, an increase of approximately \$2,617,000 (27%) in comparison with prior fiscal year.
- At the end of the fiscal year, unassigned fund balance for the General Fund was approximately \$10,936,000 or 91% of total General Fund expenditures for the year ended September 30, 2022.
- The Town's net capital assets were approximately \$20,380,000, increasing by approximately \$1,217,000 (6%) during the current fiscal year, due to additions of approximately \$2,094,000 offset by depreciation expense of approximately \$871,000, and net disposals of approximately \$6,000.
- The Town's total long-term obligations decreased by approximately \$238,000 (3%) during the current fiscal year due to principal payments on outstanding debt of approximately \$608,000 offset by the increase in the compensated absences liability of \$19,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

Basic Financial Statements

This discussion and analysis are 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.

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.

TOWN OF MONCKS CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Basic Financial Statements (Continued)

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 the funds of the Town are reported in one category: governmental 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 five major funds: the General Fund, American Rescue Plan Act (ARPA) Fund, the Franchise Fund, the Local Tax Fund, and the Capital Improvement Fund. The Town also maintains ten non-major governmental funds presented in a total column termed as "Other Non-Major Governmental Funds".

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 and Local Tax Fund. Budgetary comparison schedules have been provided for these funds as required supplementary information: the Capital Improvements Fund and all other special revenue funds that have legally adopted budgets 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, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements for the fiscal year ended September 30, 2022, are prepared using the financial statement-reporting model as mandated by the Governmental Accounting Standards Board (GASB).

STATEMENT OF NET POSITION

	2022	2021
Assets		
Current and other assets	\$ 21,184,751	\$ 15,118,253
Capital assets	20,379,885	19,163,104
Total Assets	41,564,636	34,281,357
Deferred Outflows of Resources		
Deferred OPEB charges	43,086	22,915
Deferred pension charges	3,335,509	2,024,378
Total Deferred Outflows of Resources	3,378,595	2,047,293
Liabilities		
Net OPEB liability	2,821	63,286
Net pension liability	9,685,333	8,250,107
Other long term liabilities	7,458,540	8,048,151
Other liabilities	2,701,519	429,251
Total Liabilities	19,848,213	16,790,795
Deferred Inflows of Resources		
Deferred revenue	5,499,381	4,475,396
Deferred OPEB credits	52,447	7,982
Deferred pension credits	1,883,964	1,567,767
Total Deferred Inflows of Resources	7,435,792	6,051,145
Net Position		
Net invested in capital assets	13,103,417	11,277,810
Restricted for		
Public safety	141,410	184,044
Tourism	648,217	22,998
Capital projects	700,593	725,492
Debt service	81,731	171,614
Stormwater	255,119	496,630
Other	66,440	54,299
Unrestricted	2,662,299	553,823
Total Net Position	\$ 17,659,226	\$ 13,486,710

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 \$17,659,000 as of September 30, 2022. An increase of approximately \$4,713,000 (31%) from last fiscal year as discussed in detail below.

Total assets increased approximately \$7,283,000 (21%) primarily due to an increase of approximately \$1,217,000 (6%) in capital assets and an increase of approximately \$6,066,000 (40%) in current assets. The current assets increase of \$6,066,000 is primarily due to increases of approximately \$6,016,000 in cash and cash equivalents resulting from ARPA funds received in FY2022. The Town's net capital assets increased by approximately \$1,217,000 during the current fiscal year to additions of approximately \$2,094,000 offset by depreciation expense of approximately \$871,000, and net disposals of approximately \$6,000. Major additions included construction of the Miracle League Field, public safety vehicles, and one garbage truck.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022

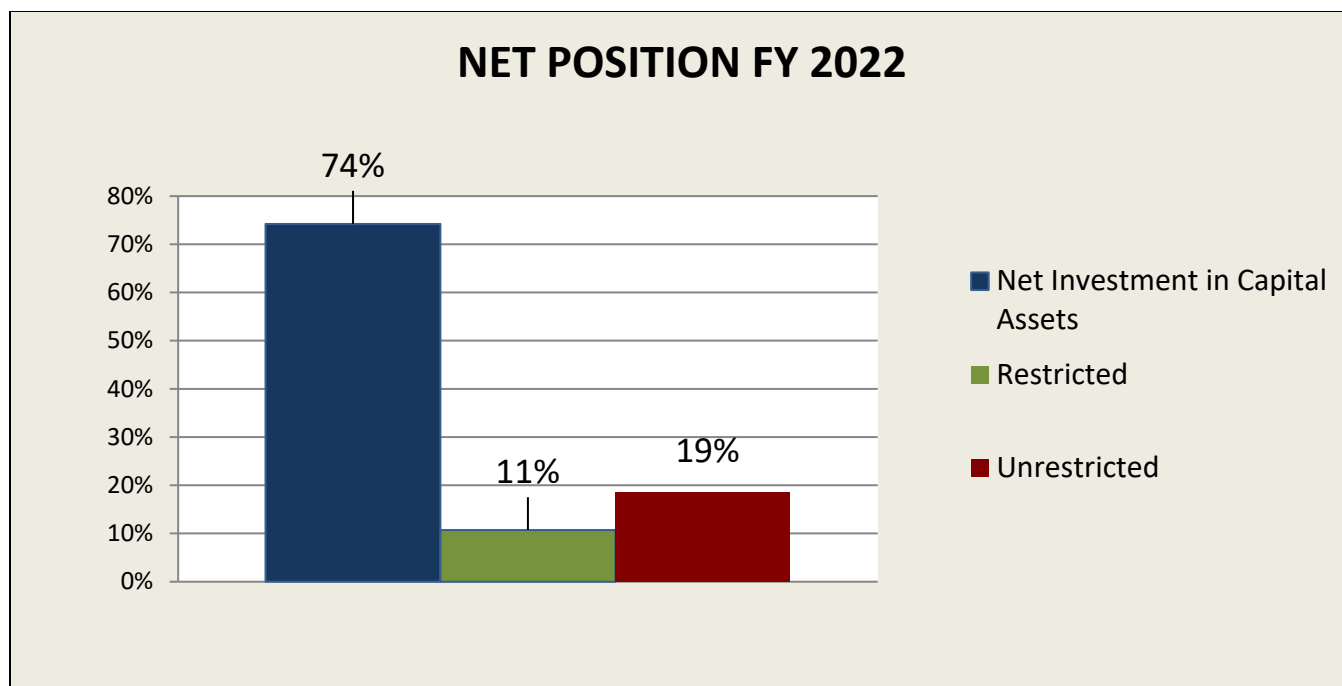
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Total deferred outflows of resources increased approximately \$1,331,000 (65%) primarily due to changes in the actuarial valuations of the State retirement plans. Total liabilities at September 30, 2022, increased approximately \$3,057,000 (18%) primarily due to increases of approximately \$1,435,000 (17%) in the net pension liability and an increase of approximately \$2,272,000 (529%) in other liabilities due to approximately \$2,260,000 in unexpended ARPA revenues that were reported as unearned revenues as of year-end. Deferred inflows of resources increased approximately \$1,385,000 (23%) primarily due to an increase of approximately \$316,000 (20%) in deferred pension credits and \$1,024,000 (23%) in deferred revenue.

Assets exceeded liabilities and deferred inflows of resources by approximately \$17,659,000 (net position). The largest portion of the Town's net position, approximately \$13,103,000, 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.

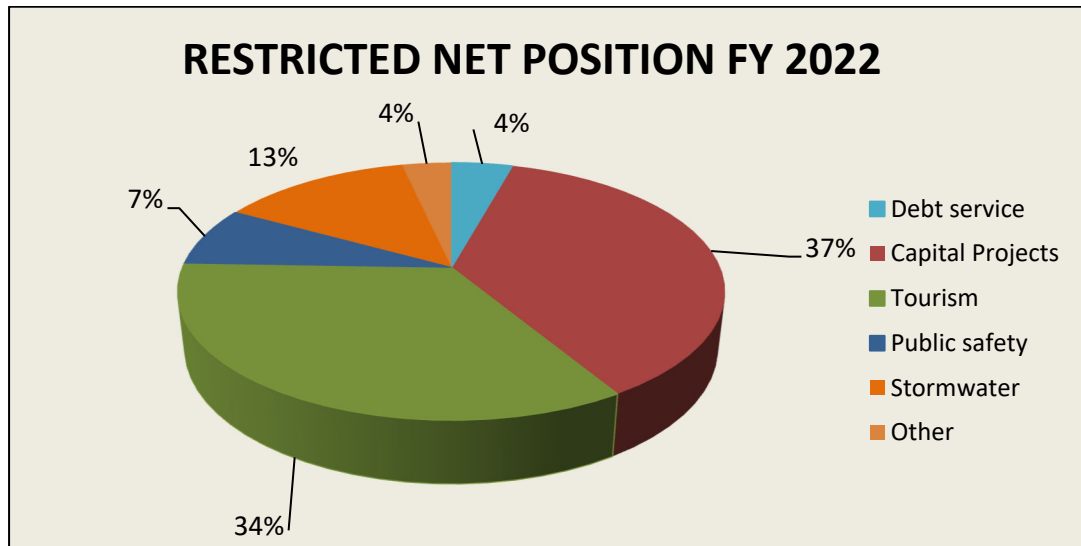
An additional portion of the Town's net position, approximately \$1,893,000 (11%) is restricted for public safety, tourism, capital projects, debt service and other obligations. One portion of restricted net position, approximately \$82,000, is to be expended for the Town's annual general and revenue bond payments and other obligations. The remainder, approximately \$1,812,000, is restricted for capital projects, public safety, tourism, and other obligations.

The Town's unrestricted net position of \$2,662,000 or (15%) 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, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



STATEMENT OF ACTIVITIES

	2022	2021
REVENUES		
Program Revenues		
Charges for services	\$ 6,398,311	\$ 5,352,205
Operating grants and contributions	1,577,365	583,540
Capital grants and contributions	10,759	1,815,641
General Revenues		
Property taxes, including fee in lieu of taxes	3,533,454	3,435,324
Local option sales taxes	2,607,359	2,047,987
Hospitality taxes	1,434,862	1,272,467
Accommodations taxes	76,541	52,526
Franchise fees	946,329	956,983
Unrestricted revenue from use of money and property	84,762	61,202
Intergovernmental	308,841	217,991
Miscellaneous	637,385	273,607
Total Revenues	17,615,968	16,069,473
EXPENSES		
Administration	3,116,837	3,452,061
Community Development	745,965	782,549
Police	3,057,661	3,082,517
Fire	2,418,278	2,304,781
Public service	2,485,980	2,086,640
Recreation	1,418,593	1,435,789
Interest and other charges	200,138	155,060
Total Expenses	13,443,452	13,299,397
Change in Net Position	4,172,516	2,770,076
Net Position - Beginning of Year - As Previously Reported	13,486,710	10,716,634
Net Position - End of Year	\$ 17,659,226	\$ 13,486,710

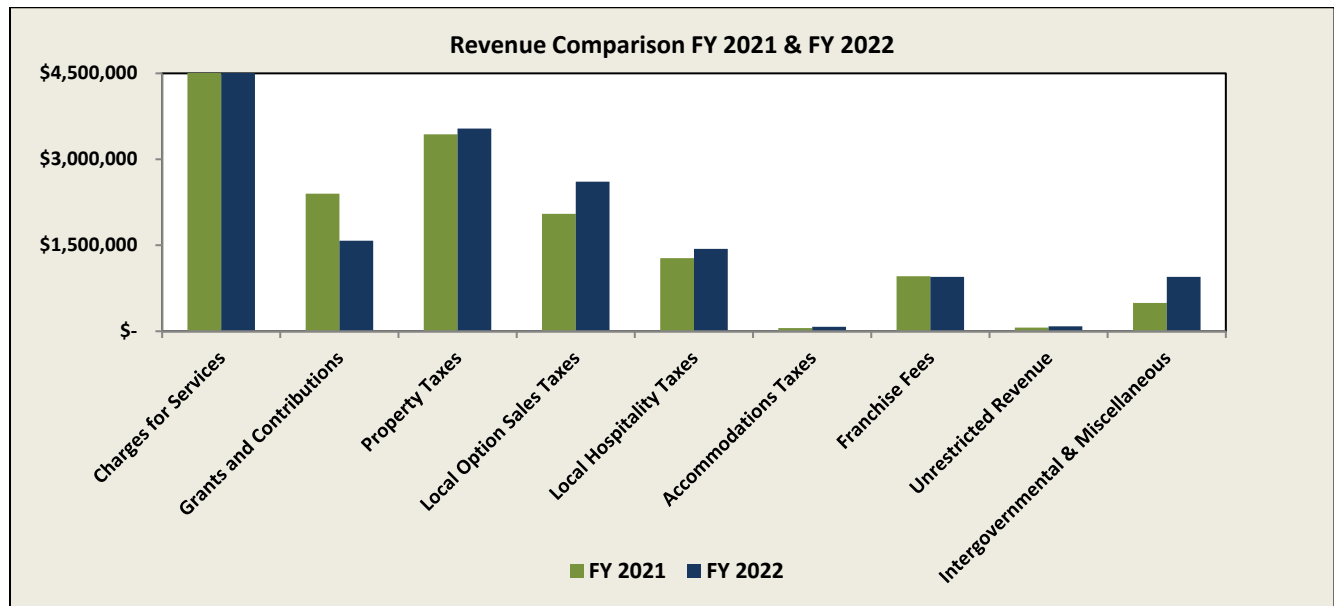
TOWN OF MONCK'S CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The Town's net position increased approximately \$4,173,000 (31%) from the prior year due to revenues exceeding expenditures as discussed below.

Total revenues increased approximately \$1,546,000 (10%) from the prior year with key elements of this increase as follows:

- Charges for services increased approximately \$1,046,000 (20%) primarily due to the increases in stormwater fees, sanitation fees, and recreation fees.
- Operating grants and contributions increased about \$994,000 (170%) from fiscal year 2022 primarily due to the ARPA fund revenues of \$723,000 received in FY2022.
- Capital grants and contributions decreased approximately \$1,805,000 (99%) primarily due to decreases in FEMA PDMC Grant Revenues received in FY2022.
- Property taxes increased approximately \$98,000 (3%) primarily due to an increase in assessed values.
- Local options sales taxes and hospitality taxes increased approximately \$722,000 (22%) due to increases in hospitality driven revenues related to decreases in COVID-19 restrictions.
- Miscellaneous revenues increased approximately \$364,000 (133%) due to increases in Miracle League Field donations of approximately \$503,000 received in FY2022.



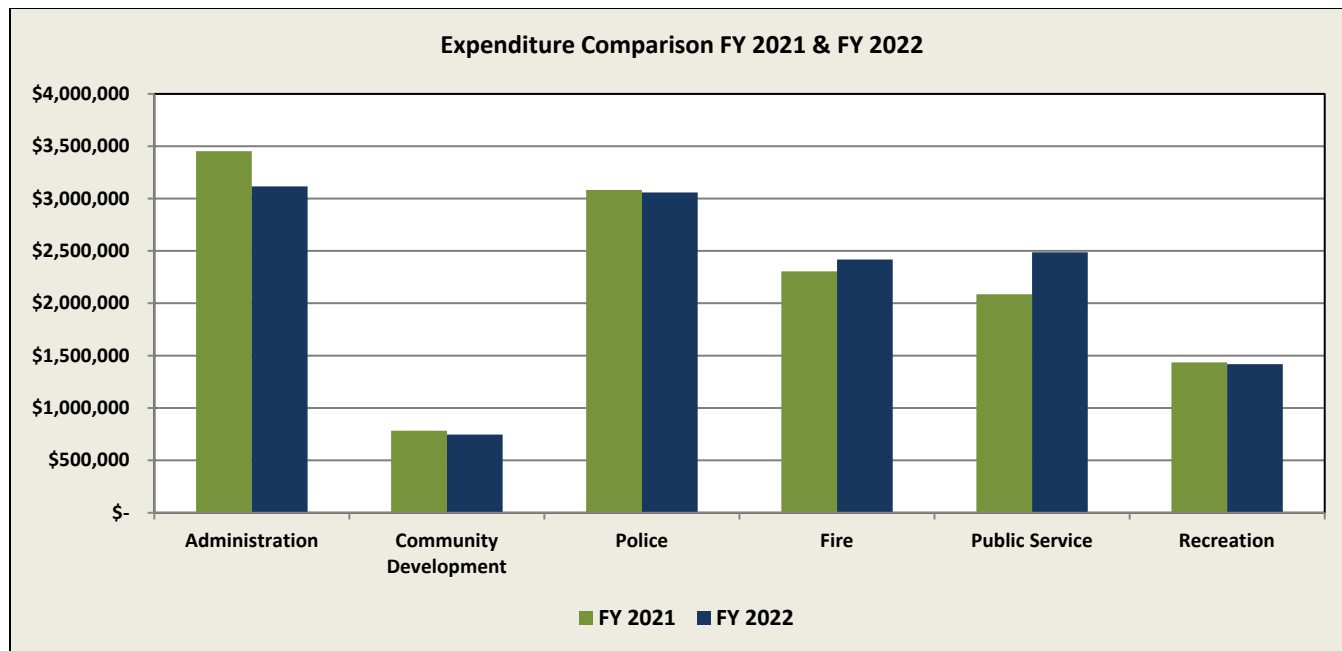
The Town's total departmental expenses, excluding interest expense, increased approximately \$99,000 (<1%) from the prior year with key elements of this increase as follows:

- Public Services expenditures increased approximately \$399,000 (19%) due to construction of the new Miracle League Field in FY22.
- Administration expenditures decreased approximately \$335,000 (10%) due to a one-time bonus payment that was made using ARPA funds.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022

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 2022, the Town's governmental funds reported combined ending fund balances of approximately \$12,314,000. Of this amount, approximately \$123,000 is restricted for debt payments on the revenue and general obligation bonds. Other restricted amounts are as follows: Approximately \$648,000 restricted for tourism, \$255,000 for stormwater, approximately \$141,000 restricted for public safety, approximately \$51,000 for capital projects, approximately \$24,000 for tree mitigation, approximately \$27,000 for firefighters 1% funds, and approximately \$16,000 for victims' services. The non-spendable amount of approximately \$94,000 is for prepaid items. The remainder of the total governmental fund balance of approximately \$10,936,000 is unassigned fund balance.

General Fund - The General Fund is the chief operating fund of the Town. As of September 30, 2022, the total fund balance was approximately \$11,030,000. 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 \$10,936,000 represents approximately 91% of the total General Fund expenditures for the year ended September 30, 2022. This total represents about nine months of general operating funds. The net increase in the fund balance of the General Fund was approximately \$2,740,000 (33%) during fiscal year 2022. Some of the financial highlights for the General Fund are as follows:

- General Fund revenues increased by approximately \$1,953,000 (16%) over the prior year primarily due to the following:
 - Taxes increased approximately \$623,000 (12%) due to an increase in assessed values as annexed areas were incorporated in Town.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (CONTINUED)

- Licenses, permits and franchise fees increased by approximately \$1,011,000 (24%) primarily related to an increase in business licenses fees due to continued growth in the area.
- General Fund expenditures increased by approximately \$1,372,000 (13%) over the prior year primarily due to the following:
 - Salaries and fringe benefits increased approximately \$538,000 (28%) primarily due to merit and staffing increases; and increases in mandatory fringe benefit contributions.
 - Expenditures for the Public Services Department increased approximately \$337,000 (20%) primarily due to costs associated with the new public services facility.
 - Community Development departmental expenditures increased \$194,000 (43%) primarily due to decrease in sanitation contract fees.
 - Capital Outlay increased \$165,000 (41%) due to an increase in costs related to the construction of the new Miracle League field, and public service vehicles and equipment.
- General Fund financing sources (uses) resulted in a net decrease of uses of approximately \$423,000 from last fiscal year primarily due to the following:
 - Net transfers decreased \$79,000 (9%) due to \$664,000 in transfers out of the General Fund in fiscal year 2022.
 - Proceeds on issuance of debt decreased \$353,000 (100%) due to there being no new debt issuances in FY2022.

American Rescue Plan Act (ARPA) Fund- The American Rescue Plan Act Fund is used to account for the resources received from the American Rescue Plan Act. These revenues are restricted for expenditures in accordance with the terms of the grant agreement and enacting legislation.

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.

Local Tax 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. In FY2022, revenues and other financing sources exceeded expenditures and other financing uses by approximately \$419,000. The Local Tax Fund had a fund balance of \$624,000 at the end of the fiscal year.

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 FY22 there were no capital improvement funds used for general operating purposes. The Capital Improvements Fund had a fund balance of \$15,000 at the end of the fiscal year.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (CONTINUED)

Other Governmental Funds - The Other Governmental Funds are non-major funds which have a combined total fund balance of approximately \$645,000, a decrease of approximately \$543,000 (46%) from last year. Other Governmental Funds consist of seven 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 FEMA PDMC Grant fund is used to account for the accumulation of resources from the Town's pre-disaster mitigation grant program administered through FEMA. 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.

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 \$13,890,000 and were approximately \$1,747,000 (14%) more than budgeted revenues.

Actual expenditures were approximately \$11,986,000 and were approximately \$1,399,000 (10%) less than budgeted expenditures.

Overall, the fund balance of the General Fund increased approximately \$2,740,000 compared to a budgeted decrease of fund balance of approximately \$587,000. A budgetary comparison schedule can be found as listed in the table of contents.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The Town's capital assets for its governmental activities as of September 30, 2022, amount to approximately \$20,380,000 (net of accumulated depreciation). This amount is an increase of approximately \$1,217,000 (6%) from the prior year as additions of approximately \$2,094,000 were offset by depreciation expense of approximately \$871,000 and net disposals of approximately \$6,000. Major additions included construction in process related to the Miracle League Field of approximately \$1,118,000, public safety vehicles of approximately \$199,000 and public service vehicles including one garbage truck of approximately \$298,000.

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 obligations were approximately \$7,459,000 (including compensated absences). Approximately \$1,168,000 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, 2022, the debt limitation for the Town was approximately \$5,419,000. Total assessed value of real, personal, and vehicle taxes within the Town's taxing jurisdiction is approximately \$67,743,000. The Town is currently at twenty-six percent (27%) of its general obligation bond debt limit resulting in an unused legal debt margin of approximately \$4,251,000.

The Town's total long-term obligations decreased by approximately \$590,000 (7%) during the current fiscal year primarily due to scheduled principal payments on outstanding debt of approximately \$609,000 offset by increases in compensated absences of approximately \$19,000.

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

TOWN OF MONCKS CORNER, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

- Property taxes will increase slightly as more areas are annexed.
- Operating millage will increase by 10 mills for a total of 74.1 mills for FY 2023.
- Debt mills will remain the same at 3 mills for general obligation bond debt.
- Property tax credits of \$1,119,000 will be allocated to the municipal taxpayers on their tax bills as part of the fiscal year 2023 budget.
- The Police Department was awarded the Department of Public Safety Grant for a traffic officer again for FY 2023.
- 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 with this being the third and final year of the grant.
- Other personnel costs are anticipated to increase as health insurance rates increase for fiscal year 2023 by 18.1%.
- The Town is currently conducting a space needs analysis to determine existing and anticipated future space needs with an emphasis in the recreation department.
- Purchase of a new Spartan Pumper Truck for the fire department.
- Increase in prices for all products, along with shortages and product availability for supplies, utilities, workers compensation insurance, liability insurance and more.

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@monckscornersc.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, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 11,114,508
Receivables:	
Due from other governments	669,551
Taxes receivable	5,606,264
Accounts receivable	213,969
Prepaid expenses	93,687
Cash and cash equivalents - restricted	3,486,772
Capital assets:	
Non-depreciable	6,710,068
Depreciable, net	13,669,817
TOTAL ASSETS	41,564,636
DEFERRED OUTFLOWS OF RESOURCES	
Deferred other postemployment benefit ("OPEB") charges	43,086
Deferred pension charges	3,335,509
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,378,595
LIABILITIES	
Accounts payable	257,133
Bail and bonds posted	14,375
Accrued salaries and wages	118,458
Unearned revenue	2,268,206
Accrued interest payable	43,347
Noncurrent Liabilities:	
Due within one year	743,598
Due in more than one year	6,714,942
Net OPEB liability - due in more than one year	2,821
Net pension liability - due in more than one year	9,685,333
TOTAL LIABILITIES	19,848,213
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	5,499,381
Deferred OPEB credits	52,447
Deferred pension credits	1,883,964
TOTAL DEFERRED INFLOWS OF RESOURCES	7,435,792
NET POSITION	
Net investment in capital assets	13,103,417
Restricted for:	
Public safety	141,410
Tourism	648,217
Capital projects	700,593
Debt service	81,731
Stormwater	255,119
Other	66,440
Unrestricted	2,662,299
TOTAL NET POSITION	\$ 17,659,226

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, 2022

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	\$ 3,116,837	3,335,289	723,128	-	\$ 941,580
Community development	745,965	1,953,277	-	10,759	1,218,071
Police	3,057,661	95,398	512,742	-	(2,449,521)
Fire	2,418,278	-	341,495	-	(2,076,783)
Public service	2,485,980	572,414	-	-	(1,913,566)
Recreation	1,418,593	441,933	-	-	(976,660)
Interest Expense	200,138	-	-	-	(200,138)
TOTAL PRIMARY GOVERNMENT	\$ 13,443,452	6,398,311	1,577,365	10,759	(5,457,017)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					3,533,454
Local Option Sales Taxes					2,607,359
Hospitality Taxes					1,434,862
Accommodation Taxes					76,541
Franchise Fees					946,329
Unrestricted Revenue from Use of Money and Property					84,762
Intergovernmental					308,841
Miscellaneous					613,467
Gain on Disposal of Capital Assets					23,918
Total General Revenues					<u>9,629,533</u>
CHANGE IN NET POSITION					4,172,516
NET POSITION, Beginning of Year					<u>13,486,710</u>
NET POSITION, End of Year					<u>\$ 17,659,226</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, 2022

	GENERAL FUND	AMERICAN RESCUE PLAN ACT (ARPA) FUND
ASSETS		
Cash and cash equivalents	\$ 11,066,640	-
Receivables:		
Due from other governments	19,559	-
Taxes receivable	5,389,536	-
Accounts receivable	190,662	-
Prepaid items	93,687	-
Due from other funds	14,203	-
Cash and cash equivalents - restricted	-	2,260,451
TOTAL ASSETS	\$ 16,774,287	2,260,451
LIABILITIES		
Accounts payable	\$ 255,168	-
Bail and bonds posted	14,375	-
Accrued salaries and wages	118,458	-
Unearned revenue	-	2,260,451
Due to other funds	10,548	-
TOTAL LIABILITIES	398,549	2,260,451
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	60,791	-
Deferred revenue	5,285,397	-
TOTAL DEFERRED INFLOWS OF RESOURCES	5,346,188	-
FUND BALANCES		
Nonspendable:		
Prepaid items	93,687	-
Restricted:		
Public safety	-	-
Tourism	-	-
Capital projects	-	-
Debt service	-	-
Stormwater	-	-
Tree mitigation	-	-
Firefighters' 1% fund	-	-
Victims' services	-	-
Unassigned	10,935,863	-
TOTAL FUND BALANCES	11,029,550	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 16,774,287	2,260,451

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

FRANCHISE FUND	LOCAL TAX FUND	CAPITAL IMPROVEMENT FUND	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
-	-	10,160	37,708	\$ 11,114,508
649,992	-	-	-	669,551
-	-	-	216,728	5,606,264
-	-	-	23,307	213,969
-	-	-	-	93,687
-	4,632	4,698	3,515	27,048
-	635,983	-	590,338	3,486,772
649,992	640,615	14,858	871,596	\$ 21,211,799
-	-	-	1,965	\$ 257,133
-	-	-	-	14,375
-	-	-	-	118,458
-	-	-	7,755	2,268,206
-	16,500	-	-	27,048
-	16,500	-	9,720	2,685,220
649,992	-	-	2,460	713,243
-	-	-	213,984	5,499,381
649,992	-	-	216,444	6,212,624
-	-	-	-	93,687
-	-	-	141,410	141,410
-	624,115	-	24,102	648,217
-	-	14,858	35,743	50,601
-	-	-	122,618	122,618
-	-	-	255,119	255,119
-	-	-	23,800	23,800
-	-	-	26,633	26,633
-	-	-	16,007	16,007
-	-	-	-	10,935,863
-	624,115	14,858	645,432	12,313,955
649,992	640,615	14,858	871,596	\$ 21,211,799

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

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

SEPTEMBER 30, 2022

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	12,313,955
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 \$27,314,396 and the accumulated depreciation was \$6,934,511.		20,379,885
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		63,251
Franchise fees		649,992
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.		(8,233,788)
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.		(12,182)
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		(7,276,468)
Compensated absences		(182,072)
Accrued interest payable		(43,347)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	17,659,226

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, 2022

	GENERAL FUND	AMERICAN RESCUE PLAN ACT (ARPA) FUND
REVENUES		
Taxes	\$ 5,937,824	-
Licenses, permits, and franchise fees	5,270,382	-
Intergovernmental revenue	1,142,062	723,128
Charges for services	1,281,644	-
Fines and forfeitures	71,507	-
Miscellaneous revenues	186,290	-
TOTAL REVENUES	13,889,709	723,128
EXPENDITURES		
Current:		
Administrative	2,468,540	417,589
Community development	640,923	-
Police	2,718,996	-
Fire	2,179,329	-
Public service	2,058,229	-
Recreation	1,089,491	-
Capital outlay	568,112	305,539
Debt service:		
Principal	237,826	-
Interest	24,689	-
TOTAL EXPENDITURES	11,986,135	723,128
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,903,574	-
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	30,118	-
Transfers in	1,470,736	-
Transfers out	(664,353)	-
TOTAL OTHER FINANCING SOURCES (USES)	836,501	-
NET CHANGES IN FUND BALANCES	2,740,075	-
FUND BALANCES, Beginning of Year	8,289,475	-
FUND BALANCES, End of Year	\$ 11,029,550	-

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

FRANCHISE FUND	LOCAL TAX FUND	CAPITAL IMPROVEMENT FUND	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
-	1,459,009	-	206,563	\$ 7,603,396
-	-	-	37,075	5,307,457
-	-	-	84,403	1,949,593
-	-	-	514,988	1,796,632
-	-	-	12,941	84,448
-	4,632	545	506,528	697,995
-	1,463,641	545	1,362,498	17,439,521
-	-	-	218,732	3,104,861
-	-	-	10,604	651,527
-	-	-	19,080	2,738,076
-	-	-	24,980	2,204,309
-	-	-	144,572	2,202,801
-	4,611	-	40,069	1,134,171
-	-	-	1,133,563	2,007,214
-	-	-	371,000	608,826
-	-	-	175,828	200,517
-	4,611	-	2,138,428	14,852,302
-	1,459,030	545	(775,930)	2,587,219
-	-	-	-	30,118
-	-	-	914,353	2,385,089
-	(1,040,000)	-	(680,736)	(2,385,089)
-	(1,040,000)	-	233,617	30,118
-	419,030	545	(542,313)	2,617,337
-	205,085	14,313	1,187,745	9,696,618
-	624,115	14,858	645,432	\$ 12,313,955

TOWN OF MONCK'S 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, 2022

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ 2,617,337**

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.	152,529
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.	608,826
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.	(440,292)
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.	36,171
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.	379
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.	(19,215)
In the Statement of Activities the loss 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.	(6,200)
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 \$2,093,672 exceeded depreciation of \$870,691 in the current period.	1,222,981

TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 4,172,516**

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, 2022

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, 2022

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, 2022

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 major 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 **American Rescue Plan Act (ARPA) Fund, a major fund** and an unbudgeted fund, is used to account for the accumulation of resources from the American Rescue Plan Act. The revenues are restricted for expenditures in accordance with the terms of the grant agreement and enacting legislation.

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, FEMA PDMC Grant, Firefighters' 1%, 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.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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 fair 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, 2022

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 2022 property tax assessment levied for the 2023 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.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets (Continued)

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

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.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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*

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 assets 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. 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 assets 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 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.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Fund Balance (Continued)

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.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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:

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.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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 and the ARPA Fund; thus, no budgetary schedule is presented for these funds. 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.

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, 2022, none of the Town's bank balances of approximately \$3,940,000 (with a carrying value of approximately \$5,028,000) were uncollateralized and exposed to custodial credit risk.

Investments

As of September 30, 2022, 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	\$ 9,572,021	\$ 9,572,021
First American Treasury Money Market	Level 1	AAAm, Aaa-mf	1,315	1,315
Total			<u>\$ 9,573,336</u>	<u>\$ 9,573,336</u>

^ 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, 2022, 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.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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

A. Deposits and Investments (Continued)

Investments (continued)

Certain cash and cash equivalents of the Town are legally restricted for specified purposes. The major types of restrictions at September 30, 2022 were those imposed by the revenue source (i.e. hospitality tax, accommodations tax, etc.) and unspent bond proceeds.

Reconciliation to the Financial Statements

Statement of Net Position	Amount
Unrestricted Current Assets:	
Cash and Cash Equivalents	\$ 11,114,508
Restricted Current Assets:	
Cash and Cash Equivalents, Restricted	3,486,772
Total per the financial statements	\$ 14,601,280
Notes	Amount
Carrying Value of Deposits	\$ 5,027,944
Investments	9,573,336
Total per the notes	\$ 14,601,280

B. Receivables and Deferred Inflows of Resources

The Town's 2021 property taxes were levied on October 1, 2021 and were due beginning on this date based on the assessed valuation as of January 1, 2021. Property taxes were considered late on January 16, 2022. 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 2021 property tax year were 64.1 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, 2022****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, 2022, of the following:

Description	General Fund	Franchise Fund	Stormwater		Totals
			Utility Fund	Debt Service Fund	
Property taxes	\$ 5,389,536	-	-	216,728	\$ 5,606,264
Franchise Fees	-	649,992	-	-	649,992
Other	210,221	-	23,307	-	233,528
Net Receivables	<u>\$ 5,599,757</u>	<u>649,992</u>	<u>23,307</u>	<u>216,728</u>	<u>\$ 6,489,784</u>

There were no material allowances for uncollectible amounts as of September 30, 2022.

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, 2022, the governmental funds had approximately \$713,000 in deferred inflows of resources related to property taxes and franchise fees, that were not available and approximately \$5,499,000 in deferred inflows of resources related to property taxes that were levied for fiscal year 2023.

C. Interfund Receivables, Payables, and Transfers

Interfund balances at September 30, 2022, consisted of the following:

Fund	Receivables	Payables
General Fund	\$ 14,203	\$ 10,548
Local Tax Fund	4,632	16,500
Capital Improvement Fund	4,698	-
Non-major Governmental Funds	3,515	-
Totals	<u>\$ 27,048</u>	<u>\$ 27,048</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, 2022. The Local Tax Fund payable and General Fund receivable is the result of grant expenditures paid out of the General Fund that will be repaid when reimbursements are received. The Local Tax Fund and Capital Improvement Fund receivable is the result of expenditures that were paid out of the General Fund. The Town expects all interfund balances to be repaid within one year.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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, 2022, consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 1,470,736	\$ 664,353
Local A-Tax	-	1,040,000
Non-major Governmental Funds	914,353	680,736
Totals	<u>\$ 2,385,089</u>	<u>\$ 2,385,089</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, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Non-Depreciable:				
Land	\$ 5,397,112	-	-	\$ 5,397,112
Construction In Progress	195,394	1,117,562	-	1,312,956
Total Capital Assets, Non-Depreciable	<u>5,592,506</u>	<u>1,117,562</u>	<u>-</u>	<u>6,710,068</u>
Capital Assets, Depreciable:				
Land Improvements	7,579,099	151,357	-	7,730,456
Buildings	5,551,553	61,879	-	5,613,432
Equipment	1,821,298	283,060	52,277	2,052,081
Vehicles	4,769,673	479,814	41,128	5,208,359
Total Capital Assets, Depreciable	<u>19,721,623</u>	<u>976,110</u>	<u>93,405</u>	<u>20,604,328</u>
Less: Accumulated Depreciation for:				
Land Improvements	1,344,111	231,390	-	1,575,501
Buildings	993,802	126,289	-	1,120,091
Equipment	1,178,109	93,214	47,277	1,224,046
Vehicles	2,635,003	419,798	39,928	3,014,873
Total Accumulated Depreciation	<u>6,151,025</u>	<u>870,691</u>	<u>87,205</u>	<u>6,934,511</u>
Total Capital Assets, Depreciable, Net	<u>13,570,598</u>	<u>105,419</u>	<u>6,200</u>	<u>13,669,817</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,163,104</u>	<u>1,222,981</u>	<u>6,200</u>	<u>\$ 20,379,885</u>

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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	\$ 38,382
Community Development	7,245
Police	132,435
Fire	203,729
Public service	190,294
Recreation	298,606
Total Depreciation Expense - Governmental Activities	<u>\$ 870,691</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.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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

E. Long-Term Obligations (Continued)

Details on the Town's outstanding debt issues for the governmental activities as of September 30, 2022 are as follows:

	Principal Outstanding at Year End
<u>General Obligation Bonds (Direct Placement)</u>	
\$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.	\$ 1,168,000
<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.	5,085,000
<u>Financed Purchase Obligations (Direct Placement)</u>	
\$483,000 financed purchase 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 financed purchase obligation were used to purchase a fire truck.	353,468
\$633,000 financed purchase 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 financed purchase obligation were used to purchase three sanitation vehicles and a truck.	386,000
\$353,000 financed purchase was entered into in December 2020, with annual installments ranging from \$72,693 to \$73,534 which includes interest at 1.840%. The proceeds from this financed purchase obligation were used to purchase two sanitation vehicles.	284,000
<u>Total Outstanding Debt Issuances</u>	<u>\$ 7,276,468</u>

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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, 2022 is presented below.

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds:					
GO Bond Series 2014	\$ 1,319,000	-	151,000	1,168,000	\$ 155,000
Total General Obligation Bond Debt	1,319,000	-	151,000	1,168,000	155,000
Revenue Bonds:					
Series 2019	5,305,000	-	220,000	5,085,000	225,000
Total Revenue Bond Debt	5,305,000	-	220,000	5,085,000	225,000
Financed Purchases:					
Fire Truck - Series 2019	398,294	-	44,826	353,468	46,162
Property Lease - Series 2020	510,000	-	124,000	386,000	126,000
Sanitation Equipment - Series 2020	353,000	-	69,000	284,000	70,000
Total Lease Purchases	1,261,294	-	237,826	1,023,468	242,162
Compensated Absences	162,857	127,835	108,620	182,072	121,436
Total Governmental Activities	\$ 8,048,151	127,835	717,446	7,458,540	\$ 743,598

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, 2022, the Town had approximately \$1,168,000 of bonded debt subject to the 8% limit of approximately \$5,419,000 resulting in an unused legal debt margin of approximately \$4,251,000.

Presented below are the debt service requirements to maturity as of September 30, 2022.

Year Ending September 30,	Principal	Interest	Total
2023	\$ 622,162	186,287	\$ 808,449
2024	636,514	171,649	808,163
2025	653,954	156,548	810,502
2026	533,413	141,086	674,499
2027	477,915	127,765	605,680
2028-2032	1,797,511	463,190	2,260,701
2033-2037	1,530,000	249,504	1,779,504
2038-2040	1,025,000	42,711	1,067,711
Totals	\$ 7,276,468	1,538,740	\$ 8,815,209

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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, 2022, the Town made premium payments totaling approximately \$389,000. SCMIRF's net position from its most recently issued audited financial statements at December 31, 2021 totaled approximately \$14,371,000.

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, 2022, the Town made payments totaling approximately \$246,000. The South Carolina State Accident Fund's net position from its most recently issued audited financial statements as of June 30, 2022 totaled approximately \$49,540,000.

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 retirement systems and benefit 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 pension 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.

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the System's Pension Trust Funds. The ACFR 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. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR of the state.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals newly elected to the South Carolina General Assembly.

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

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Contributions (Continued)

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half percent in any one year if necessary, in order to improve the funding of the plans. The statute sets rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for the SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

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 two years (effective July 1) are as follows:

	SCRS Rates		PORS Rates	
	2023	2022	2023	2022
Employer Contribution Rate: ^				
Retirement	17.41%	16.41%	19.84%	19.84%
Incidental Death Benefit	0.15%	0.15%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.20%	0.20%
	<u>17.56%</u>	<u>16.56%</u>	<u>20.24%</u>	<u>20.24%</u>
Employee Contribution Rate ^	<u>9.00%</u>	<u>9.00%</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 actual and required contributions to the SCRS and PORS were approximately \$397,000 and \$555,000, respectively, for the year ended June 30, 2023 and include the nonemployer contributions noted below.

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, 2023. 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, 2023 (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, 2022. 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, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Actuarial Assumptions and Methods

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

The June 30, 2022 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, and are based on an actuarial valuation performed as of July 1, 2021. The TPL was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022 (measurement date) for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	3.0% to 11.0% (varies by service)	3.5% to 10.5% (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 2020 Public Retirees of South Carolina Mortality table ("2020 PRSC"), were developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

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

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, 2022 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	\$ 56,454,779,872	32,212,626,932	\$ 24,242,152,940	57.1%
PORS	\$ 8,937,686,946	5,938,707,767	\$ 2,998,979,179	66.4%

The 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, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

At September 30, 2022, the Town reported liabilities of approximately \$4,539,000 and \$5,147,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2022, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2021 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, 2022 measurement date, the Town's SCRS proportion was 0.018722 percent, which was an increase of 0.000953 percent from its proportion measured as of June 30, 2021. At the June 30, 2022 measurement date, the Town's PORS proportion was 0.171617 percent, which was an increase of 0.000423 percent from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the Town recognized pension expense of approximately \$1,393,000, including \$686,000 and \$707,000 for the SCRS and PORS, respectively. At September 30, 2022, 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	\$ 39,432	\$ 19,779
Change in Assumptions	145,563	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	667,688	660,689
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	516,452	-
Employer Contributions Subsequent to the Measurement Date	112,956	-
Total SCRS	<u>1,482,091</u>	<u>680,468</u>
PORS		
Differences Between Expected and Actual Experience	86,352	101,743
Change in Assumptions	214,319	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,116,805	1,101,263
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	282,389	490
Employer Contributions Subsequent to the Measurement Date	153,553	-
Total PORS	<u>1,853,418</u>	<u>1,203,496</u>
Total SCRS and PORS	<u>\$ 3,335,509</u>	<u>\$ 1,883,964</u>

Approximately \$113,000 and \$154,000 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, 2023. 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, 2022

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
2023	\$ 357,119	303,683	\$ 660,802
2024	275,407	162,166	437,573
2025	(62,222)	(169,534)	(231,756)
2026	118,363	200,054	318,417
Total	<u>\$ 688,667</u>	<u>496,369</u>	<u>\$ 1,185,036</u>

Discount Rate

The discount rate used to measure the TPL was 7.00 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 7.00 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.00 percent) or 1% point higher (8.00 percent) than the current rate:

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability of the SCRS	\$ 5,819,016	\$ 4,538,577	\$ 3,474,059
Town's proportionate share of the net pension liability of the PORS	7,176,842	5,146,756	3,484,940
Total	<u>\$ 12,995,858</u>	<u>\$ 9,685,333</u>	<u>\$ 6,958,999</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 ACFR containing financial statements and required supplementary information for the SCRS and PORS. The ACFR 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 \$61,000 and \$81,000 to the PEBA as of September 30, 2022, representing required employer and employee contributions for the month of September 2022 for the SCRS and PORS. These amounts are included in Accounts Payable on the financial statements and were paid in October 2022.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

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, 2021, the last actuarial valuation, the following employees were covered by the OPEB Plan's benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefit Payments	5
Active Members	109
Total Membership	114

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.

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.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions and Method (Continued)

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, 2021
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	7.00% for 2021 decreasing to an ultimate rate of 4.50 for 2031
Payroll Growth	SCRS - 3.00% - 9.50%; PORS - 3.50% - 10.50%
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	PUB-2010 Mortality Tables for Employees with 135% multiplier
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 2020 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, 2022

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
US Government Fixed Income			
US Government Agency	57.5%	4.50%	2.59%
US Government MBS/CMO/CMBS	40.0%	5.25%	2.10%
Cash and Short Duration	2.5%	2.50%	0.06%
Total Expected Real Rate of Return	100.0%		4.75%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.00%

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, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 that was rolled forward to the measurement date.

	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances as of December 31, 2020	\$ 238,829	175,543	\$ 63,286
Changes for the year:			
Service Cost	12,253	-	12,253
Interest	10,944	-	10,944
Change in Benefit Terms	(22,165)	-	(22,165)
Difference Between Expected/Actual Experience	(46,404)	-	(46,404)
Change of Assumptions or Other Inputs	(5,264)		(5,264)
Contributions - Employer	-	17,044	(17,044)
Net Investment Income	-	(5,965)	5,965
Benefit Payments	(17,044)	(17,044)	-
Administrative Expense	-	(1,250)	1,250
Net Changes	(67,680)	(7,215)	(60,465)
Balances as of December 31, 2021	\$ 171,149	168,328	\$ 2,821

For the year ended September 30, 2022, the Town recognized OPEB expense of approximately \$60,000. At September 30, 2022, 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:

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 11,560	\$ 47,797
Net Difference Between Projected/Actual Earnings on OPEB Plan Investments	12,890	-
Changes of Assumptions	5,436	4,650
Employer Contributions Subsequent to the Measurement Date	13,200	-
Total	<u>\$ 43,086</u>	<u>\$ 52,447</u>

Approximately \$13,000 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, 2022. 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:

Year Ended September 30,	Total
2022	\$ (340)
2023	(1,275)
2024	(1,471)
2025	(1,243)
2026	(3,999)
Thereafter	(14,233)
Total	<u>\$ (22,561)</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	\$ 18,856	2,821	\$ (11,378)

TOWN OF MONCKS CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

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 7.00% decreasing to 4.50%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (6.00% decreasing to 3.50%) or 1% point higher (8.00% decreasing to 5.50%) than the current rate:

	1% Decrease (6.0% decreasing to 3.50%)	Current Healthcare Cost Trend Rate (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
Net OPEB Liability	\$ (13,253)	2,821	\$ 22,264

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, 2022.

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, 2022, the aggregate principal outstanding was approximately \$2,001,000.

F. Subsequent Events

In October 2022, the Town received the second of two payments of \$2,983,579 totaling \$5,967,158 from the State of South Carolina through the American Rescue Plan Act of 2021 (ARPA). The Town received the first payment in FY2022. These funds must be obligated by December 31, 2024 and expended by December 31, 2026.

Required Supplementary Information

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Taxes	\$ 4,974,423	5,180,574	5,937,824	\$ 757,250
Licenses, permits, and franchise fees	3,827,300	4,747,300	5,270,382	523,082
Intergovernmental revenue	1,101,045	852,983	1,142,062	289,079
Charges for services	1,138,000	1,182,000	1,281,644	99,644
Fines and forfeitures	96,000	80,000	71,507	(8,493)
Miscellaneous revenues	95,100	100,100	186,290	86,190
TOTAL REVENUES ALL SOURCES	11,231,868	12,142,957	13,889,709	1,746,752
EXPENDITURES				
Current:				
Administrative	2,574,251	3,232,375	2,468,540	763,835
Community development	703,524	706,024	640,923	65,101
Police	3,459,736	2,961,944	2,718,996	242,948
Fire	2,553,143	2,344,060	2,179,329	164,731
Public service	2,159,160	2,083,955	2,058,229	25,726
Recreation	982,458	1,105,963	1,089,491	16,472
Capital outlay	533,250	687,500	568,112	119,388
Debt service:				
Principal	263,734	263,734	237,826	25,908
Interest and other charges	-	-	24,689	(24,689)
TOTAL EXPENDITURES	13,229,256	13,385,555	11,986,135	1,399,420
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(1,997,388)	(1,242,598)	1,903,574	3,146,172
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	10,000	30,000	30,118	118
Transfers in	1,175,291	1,175,291	1,470,736	295,445
Transfers out	(922,546)	(550,000)	(664,353)	(114,353)
TOTAL OTHER FINANCING SOURCES (USES)	262,745	655,291	836,501	181,210
NET CHANGES IN FUND BALANCES	(1,734,643)	(587,307)	2,740,075	3,327,382
FUND BALANCES, Beginning of Year	8,289,475	8,289,475	8,289,475	-
FUND BALANCES, End of Year	\$ 6,554,832	7,702,168	11,029,550	\$ 3,327,382

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 \$1,734,643 and \$587,307, respectively.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -
LOCAL TAX FUND**

YEAR ENDED SEPTEMBER 30, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 1,074,500	1,074,500	1,459,009	\$ 384,509
Miscellaneous revenues	550	550	4,632	4,082
TOTAL REVENUES ALL SOURCES	1,075,050	1,075,050	1,463,641	388,591
EXPENDITURES				
Current:				
Recreation	4,500	4,500	4,611	(111)
TOTAL EXPENDITURES	4,500	4,500	4,611	(111)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,070,550	1,070,550	1,459,030	388,480
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,040,000)	(1,040,000)	(1,040,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,040,000)	(1,040,000)	(1,040,000)	-
NET CHANGES IN FUND BALANCES	30,550	30,550	419,030	388,480
FUND BALANCES, Beginning of Year	205,085	205,085	205,085	-
FUND BALANCES, End of Year	\$ 235,635	235,635	624,115	\$ 388,480

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 \$30,550.

TOWN OF MONCKS CORNER, SOUTH CAROLINA

NOTES TO THE BUDGETARY COMPARISON SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

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 - PENSION SCHEDULES

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

LAST NINE FISCAL YEARS

	Year Ended September 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Town of Moncks Corner's Proportion of the Net Pension Liability	0.01872%	0.01777%	0.01292%	0.01446%	0.01358%	0.01267%	0.01105%	0.01072%	0.01156%	
Town of Moncks Corner's Proportionate Share of the Net Pension Liability	\$ 4,538,577	3,845,421	3,301,061	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	\$ 2,192,538	2,008,615	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	207.00%	191.45%	198.56%	215.43%	216.00%	223.44%	220.58%	202.21%	189.64%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.059%	60.746%	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 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date.

TOWN OF MONCKS CORNER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION SCHEDULES

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

LAST NINE FISCAL YEARS

	Year Ended September 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Contractually Required Contribution	\$ 397,094	321,631	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	386,181	310,718	262,573	215,135	194,040	147,461	127,429	107,326	113,997	
Contributions from the State	10,913	10,913	10,913	10,913	10,913	-	-	-	-	
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	\$ -	
Town of Moncks Corner's Covered Payroll	\$ 2,359,066	2,036,402	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	16.83%	15.79%	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.
Due to the health pandemic, the General Assembly postponed the one percent increase in the SCRS employer contribution rate that was scheduled to go into effect beginning July 1, 2020.

TOWN OF MONCKS CORNER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION SCHEDULES

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

LAST NINE FISCAL YEARS

	Year Ended September 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Town of Moncks Corner's Proportion of the Net Pension Liability	0.17162%	0.17119%	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	\$ 5,146,756	4,404,686	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	\$ 2,136,117	2,574,232	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	240.94%	171.11%	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	66.45%	70.37%	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 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION SCHEDULES

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

LAST NINE FISCAL YEARS

	Year Ended September 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Contractually Required Contribution	\$ 554,625	495,020	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	538,272	478,667	427,125	364,328	316,905	264,884	224,286	202,263	186,740	
Contributions from the State	16,353	16,353	16,353	16,353	16,353	-	-	-	-	
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	\$ -	
Town of Moncks Corner's Covered Payroll	\$ 2,235,409	2,677,775	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	24.81%	18.49%	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.
Due to the health pandemic, the General Assembly postponed the one percent increase in the SCRS employer contribution rate that was scheduled to go into effect beginning July 1, 2020.

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 FIVE FISCAL YEARS

	Year Ended September 30,				
	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service Cost	\$ 12,253	11,865	10,871	10,526	\$ 10,192
Interest	10,944	11,006	9,666	9,608	9,600
Changes of Benefit Terms	(22,165)	-	-	-	-
Differences Between Expected and Actual Experience	(46,404)	(7,120)	17,332	(593)	(2,522)
Changes of Assumptions	(5,264)	-	8,151	-	-
Benefit Payments, Including Refunds of Member Contributions	(17,044)	(17,044)	(18,588)	(18,020)	(16,236)
Net Change in Total OPEB Liability	(67,680)	(1,293)	27,432	1,521	1,034
Total OPEB Liability - Beginning of Year	238,829	240,122	212,690	211,169	210,135
Total OPEB Liability - End of Year (a)	\$ 171,149	238,829	240,122	212,690	\$ 211,169
OPEB Plan Fiduciary Net Position:					
Employer Contribution	\$ 17,044	32,244	32,264	29,005	\$ 34,977
Net Investment Income	(5,965)	7,486	5,916	1,619	3,401
Benefit Payments, Including Refunds of Member Contributions	(17,044)	(17,044)	(18,588)	(18,020)	(16,236)
Administrative Expense	(1,250)	(4,851)	-	(3,652)	(3,119)
Net Change in OPEB Plan Fiduciary Net Position	(7,215)	17,835	19,592	8,952	19,023
OPEB Plan Fiduciary Net Position - Beginning of Year	175,543	157,708	138,116	129,164	110,141
OPEB Plan Fiduciary Net Position - End of Year (b)	\$ 168,328	175,543	157,708	138,116	\$ 129,164
Net OPEB Liability (Asset) - End of Year (a) - (b)	\$ 2,821	63,286	82,414	74,574	\$ 82,005
OPEB Plan Fiduciary Net Position					
as a Percentage of the Total OPEB Liability	98.35%	73.50%	65.68%	64.94%	61.17%
Covered Payroll	\$ 4,050,742	4,635,105	3,428,411	2,579,185	\$ 2,579,185
Net OPEB Liability as a Percentage of Covered Payroll	0.07%	1.37%	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. For years following the valuation date (when no new valuation is performed), covered payroll reported represents the annual payroll during the employer's fiscal year.

TOWN OF MONCKS CORNER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF THE TOWN'S CONTRIBUTIONS

LAST FIVE FISCAL YEARS

	Year Ended September 30,				
	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 15,693	19,349	15,329	16,369	\$ 18,373
Contributions in Relation to the Actuarially Determined Contribution	17,044	32,244	32,264	29,005	34,977
Contribution Deficiency (Excess)	<u>\$ (1,351)</u>	<u>(12,895)</u>	<u>(16,935)</u>	<u>(12,636)</u>	<u>\$ (16,604)</u>
Covered Payroll	\$ 4,050,742	4,635,105	3,428,411	2,579,185	\$ 2,579,185
Contributions as a Percentage of Covered Payroll	0.42%	0.70%	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.

For years following the valuation date (when no new valuation is performed), covered payroll reported represents the annual payroll during the employer's fiscal year.

Valuation Date:

June 30, 2021

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	5 Years Smoothed Market
Inflation	2.25%
Healthcare Cost Trend Rates	7.00% for 2021 decreasing to an ultimate rate of 4.50% for 2031
Salary Increases	SCRS - 3.0% - 9.5%; PORS - 3.5% - 10.5% (including inflation)
Investment Rate of Return	4.75%, Net of OPEB Plan Investment Expenses, Including Inflation
Retirement Age	Plan Normal Retirement Date
Mortality	PUB-2010 Mortality Tables for Employees with 135% multiplier

Other Information:

None



Supplementary Information

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	VICTIMS' ADVOCATE FUND	ACCOMMODATIONS TAX FUND	ABATEMENTS AND IMPROVEMENTS FUND	FEMA PDMC GRANT FUND
ASSETS				
Cash and cash equivalents	\$ -	-	37,708	-
Receivables:				
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Due from other funds	-	294	-	-
Cash and cash equivalents - restricted	16,007	23,808	-	-
TOTAL ASSETS	\$ 16,007	24,102	37,708	-
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	-	1,965	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	-	-	1,965	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Deferred revenues	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCES				
Restricted:				
Public safety	-	-	-	-
Tourism	-	24,102	-	-
Capital projects	-	-	35,743	-
Debt service	-	-	-	-
Stormwater	-	-	-	-
Tree mitigation	-	-	-	-
Firefighters 1% fund	-	-	-	-
Victims' services	16,007	-	-	-
TOTAL FUND BALANCES	16,007	24,102	35,743	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 16,007	24,102	37,708	-

FIREFIGHTERS' 1% FUND	POLICE NARCOTICS FUND	STORMWATER UTILITY FUND	TREE MITIGATION FUND	DEBT SERVICE FUND	COMMUNITY RECREATION COMPLEX DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
-	-	-	-	-	-	\$ 37,708
-	-	-	-	216,728	-	216,728
-	-	23,307	-	-	-	23,307
164	1,081	1,680	-	296	-	3,515
26,469	148,084	230,132	23,800	66,934	55,104	590,338
26,633	149,165	255,119	23,800	283,958	55,104	\$ 871,596
-	-	-	-	-	-	\$ 1,965
-	7,755	-	-	-	-	7,755
-	7,755	-	-	-	-	9,720
-	-	-	-	2,460	-	2,460
-	-	-	-	213,984	-	213,984
-	-	-	-	216,444	-	216,444
-	141,410	-	-	-	-	141,410
-	-	-	-	-	-	24,102
-	-	-	-	-	-	35,743
-	-	-	-	67,514	55,104	122,618
-	-	255,119	-	-	-	255,119
-	-	-	23,800	-	-	23,800
26,633	-	-	-	-	-	26,633
-	-	-	-	-	-	16,007
26,633	141,410	255,119	23,800	67,514	55,104	645,432
26,633	149,165	255,119	23,800	283,958	55,104	\$ 871,596

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, 2022

	VICTIMS' ADVOCATE FUND	ACCOMMODATIONS TAX FUND	ABATEMENTS AND IMPROVEMENTS FUND	FEMA PDMC GRANT FUND
REVENUES				
Taxes	\$ -	-	-	-
Licenses, permits, and franchise fees	-	-	-	-
Intergovernmental revenue	-	52,394	-	10,759
Charges for services	-	-	-	-
Fines and forfeitures	9,974	-	-	-
Miscellaneous revenues	-	296	503,306	-
TOTAL REVENUES	9,974	52,690	503,306	10,759
EXPENDITURES				
Current:				
Administrative	-	11,232	207,500	-
Planning	-	-	-	10,604
Police	4,169	-	-	-
Fire	-	-	-	-
Public service	-	-	-	-
Recreation	-	-	40,069	-
Capital outlay	-	-	1,101,637	155
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
TOTAL EXPENDITURES	4,169	11,232	1,349,206	10,759
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	5,805	41,458	(845,900)	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	664,353	-
Transfers Out	-	(40,354)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(40,354)	664,353	-
NET CHANGE IN FUND BALANCES	5,805	1,104	(181,547)	-
FUND BALANCES, Beginning of Year	10,202	22,998	217,290	-
FUND BALANCES, End of Year	\$ 16,007	24,102	35,743	-

FIREFIGHTERS' 1% FUND	POLICE NARCOTICS FUND	STORMWATER UTILITY FUND	TREE MITIGATION FUND	DEBT SERVICE FUND	COMMUNITY RECREATION COMPLEX DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
-	-	-	-	206,563	-	\$ 206,563
-	-	26,775	10,300	-	-	37,075
20,851	-	-	-	-	399	84,403
-	-	514,988	-	-	-	514,988
-	2,967	-	-	-	-	12,941
165	1,081	1,680	-	-	-	506,528
21,016	4,048	543,443	10,300	206,563	399	1,362,498
-	-	-	-	-	-	218,732
-	-	-	-	-	-	10,604
-	14,911	-	-	-	-	19,080
24,980	-	-	-	-	-	24,980
-	-	144,572	-	-	-	144,572
-	-	-	-	-	-	40,069
-	31,771	-	-	-	-	1,133,563
-	-	-	-	151,000	220,000	371,000
-	-	-	-	32,448	143,380	175,828
24,980	46,682	144,572	-	183,448	363,380	2,138,428
(3,964)	(42,634)	398,871	10,300	23,115	(362,981)	(775,930)
-	-	-	-	-	250,000	914,353
-	-	(640,382)	-	-	-	(680,736)
-	-	(640,382)	-	-	250,000	233,617
(3,964)	(42,634)	(241,511)	10,300	23,115	(112,981)	(542,313)
30,597	184,044	496,630	13,500	44,399	168,085	1,187,745
26,633	141,410	255,119	23,800	67,514	55,104	\$ 645,432

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, 2022**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Miscellaneous revenues	\$ -	-	545	\$ 545
TOTAL REVENUES ALL SOURCES	<u>-</u>	<u>-</u>	<u>545</u>	<u>545</u>
NET CHANGES IN FUND BALANCES	-	-	545	545
FUND BALANCES, Beginning of Year	<u>14,313</u>	<u>14,313</u>	<u>14,313</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ 14,313</u>	<u>14,313</u>	<u>14,858</u>	<u>\$ 545</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.

TOWN OF MONCKS 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, 2022**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Fines and forfeitures	\$ 7,500	7,500	9,974	\$ 2,474
TOTAL REVENUES ALL SOURCES	7,500	7,500	9,974	2,474
EXPENDITURES				
Current:				
Police	9,750	9,750	4,169	5,581
TOTAL EXPENDITURES	9,750	9,750	4,169	5,581
NET CHANGES IN FUND BALANCES	(2,250)	(2,250)	5,805	8,055
FUND BALANCES, Beginning of Year	10,202	10,202	10,202	-
FUND BALANCES, End of Year	\$ 7,952	7,952	16,007	\$ 8,055

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 \$2,250.

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, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental revenue	\$ 37,000	37,000	52,394	\$ 15,394
Miscellaneous revenues	50	50	296	246
TOTAL REVENUES ALL SOURCES	37,050	37,050	52,690	15,640
EXPENDITURES				
Current:				
Administrative	6,000	6,000	11,232	(5,232)
TOTAL EXPENDITURES	6,000	6,000	11,232	(5,232)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	31,050	31,050	41,458	10,408
OTHER FINANCING SOURCES (USES)				
Transfers out	(32,300)	(32,300)	(40,354)	(8,054)
TOTAL OTHER FINANCING SOURCES (USES)	(32,300)	(32,300)	(40,354)	(8,054)
NET CHANGES IN FUND BALANCES	(1,250)	(1,250)	1,104	2,354
FUND BALANCES, Beginning of Year	22,998	22,998	22,998	-
FUND BALANCES, End of Year	\$ 21,748	21,748	24,102	\$ 2,354

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 \$1,250.

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, 2022

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Miscellaneous revenues	\$ -	-	503,306	\$ 503,306
TOTAL REVENUES ALL SOURCES	-	-	503,306	503,306
EXPENDITURES				
Current:				
Administrative	\$ 125,000	205,000	207,500	\$ (2,500)
Recreation	69,000	69,000	40,069	28,931
Capital outlay	728,546	948,546	1,101,637	(153,091)
TOTAL EXPENDITURES	922,546	1,222,546	1,349,206	(126,660)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(922,546)	(1,222,546)	(845,900)	376,646
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	250,000	664,353	414,353
TOTAL OTHER FINANCING SOURCES (USES)	250,000	250,000	664,353	414,353
NET CHANGES IN FUND BALANCES	(672,546)	(972,546)	(181,547)	790,999
FUND BALANCES, Beginning of Year	217,290	217,290	217,290	-
FUND BALANCES, End of Year	\$ (455,256)	(755,256)	35,743	\$ 790,999

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 \$672,546 and \$972,546, respectively.

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, 2022

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Licenses, permits, and franchise fees	\$ 15,000	15,000	26,775	\$ 11,775
Charges for services	477,000	477,000	514,988	37,988
Miscellaneous revenues	-	-	1,680	1,680
TOTAL REVENUES ALL SOURCES	492,000	492,000	543,443	51,443
EXPENDITURES				
Current:				
Public service	205,000	205,000	144,572	60,428
TOTAL EXPENDITURES	205,000	205,000	144,572	60,428
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	287,000	287,000	398,871	111,871
OTHER FINANCING SOURCES (USES)				
Transfers out	(352,991)	(352,991)	(640,382)	(287,391)
TOTAL OTHER FINANCING SOURCES (USES)	(352,991)	(352,991)	(640,382)	(287,391)
NET CHANGES IN FUND BALANCES	(65,991)	(65,991)	(241,511)	(175,520)
FUND BALANCES, Beginning of Year	496,630	496,630	496,630	-
FUND BALANCES, End of Year	\$ 430,639	430,639	255,119	\$ (175,520)

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 \$65,991.

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, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 187,850	187,850	206,563	\$ 18,713
Miscellaneous revenues	100	100	-	(100)
TOTAL REVENUES ALL SOURCES	187,950	187,950	206,563	18,613
EXPENDITURES				
Current:				
Debt service				
Principal	151,000	151,000	151,000	-
Interest and other charges	32,316	32,316	32,448	(132)
TOTAL EXPENDITURES	183,316	183,316	183,448	(132)
NET CHANGES IN FUND BALANCES	4,634	4,634	23,115	18,481
FUND BALANCES, Beginning of Year	44,399	44,399	44,399	-
FUND BALANCES, End of Year	\$ 49,033	49,033	67,514	\$ 18,481

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 \$4,634.

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, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental revenue	\$ 150	-	399	\$ 399
TOTAL REVENUES ALL SOURCES	150	150	399	249
EXPENDITURES				
Debt service				
Principal	220,000	220,000	220,000	-
Interest and other charges	143,382	143,382	143,380	2
TOTAL EXPENDITURES	363,382	363,382	363,380	2
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(363,232)	(363,232)	(362,981)	251
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	250,000	250,000	-
TOTAL OTHER FINANCING SOURCES (USES)	250,000	250,000	250,000	-
NET CHANGES IN FUND BALANCES	(113,232)	(113,232)	(112,981)	251
FUND BALANCES, Beginning of Year	168,085	168,085	168,085	-
FUND BALANCES, End of Year	\$ 54,853	54,853	55,104	\$ 251

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 \$113,232.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

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

YEAR ENDED SEPTEMBER 30, 2022

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected			162,043	162,043
Court fines and assessments remitted to State Treasurer			(90,537)	(90,537)
Total Court Fines and Assessments retained			71,506	71,506
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			1,405	1,405
Assessments retained			8,569	8,569
Total Surcharges and Assessments retained for victim services			9,974	9,974

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	10,202	-	10,202
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	8,569		8,569
Victim Service Surcharges Retained by City/County Treasurer	1,405		1,405
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	20,176		20,176
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	-		-
Operating Expenditures	(4,169)		(4,169)
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)	(4,169)		(4,169)
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)			
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year	16,007		16,007





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") annual comprehensive 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 MONCKS CORNER, SOUTH CAROLINA

Table 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Net Investment in Capital Assets	\$ 13,103,417	11,277,810	11,130,350	10,758,280	8,372,996	7,482,884	6,002,725	5,233,751	4,222,826	\$ 2,653,193
Restricted	1,893,510	1,655,077	969,563	1,320,867	3,599,403	1,927,518	2,758,379	3,157,880	2,682,780	3,142,256
Unrestricted	2,662,299	553,823	(1,383,279)	(1,285,692)	(1,335,827)	12,998	(123,277)	(1,050,451)	3,214,841	2,901,675
Total Governmental Activities Net Position	\$ 17,659,226	13,486,710	10,716,634	10,793,455	10,636,572	9,423,400	8,637,827	7,341,180	10,120,447	\$ 8,697,124

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.

Note: Certain amounts which were presented in prior year comprehensive annual financial reports have been restated due to prior period adjustments.

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental Activities:										
Administrative	\$ 3,116,837	3,452,061	2,423,948	1,746,255	2,196,832	2,063,707	1,639,974	1,314,658	1,303,069	\$ 1,295,704
Community Development	745,965	782,549	758,746	999,249	853,972	373,889	282,183	249,981	263,617	89,002
Police	3,057,661	3,082,517	3,190,161	3,046,954	3,074,785	2,661,318	2,238,489	1,979,090	1,935,847	1,847,774
Fire	2,418,278	2,304,781	2,298,376	1,834,384	1,091,999	1,136,477	1,035,003	947,507	949,909	1,081,379
Public Services	2,485,980	2,086,640	1,866,141	2,301,223	1,489,491	1,949,764	1,307,375	922,234	881,361	1,115,545
Recreation	1,418,593	1,435,789	1,186,812	1,348,888	1,003,493	721,892	566,800	677,941	765,694	597,193
Interest on Long Term Debt	200,138	155,060	744,844	410,927	421,845	434,075	447,878	491,482	541,408	302,213
Total Primary Governmental Expenses	\$ 13,443,452	13,299,397	12,469,028	11,687,880	10,132,417	9,341,122	7,517,702	6,582,893	6,640,905	\$ 6,328,810
Program Revenues										
Governmental Activities:										
Charges for Services										
Administrative	\$ 3,335,289	2,718,659	2,614,343	2,478,851	2,107,233	1,960,641	1,651,320	1,562,170	1,614,499	\$ 1,581,401
Community Development	1,953,277	1,553,758	1,256,499	1,203,425	1,386,132	657,281	602,987	398,785	302,774	77,483
Police	95,398	121,693	76,344	72,940	144,247	283,549	291,132	318,848	244,877	230,144
Fire	-	-	-	-	-	-	-	-	-	8,350
Public Services	572,414	520,620	485,438	-	-	528,674	501,587	472,820	463,446	453,775
Recreation	441,933	437,475	185,239	387,653	318,864	170,537	237,678	151,863	97,329	103,652
Operating Grants and Contributions	1,577,365	583,540	370,320	357,315	379,123	414,897	234,870	173,099	137,266	248,255
Capital Grants and Contributions	10,759	1,815,641	1,900	437,506	90,616	251,330	42,006	419,774	527,612	505,341
Total Governmental Activities Program Revenue:	7,986,435	7,751,386	4,990,083	4,937,690	4,426,215	4,266,909	3,561,580	3,497,359	3,387,803	3,208,401
Total Primary Government Net (Expense):	\$ (5,457,017)	(5,548,011)	(7,478,945)	(6,750,190)	(5,706,202)	(5,074,213)	(3,956,122)	(3,085,534)	(3,253,102)	\$ (3,120,409)
General Revenues and Other Changes In Net Position										
Governmental Activities										
Taxes:										
Property Taxes	\$ 3,533,454	3,435,324	3,184,151	2,839,708	2,600,052	2,408,637	1,857,665	1,760,586	1,683,438	\$ 1,552,471
Local Option Sales Taxes	2,607,359	2,047,987	1,691,657	1,663,457	1,483,914	1,348,061	1,218,110	1,113,627	1,114,817	900,000
Hospitality Taxes	1,434,862	1,272,467	981,455	1,049,385	985,068	907,038	848,798	795,762	726,693	662,852
Accommodation Taxes	76,541	52,526	58,488	97,149	66,781	74,424	66,260	74,920	75,601	58,380
Franchise Fees	946,329	956,983	932,465	546,450	825,457	661,360	811,148	658,164	687,710	699,065
Unrestricted Revenue from Use of Money and Property	84,762	61,202	86,939	157,269	148,048	136,741	133,423	135,471	178,040	5,912
Intergovernmental	308,841	217,991	191,288	183,335	178,099	174,524	173,579	165,098	119,050	161,854
Gain on Sale of Capital Assets	23,918	-	-	10,987	403,792	15,977	24,047	-	3,025	-
Miscellaneous Revenue	613,467	273,607	253,329	359,333	353,811	133,024	119,739	110,631	111,933	22,462
Total Primary Government General Revenues:	\$ 9,629,533	8,318,087	7,379,772	6,907,073	7,045,022	5,859,786	5,252,769	4,814,259	4,700,307	\$ 4,062,996
Change In Net Position										
Total Primary Government	\$ 4,172,516	2,770,076	(99,173)	156,883	1,338,820	785,573	1,296,647	1,728,725	1,447,205	\$ 942,587

TOWN OF MONCKS CORNER, SOUTH CAROLINA

Table 3

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General fund										
Nonspendable	\$ 93,687	94,006	86,451	84,676	58,218	83,243	38,959	60,865	62,581	\$ 59,946.00
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	373,514	1,604,093	20,518	123,344	-	186,152
Unassigned	10,935,863	8,195,469	5,620,758	4,618,379	3,679,670	2,641,224	3,791,468	3,258,329	2,468,145	1,499,575
Total general fund	11,029,550	8,289,475	5,707,209	4,703,055	4,111,402	4,328,560	3,850,945	3,442,538	2,530,726	1,745,673
All other governmental funds										
Nonspendable	-	-	-	-	21,721	3	5,410	410	-	327
Restricted for:										
Public safety	141,410	184,044	139,033	148,714	148,057	131,038	46,163	-	-	12,418
Tourism	648,217	22,998	12,510	15,229	5,886	4,465	30,593	56,964	52,100	43,837
Capital projects	50,601	231,603	13,591	168,136	1,564,958	-	1,536,722	1,507,744	1,080,832	1,660,230
Debt service	122,618	212,484	271,249	900,321	865,314	-	842,147	884,937	864,069	819,307
Stormwater	255,119	496,630	156,360	-	-	-	-	-	-	-
Other	66,440	54,299	29,296	12,000	-	848,223	14,917	718,795	685,779	579,908
Committed	-	205,085	79,059	165,352	273,109	-	710,446	-	-	988,456
Assigned	-	-	389,274	409,100	419,211	858,260	73,022	55,394	6,986	30,765
Unassigned	-	-	-	(10,440)	(11,927)	(886)	-	-	(27)	(8,787)
Total all other governmental funds	1,284,405	1,407,143	1,090,372	1,808,412	3,286,329	1,841,103	3,259,420	3,224,244	2,689,739	4,126,461
Total all governmental funds	\$ 12,313,955	9,696,618	6,797,581	6,511,467	7,397,731	6,169,663	7,110,365	6,666,782	5,220,465	\$ 5,872,134

Note: Certain amounts which were presented in prior year annual comprehensive financial reports have been restated due to prior period adjustments.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	\$ 7,603,396	6,776,633	5,878,179	5,561,263	5,083,963	4,697,292	3,953,485	3,696,758	3,550,117	\$ 3,063,731
Licenses, permits and franchise fees	5,307,457	4,310,050	3,888,839	4,236,084	3,588,677	3,497,267	2,944,866	2,640,289	2,706,362	2,362,316
Intergovernmental	1,949,593	2,720,652	643,575	718,748	695,922	814,357	548,390	607,748	833,061	829,810
Charges for services	1,796,632	1,700,378	1,415,678	1,051,803	1,072,351	709,157	729,125	608,013	568,235	516,087
Fines and forfeitures	84,448	121,693	76,344	65,631	134,493	273,603	280,712	309,859	237,347	253,942
Miscellaneous	697,995	331,457	280,654	850,273	503,499	346,891	164,274	548,287	425,620	178,527
Total revenues	17,439,521	15,960,863	12,183,269	12,483,802	11,078,905	10,338,567	8,620,852	8,210,954	8,320,742	7,204,413
Expenditures										
Administrative	3,104,861	2,045,475	1,707,206	1,778,732	2,096,996	1,958,994	1,516,099	1,287,273	1,288,170	1,274,088
Community development	651,527	657,957	722,060	948,473	822,326	352,122	269,118	249,316	263,624	89,265
Police	2,738,076	2,768,188	2,660,286	2,662,438	2,644,279	2,265,012	1,975,536	1,780,506	1,778,941	1,708,634
Fire	2,204,309	2,086,129	1,760,086	1,163,012	1,084,128	959,279	900,082	859,505	859,455	976,367
Public service	2,202,801	1,890,528	1,692,621	2,416,541	1,396,209	1,884,011	1,285,526	905,626	866,524	1,095,849
Recreation	1,134,171	1,099,143	912,934	1,585,840	742,448	475,799	455,047	613,237	770,926	583,010
Capital outlay	2,007,214	2,150,264	2,048,833	2,594,115	1,002,399	2,387,964	982,556	1,261,027	1,558,590	3,412,162
Debt service:										
Principal	608,826	528,529	360,570	310,000	301,709	324,371	374,838	1,118,483	305,148	321,853
Interest	200,517	208,839	407,887	411,497	423,405	435,827	450,815	431,625	435,187	291,493
Debt issuance costs	-	-	412,478	-	-	-	-	38,039	-	-
Total expenditures	14,852,302	13,435,052	12,684,961	13,870,648	10,513,899	11,043,379	8,209,617	8,544,637	8,126,565	9,752,721
Excess (deficiency) of revenues over expenditures	2,587,219	2,525,811	(501,692)	(1,386,846)	565,006	(704,812)	411,235	(333,683)	194,177	(2,548,308)
Other financing sources (uses)										
Proceeds from the disposal of capital assets	30,118	20,226	14,115	17,187	411,195	15,977	32,348	-	3,025	1,014
Payment to refunded debt escrow agent	-	-	(5,401,761)	-	-	-	-	-	-	-
Issuance of debt	-	353,000	6,153,000	483,395	-	-	-	1,780,000	-	868,000
Transfers in	2,385,089	1,185,853	2,123,235	1,798,850	2,333,714	1,823,775	700,608	1,432,614	544,069	878,539
Transfers out	(2,385,089)	(1,185,853)	(2,123,235)	(1,798,850)	(2,333,714)	(1,823,775)	(700,608)	(1,432,614)	(544,069)	(878,539)
Total other financing sources (uses)	30,118	373,226	765,354	500,582	411,195	15,977	32,348	1,780,000	3,025	869,014
Net change in fund balances	\$ 2,617,337	2,899,037	263,662	(886,264)	976,201	(688,835)	443,583	1,446,317	197,202	\$ (1,679,294)
Debt service as a percentage of noncapital expenditures	6.30%	6.53%	7.22%	6.40%	7.62%	8.78%	11.42%	21.28%	11.27%	9.67%

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
2022	\$ 3,533,454	2,607,359	1,434,862	76,541	\$ 7,652,216
2021	3,435,324	2,047,987	1,272,467	52,526	6,808,304
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

Table 6

TOWN OF MONCK'S 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: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2023	2022	\$ 62,022,770	9,187,440	6,355,610	72,073	\$ 77,493,747	77.10	\$ 1,414,628,515	5.48%
2022	2021	53,957,688	5,840,290	6,045,720	68,702	65,774,996	67.10	1,267,400,997	5.19%
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%

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
2023	2022	77.10	48.50	221.80	3.40	350.80
2022	2021	67.10	48.50	221.80	3.40	340.80
2021	2020	67.10	48.50	221.80	3.40	340.80
*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

Source: Berkeley County Auditor

*Reassessment Year

Table 8

TOWN OF MONCKS CORNER, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

	2022			2013		
	Taxable Assessed Value	Rank	Taxes Paid	Taxable Assessed Value	Rank	Taxes Paid
Berkeley Electric Cooperative	4,858,970	1	1,624,412	1,299,990	1	374,459
Walmart Real Estate	914,430	2	321,619	704,640	2	202,676
Berkeley Cable Telephone	747,070	3	248,796	653,550	3	186,162
Lennar Carolina LLC	705,130	4	227,524			
Forestar USA Real Estate	671,890	5	214,873			
Trident Medical Center	512,040	6	165,224	596,500	4	169,912
Napali Epsilon	474,620	7	158,826			
Home Telephone Company	470,040	8	156,537			
Tail Race Shops LLC	383,940	9	136,223	240,100	8	72,789
AG Essential Housing	379,850	10	123,410			
Gaskins Cohen Jr.				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
Epsilon Oaks Apartments				316,680	5	90,500
Totals	\$ 10,117,980		\$ 3,377,444	\$ 4,809,270		\$ 1,387,200

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	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2022	\$ 3,242,251	\$ 3,015,293	93%	\$ 57,809	\$ 3,073,102	95%
2021	3,440,679	3,189,412	93%	131,551	3,320,963	97%
2020	3,093,879	2,965,139	96%	86,507	3,051,646	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%

Sources: Berkeley County Treasurer
Berkeley County Auditor

TOWN OF MONCKS CORNER, SOUTH CAROLINA

Table 10

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		Notes Payable	Revenue		Lease Purchases				
	Obligation Bonds			Bonds						
2022	\$	1,168,000	-	5,085,000		1,023,468	\$	7,276,468	n/a	n/a
2021		1,319,000	-	5,305,000		1,261,294		7,885,294	1.89%	\$
2020		1,466,000	-	5,520,000		1,074,823		8,060,823	2.24%	
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%	\$

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
2021	\$ 1,168,000		67,514	\$ 1,100,486	0.08%	n/a
2021	1,319,000		44,399	1,274,601	0.10%	93
2020	1,466,000		44,608	1,421,392	0.12%	107
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

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

OUTSTANDING AT YEAR END

UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Berkeley County General	\$ 106,813,644	71.45%	\$ 76,313,953
Berkeley County School District	211,435,000	71.45%	151,061,606
Subtotal, Overlapping Debt	318,248,644	71.45%	227,375,559
Town of Moncks Corner Direct Debt	7,276,468	100.00%	7,276,468
Total Direct and Overlapping Debt	<u>\$ 325,525,112</u>		<u>\$ 234,652,027</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 Tax Collections	Accommodations Tax Collections	Total Tax Collections	Revenue Bonds - Debt Service		Coverage
				Principal	Interest	
2021	\$ 1,424,913	24,147	1,449,060	220,000	\$ 143,380	3.99
2021	1,272,467	6,477	1,278,944	215,000	149,385	3.51
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

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
		n/a	n/a				
2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2021	13,644	\$	416,251	\$	35.9	3,516	4.3%
2020	13,297		359,351		35.3	3,286	4.3%
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%

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.

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

	2022				2013			
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank
Berkeley County Government	1,280	1	2.49%	414	3	0.96%		
Berkeley County School District	869	2	1.69%	610	2	1.42%		
Santee Cooper	742	3	1.44%	773	1	1.79%		
Walmart	350	4	0.68%	n/a	10	n/a		
Berkeley Electric Co-operative	234	5	0.45%	236	4	0.55%		
Home Telecom	119	6	0.23%	105	5	0.24%		
Town of Moncks Corner	117	7	0.23%	80	7	0.19%		
Berkeley Mental Health	90	8	0.17%	n/a	6	n/a		
Roper St. Francis	60	9	0.12%	89	9	n/a		
Piggly Wiggly	60	10	0.12%	n/a	8	n/a		
Total	3921		7.61%	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,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government	7	7	7	7	7	7	7	7	6	5
Administration	8	7	6	6	6	6	6	5	5	5
Justice	3	3	3	3	2	4	4	3	3	3.5
Public Safety										
Police										
Sworn	25	25	31	31	30	31	26	27	25	23
Non-Sworn	6	2	2	4	3	3	3	3	3	3
Fire	23	21	24	18	11	12	14	13	13	13
Public Services	20	18	20	11	10	11	8	8	5	6
Community Development	6	6	6	5	4	4	3.5	3.5	4.5	3
Recreation	18.5	18.5	18.5	18	15.5	8.5	8	9	7.5	5.5
Total	117	108	118	103	89	87	80	79	72	67

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Justice										
Cases Filed	1,715	2,507	2,729	2,555	2,318	2,278	3,459	5,215	4,863	4,850
Police										
Part I Offenses ¹	356	406	463	474	473	489	488	641	494	582
Fire										
Emergency Calls	1,832	2,050	1,953	1,853	1,620	1,111	1,179	1,193	1,028	836
Inspections ²	574	883	699	530	123	253	183	252	518	3,499
Community Development										
Building Permits	948	606	573	521	485	535	629	434	398	402
Dwelling Units	5,427	5,071	4,925	4,678	4,596	4,342	4,088	3,838	3,662	3,528
Culture and Recreation										
Youth Athletic Enrollment	2,467	1,617	885	2,130	1,318	1,139	1,009	1,156	1,234	1,232

Sources: Various town departments.

¹ Part I offenses are murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson.² 2012 - 2013 Fire Inspections based on former Fire Inspector's calculations.

TOWN OF MONCKS CORNER, SOUTH CAROLINA

Table 19

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	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	117.11	129.33	103.26	103.26	99.52	91.69	89.58	88.76	86.24	85.17
Total Acres	7,225.72	7,176.34	6,771.20	6,771.20	5,592.96	4,989.53	4,972.91	4,941.71	4,941.45	4,936.02

Sources: Various town departments and asset database.



COMPLIANCE SECTION

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditors' Reports
- Summary Schedule of Prior Year Audit Findings
- Schedule of Findings and Questioned Costs

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2022

Federal Grantor/ Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number or Grant/Contract Number	Federal Expenditures
Department of Homeland Security:			
Direct Programs:			
FEMA - Staffing for Adequate Fire and Emergency Response	97.083	EMW-2019-FF-0047	\$ 317,478
Total Direct Programs			317,478
Pass-Through Program- South Carolina Emergency Management Division:			
FEMA - Pre-Disaster Mitigation Program	97.047	PDMC-04-SC-2018	10,759
Total Pass-Through Program - South Carolina Emergency Management Division			10,759
Total Department of Homeland Security			328,237
Department of Transportation:			
Pass-Through Program- South Carolina Department of Public Safety:			
Highway Safety Grant-Traffic Enforcement & Education	20.600	PT-2022-HS-09-22	81,951
Highway Safety Grant-Traffic Enforcement & Education	20.600	SR-050-C081-22	84,110
Total Pass-Through Program - South Carolina Department of Public Safety			166,061
Total Department of Homeland Security			166,061
Department of Treasury:			
Pass-Through Program- South Carolina Department of Administration			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	SA-0587	723,128
Total Pass-Through Program - South Carolina Department of Administration			723,128
Total Department of Treasury			723,128
Total Expenditures of Federal Awards			\$ 1,217,426

TOWN OF MONCKS CORNER, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2022

A. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal award programs of the Town of Moncks Corner, South Carolina (the "Town") for the year ended September 30, 2022. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting.

C. RELATIONSHIP TO FINANCIAL STATEMENTS

Federal award expenditures are reported in the Town's financial statements as expenditures primarily in the General Fund, American Rescue Plan Act Fund, and the FEMA PDMC Grant Fund.

D. MATCHING COSTS

Matching costs, i.e., the non-federal share of certain program costs, are not included in the accompanying Schedule.

E. SUB-RECIPIENTS

The Town did not provide any federal awards to sub-recipients during fiscal year 2022.

F. INDIRECT COST RATE

The amount expended does not include any amounts claimed as an indirect cost recovery, as the Town elected not to use the 10% *de minimis* cost rate.





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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, 2022, and the related notes to the financial statements, and have issued our report thereon dated April 5, 2023.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be 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 a 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.



The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
April 5, 2023



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor and Board of Commissioners
Town of Moncks Corner
Moncks Corner, South Carolina

Report on Compliance for Each Major Federal Program

We had audited the Town of Moncks Corner, South Carolina's compliance with the types of compliance requirements described in the *OMB Supplement* that could have a direct and material effect on each of the Town of Moncks Corner's major federal programs for the year ended September 30, 2022. Town of Moncks Corner's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Town of Moncks Corner's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards general accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Moncks Corner's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Town of Moncks Corner's compliance.

Opinion on Each Major Federal Program

In our opinion, Town of Moncks Corner complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs of the year ended September 30, 2022.

Report on Internal Control over Compliance

Management of the Town of Moncks Corner is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of Moncks Corner's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Moncks Corner's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
April 5, 2023

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2022

There were no findings reported in the prior year.

TOWN OF MONCKS CORNER, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

I. **Summary of Auditors' Results**

- A. The auditors' report expresses an unmodified opinion on the financial statements of Town of Moncks Corner, South Carolina.
- B. Our audit of the financial statements disclosed no significant deficiencies or material weaknesses in internal control over financial reporting.
- C. No instances of noncompliance material to the financial statements of Town of Moncks Corner, South Carolina, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
- D. No significant deficiencies in internal control over major federal award programs were disclosed during the audit.
- E. The auditors' report on compliance for the major federal award programs of Town of Moncks Corner, South Carolina expresses an unmodified opinion on all major federal programs.
- F. Our report disclosed no audit findings which related to the federal awards which are required to be reported under Section 2 CFR Section 200.516(a).
- G. Major federal program for Town of Moncks Corner, South Carolina for the fiscal year ended September 30, 2022 is:

<u>Program Name</u>	<u>CFDA#</u>
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027

- H. The threshold for determining Type A programs for Town of Moncks Corner, South Carolina is \$750,000.
- I. Town of Moncks Corner, South Carolina did not qualify as a low risk auditee.

II. **Findings and Questioned Costs Related to the Audit of the Financial Statements of Town of Moncks Corner, South Carolina**

There were no findings noted for the year ended September 30, 2022, which are required to be reported in accordance with *Government Auditing Standards*.

TOWN OF MONCKS CORNER, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

III. Findings and Questioned Costs Related to the Audit of Federal Awards of Town of Moncks Corner, South Carolina

There were no findings noted for the year ended September 30, 2022, which are required to be reported in accordance with 2 CFR Section 2300.516(a).