

South Carolina Department of Agriculture  
Community Grant Program

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Guidelines and Application Packet



**South Carolina Department of Agriculture**  
The Honorable Hugh E. Weathers, Commissioner

1200 Senate Street  
Wade Hampton Building, Fifth Floor  
Columbia, SC 29201-3734

803-734-2210 (phone)

803-734-2191 (fax)

[www.agriculture.sc.gov](http://www.agriculture.sc.gov)

The South Carolina Department of Agriculture (SCDA) is an equal opportunity employer and through its programs does not discriminate against anyone based on color, race, national origin or disability. All participants in the SCDA Community Grant Program will comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the American Disabilities Act of 1990.

## **INTRODUCTION**

### **PROGRAM SUMMARY**

The mission of this program is to support community organizations and businesses working to increase the economic development opportunities of rural South Carolina, or the consumption of fresh, locally grown or produced foods in South Carolina. The program will support projects that increase consumption of nutritious foods through the incorporation of community garden(s), mobile market distribution activities, outreach/educational efforts and jobs/capital investment throughout the state.

The SCDA Community Grant Program (CGP) is a grant program for eligible organizations and businesses, which provide community building opportunities within South Carolina. The actual grant awards are made on a project by project basis.

### **ELIGIBILITY**

Any organization or business which has been actively involved in the fostering and improvement of its citizens' wellbeing may be eligible. SCDA will review each applicant to determine the grant need. To facilitate this review, organization by-laws, tax information, meeting minutes, membership lists, and recent community activities may be requested of the applicant.

## **GENERAL ADMINISTRATION**

### **APPLICATION PROCESS**

An application for SCDA CGP funds must be complete to be approved. A complete application consists of the following:

1. Project Application
2. Applying organization's W-9 or other official document showing EIN #
3. Statement of Non-Discrimination
4. Proposed deliverables

### **ENVIRONMENTAL IMPACT**

It is the responsibility of the project manager to assure that any development, renovations, or improvements are environmentally sound and that the sole responsibility for corrective action is with the project organization or sponsor.

**PROJECT APPLICATION  
SOUTH CAROLINA DEPARTMENT OF AGRICULTURE  
COMMUNITY GRANT PROGRAM**

**Applicant Information**

**Requesting Business:** Town of Cowpens

**Contact Name:** Steve Bolin

**Address:** P O Box 1399, Cowpens, SC 29330

**Phone:** 864-463-3201, x 1 **Fax:** 864-406-0233 **Email:** s.bolin@townofcowpens.com

**Business Structure:** Municipal Government

**Project Information**

**Project Title:** Town Property Upgrades

**Location of Project:** Farmer's Market, Foster Street Ext. Project, Cowpens Depot/Museum, Town Hall

**Amount of Funds Requested:** \$500,000

**Description of project for which funding is requested:**

Upgrades to the Farmer's Market to include: HVAC System, Waterproof rear wall, 7" spray foam, sprinkler system (interior prepping and trim)

Upgrades for the Foster Street Extension Project: One way and diagonal parking; paving improvements

Upgrades for the Cowpens Depot/Museum: Complete needed maintenance on historic train depot

Upgrades for town hall: Complete needed maintenance at town hall to include flooring and painting

**Proposed plan with detailed Goals and Objectives and proposed performance measures:**

**How will this project benefit the South Carolina Department of Agriculture, SC producers and other agriculture organizations in SC:**

N/A

**Is this project a cooperative effort with or collaboration between more than 1 organization:**

NO

**Will this project create access to fresh fruits and vegetables, and provide an improved local economy:** NO

**Please provide additional comments (if any) which support the impact of this project to the local community:** These projects will boost events and tourism in the the downtown area, while aiding the marketing of our Main Street development.



- 1) Organization hereby gives assurance that no person shall, upon the grounds of race, creed, color, or national origin, be excluded from participation in, be denied the benefit of, or be otherwise subjected to discrimination under any program or activity for which this organization is responsible.
- 2) Organization certifies that it will provide quarterly spending reports to the Agency Providing Contribution listed above.
- 3) Organization certifies that it will provide an accounting at the end of the fiscal year to the Agency Providing Contribution listed above.
- 4) Organization certifies that it will allow the State Auditor to audit or cause to be audited the contributed funds.

  
Organization Signature

Mayor \_\_\_\_\_  
Title \_\_\_\_\_

17-Jan-24 \_\_\_\_\_  
Date \_\_\_\_\_

Jarred S. Spencer \_\_\_\_\_  
Printed Name

**Certifications of State Agency Providing Contribution**

- 1) State Agency certifies that the planned expenditure aligns with the Agency's mission and/or the purpose specified in the appropriations act of 2022.
- 2) State Agency certifies that the Organization has set forth a public purpose to be served through receipt of the expenditure.
- 3) State Agency certifies that it will make distributions directly to the organization.
- 4) State Agency certifies that it will provide the quarterly spending reports and accounting received from the organization to the Senate Finance Committee, House Ways and Means Committee, and the Executive Budget Office by June 30, 2023.
- 5) State Agency certifies that it will publish on their website any and all reports, accountings, forms, updates, communications, or other materials required by Proviso 117.21 of the appropriations act of 2022.
- 6) State Agency will certify to the Office of the Governor that it has complied with the requirements of Executive Order 2022-19 by June 30, 2023.

  
Agency Head Signature

17-Jan-24 \_\_\_\_\_  
Date \_\_\_\_\_

Steve Bolin \_\_\_\_\_  
Printed Name





- 1) Organization hereby gives assurance that no person shall, upon the grounds of race, creed, color, or national origin, be excluded from participation in, be denied the benefit of, or be otherwise subjected to discrimination under any program or activity for which this organization is responsible.
- 2) Organization certifies that it will provide quarterly spending reports to the Agency Providing Contribution listed above.
- 3) Organization certifies that it will provide an accounting at the end of the fiscal year to the Agency Providing Contribution listed above.
- 4) Organization certifies that it will allow the State Auditor to audit or cause to be audited the contributed funds.

  
Organization Signature

Mayor \_\_\_\_\_  
Title \_\_\_\_\_

17-Jan-24 \_\_\_\_\_  
Date \_\_\_\_\_

Jarred S. Spencer \_\_\_\_\_  
Printed Name

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Agency Head Signature

17-Jan-24 \_\_\_\_\_  
Date \_\_\_\_\_

Steve Bolin \_\_\_\_\_  
Printed Name



State of South Carolina  
Office of the Secretary of State  
The Honorable Mark Hammond

Feb 16, 2024

Town of Cowpens  
Steve Bolin Bolin  
5332 N MAIN ST  
COWPENS, SC 29330

RE: Exemption Confirmation

Charity Public ID: C10252751

Dear Steve Bolin Bolin:

This letter confirms that the Secretary of State's Office has received and accepted your Application for Exemption. **If you submitted your Application for Exemption using the Charities Online Filing System, this letter of confirmation has been issued pending further review by Division of Public Charities staff.**

The exemption for your charitable organization will expire on Nov 15, 2024. If any of the information on your Application for Exemption form changes throughout the course of the year, please contact our office to make updates. It is important that this information remain updated so that our office can keep you informed of any changes that may affect your charitable organization. Additionally, if at any time your charitable organization no longer qualifies for an exemption, the organization must immediately register with the Secretary of State's Office. Please note that failure to comply with the registration provisions of the Solicitation of Charitable Funds Act may result in fines of up to \$2,000.00 for each separate violation.

If you have any questions or concerns, please visit our website at [www.sos.sc.gov](http://www.sos.sc.gov) or contact our office using the contact information below.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Wickersham", with a long horizontal line extending to the right.

Kimberly S. Wickersham  
Director, Division of Public Charities

**Town of Cowpens, South Carolina**  
**Financial Statements and Supplementary Information**  
**Year Ended June 30, 2022**

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## Independent Auditor's Report

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

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Town of Cowpens, South Carolina** as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Cowpens, South Carolina, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, the budgetary comparison information on pages 39 through 45, and the pension schedules on pages 46 through 48, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplemental Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cowpens, South Carolina's basic financial statements. The combining nonmajor fund financial statements and the accompanying schedule listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements and the accompanying schedule are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Elliott & Painter, LLP*

Spartanburg, South Carolina  
March 16, 2023

**Town of Cowpens, South Carolina**  
**Management's Discussion and Analysis**

As management of the Town of Cowpens, South Carolina, we offer readers of the Town of Cowpens, South Carolina's financial statements this narrative overview and analysis of the financial activities of the Town of Cowpens, South Carolina for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

**Financial Highlights**

- The assets of the Town of Cowpens, South Carolina exceeded its liabilities at the close of the fiscal year by \$1,859,163 (*net position*).
- The government's total net position increased by \$112,068.
- As of the close of the current fiscal year, the Town of Cowpens, South Carolina's governmental funds reported combined ending fund balances of \$959,203, a decrease of \$145,787 in comparison with the prior year. Approximately 74 percent of this total amount, or \$707,791, is available for spending at the government's discretion (*assigned and unassigned fund balance*).
- At the end of the current fiscal year, assigned and unassigned fund balances for the General Fund totaled \$557,431 or 33 percent of total general fund expenditures and other uses for the fiscal year.
- The Town's total long-term debt decreased by \$84,887 during the current fiscal year. The Town paid principal of \$84,887 and interest of \$9,807 for total debt service cost of \$94,694.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Town of Cowpens, South Carolina's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Cowpens, South Carolina.

**Basic Financial Statements**

The first two statements (pages 12 and 13) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the Town's financial status.

The next statements (pages 14 to 18) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide financial statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the fiduciary funds statement.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, required supplemental information is provided to show details about the Town's General Fund revenues and expenditures compared to budget, its Fire District Fund revenues and expenditures compared to budget, and its pension plan reporting. Other supplemental information provides information about the nonmajor governmental funds and schedule of fines, assessments, and surcharges.



## Town of Cowpens, South Carolina

### Management's Discussion and Analysis

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows and total liabilities and deferred inflows. Measuring net position is one way to gauge the Town's financial condition.

The government-wide financial statements consist of only governmental activities. The governmental activities include all of the basic services such as public safety, highway and streets, sanitation, social and recreational, and general administration. Property taxes, business license taxes, intergovernmental revenues and franchise fee taxes finance most of these activities.

#### Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. 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 of Cowpens, South Carolina uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the Town's budget ordinance. All of the funds of the Town of Cowpens, South Carolina can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Cowpens, South Carolina adopts an annual budget for its General Fund and its Fire District Fund, as required by State statutes. The budgets are legally adopted documents that incorporate input from the citizens of the Town, the management of the Town, and the decisions of the council about which services to provide and how to pay for them. They also authorize the Town to obtain funds from identified sources to finance these current period activities. The budgetary statements provided for the General Fund and the Fire District Fund demonstrate how well the Town complied with the budget ordinances and whether or not the Town succeeded in providing the services as planned when the budgets were adopted. The budgetary comparison statements use the budgetary basis of accounting and are presented using the same format, language, and classifications as the legal budget documents. The statements show four columns: 1) the original budgets as adopted by the council; 2) the final budgets as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund and the Fire District Fund; and 4) the difference or variance between the final budgets and the actual resources and charges.

**Town of Cowpens, South Carolina**

Management's Discussion and Analysis

**Fiduciary Funds** - The Town is an agent, or fiduciary, for the Cowpens Fire Department 1% monies. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the Town's own programs. The Town's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. Control over expenditures is exercised by the police officers and fire department and not by Town administration.

**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 are on pages 19 to 38 of this report.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report includes certain supplementary information concerning the Town of Cowpens, South Carolina's budgetary reporting, combining nonmajor governmental funds statements and other information. Supplementary information can be found beginning on page 39 of this report.

In addition, this report includes certain information concerning the Town of Cowpens's progress in funding its obligation to provide pension benefits to its employees. This required supplementary information can be found on pages 46 through 48 of this report.

**Government-Wide Financial Analysis**

**The Town of Cowpens, South Carolina's Net Position**

	Governmental Activities	
	2022	2021
Current and other assets	\$ 1,298,695	\$ 1,204,634
Capital assets, net	2,119,981	1,963,309
Deferred outflows of resources	332,507	340,778
Total assets and deferred outflows	3,751,183	3,508,721
Long-term liabilities outstanding	1,206,392	1,660,624
Other liabilities	306,888	67,818
Deferred inflows of resources	379,740	33,183
Total liabilities and deferred inflows	1,893,020	1,761,625
Net position		
Net invested in capital assets	1,885,466	1,643,907
Restricted	185,022	233,314
Unrestricted	(211,325)	(130,126)
Total net position	\$ 1,859,163	\$ 1,747,095

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Cowpens, South Carolina exceeded liabilities by \$1,859,163 as of June 30, 2022. The Town's net position increased by \$112,068 for the fiscal year ended June 30, 2022. Of total net position, the largest portion (101%) reflects the investment in capital assets (buildings, equipment, and vehicles), less any debt still outstanding. The Town uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be

## Town of Cowpens, South Carolina

## Management's Discussion and Analysis

used to liquidate these liabilities. An additional portion of the Town's net position (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(211,325) is unrestricted.

Several particular aspects of the Town's financial operations significantly influenced the total unrestricted governmental net position:

- Intergovernmental revenues are up \$284,200 due to American Rescue Plan funds received.
- Street department expenses increased \$54,481 due primarily to an increase in salaries and repairs and maintenance.

## The Town of Cowpens, South Carolina Changes in Net Position

	Governmental Activities	
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$ 101,381	\$ 131,571
Operating grants and contributions	348,646	50,125
General revenues:		
Property taxes	726,204	717,585
Other taxes	488,468	525,247
Intergovernmental revenues	164,439	171,853
Investment earnings	212	198
Sale of fixed assets		7,113
Miscellaneous	56,635	95,223
Total revenues	<u>1,885,985</u>	<u>1,698,915</u>
Expenses:		
General government	295,151	290,548
Public safety	1,075,216	1,118,799
Highways and streets	213,567	162,135
Sanitation	84,196	98,020
Recreation, tourism, health and social	99,428	81,845
Interest on long-term debt	6,359	5,918
Total expenses	<u>1,773,917</u>	<u>1,757,265</u>
Increase (decrease) in net position	112,068	(58,350)
Net position, July 1	<u>1,747,095</u>	<u>1,805,445</u>
Net position, June 30	<u>\$ 1,859,163</u>	<u>\$ 1,747,095</u>

**Town of Cowpens, South Carolina****Management's Discussion and Analysis**

**Governmental activities.** Governmental activities increased the Town's net position by \$112,068, thereby accounting for 100% of the total increase in the net position of the Town of Cowpens, South Carolina. Key elements of this increase are:

- Total revenues increased \$187,070 due primarily to an increase in American Rescue Plan funds.
- Total operating expenses decreased during the current year from \$1,757,265 to \$1,773,917.
- Previously accumulated franchise fee revenues of \$24,421 and \$62,097 were utilized to purchase equipment, pay debt service and pay other expenses of the fire district and police department.
- Depreciation on capital assets which is a noncash expense totaled \$198,584 and is detailed by governmental activity in Note 5 to the financial statements.

**Financial Analysis of the Town's Funds**

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

**Governmental Funds.** The focus of the Town of Cowpens, South Carolina's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Cowpens, South Carolina's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town of Cowpens, South Carolina. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$525,378, while total fund balance was \$623,821. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and assigned fund balance to total fund expenditures. Unassigned and assigned fund balance represents 33 percent of total General Fund expenditures and other uses.

The Town considers the fire department to be a separate special revenue fund since the fire district has a separate tax levy and annual budget. The Fire District Fund's expenditures exceeded its revenues and other sources by \$74,700 for the year ended June 30, 2022.

At June 30, 2022, the governmental funds of the Town of Cowpens, South Carolina reported a combined fund balance of \$959,203, a 1 percent decrease from last year.

**General Fund Budgetary Highlights.** During the fiscal year, the Town and Fire District revised their budgets. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that were used to prepare the original budget ordinances once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenues and expenditures were consistently held in check to allow the Town of Cowpens to comply with its budgetary requirements.

During the fiscal year, the Town of Cowpens revised the General Fund's budget and the Fire Department's budget once. As changes in needs occurred and new funding sources were developed the Town and Fire District revised their budgets to account for reductions in other costs and increased costs in these areas. Budgeted revenues and other sources of the General Fund were increased by \$93,739 due primarily to an increase in business licenses. Budgeted expenditures of the General Fund increased overall \$382,519 due to budget adjustments during the year, which were primarily increases in capital outlays. The Fire District's budgeted revenues and other sources increased \$108,686

**Town of Cowpens, South Carolina**

Management's Discussion and Analysis

due to an increase property taxes and other income. Budgeted expenditures increased \$168,454 due primarily to increases in salaries and repairs and maintenance.

Revenues in the General Fund were more than budgeted amounts primarily because of an increase in franchise fees and SRO reimbursement. Revenues in the Fire District Fund were less than budgeted amounts because of a decrease in grant income. Expenditures in the General Fund and the Fire District Fund were more than budgeted amounts.

**Capital Assets**

The Town of Cowpens, South Carolina's investment in capital assets for its governmental activities as of June 30, 2022, totals \$2,119,981 (net of accumulated depreciation). These assets include land and right of ways, buildings and improvements, furniture, equipment, and vehicles.

Major capital asset transactions during the year include the following additions:

8 Police Vehicle Computer Systems	\$	57,551
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**Town of Cowpens, South Carolina's Capital Assets  
(Net of Depreciation)**

	Governmental Activities	
	2022	2021
Land and rights-of-way	\$ 252,547	\$ 252,547
Land improvements	63,110	
Buildings and improvements	1,243,943	1,291,129
Furniture and equipment	312,291	159,668
Vehicles	248,090	259,965
Total	\$ 2,119,981	\$ 1,963,309

Additional information on the Town's capital assets can be found in Note 5 of the basic financial statements.

**Debt Administration**

At June 30, 2022, the Town had total long-term debt of \$234,515 consisting of two leases payable on fire vehicles in the amount of \$163,027, and \$15,699, a lease payable on fire turnout gear in the amount of \$13,693 and two leases on vehicles for the Police Department in the amount of \$19,044 and \$23,052.

During the fiscal year, the Town of Cowpens, South Carolina's total debt decreased by \$84,887. Interest paid on debt totaled \$9,807. Total debt service cost for the year was \$94,694.

**Town of Cowpens, South Carolina**  
**Management's Discussion and Analysis**

**Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the Town.

- Property tax revenues increased as the assessed value of property within the Town increased and millage rates remained at 101.4 mils.
- Property tax revenues increased as the assessed value of property for the Fire District increased and the millage rate remained at 29.4 mils.
- Intergovernmental revenues increased \$296,678 primarily due to American Rescue Plan funds received.

**Budget Highlights for the Fiscal Year Ending June 30, 2022**

**Governmental Activities:** Budgeted revenues and other sources of the General Fund are expected to decrease by approximately \$86,430 primarily due to a decrease in business licenses of \$56,105, a decrease school resource officer reimbursement of \$53,713 and in lease revenues of \$40,592, and other small changes in revenues which are expected to be received in the year ending June 30, 2022. The Town has budgeted to utilize \$6,166 of accumulated fund balance.

Budgeted revenues and other sources of the Fire District Fund are expected to decrease approximately \$163,961 primarily due a decrease in property taxes of \$166,140 and other small changes in revenues that are expected to be received in the year ending June 30, 2022.

Budgeted expenditures and other uses in the General Fund are expected to decrease 7.20% to \$1,118,903 due to a decrease of \$23,986 in general repairs and maintenance and a \$42,500 decrease in street department contract labor and several smaller decreases in other expenses.

Budgeted expenditures in the Fire District are expected to decrease by \$163,961. The major change is a decrease in in capital outlays of \$81,181.

**Requests for Information**

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Administrator, Town of Cowpens, P.O. Drawer 1399, Cowpens, South Carolina 29330, telephone (864) 463-3201.

## Town of Cowpens, South Carolina

Statement of Net Position  
June 30, 2022

	Primary Government	
	Governmental Activities	Total
<b>Assets</b>		
Cash and temporary investments	\$ 1,002,263	\$ 1,002,263
Receivables		
Intergovernmental	36,403	36,403
Franchise fees	36,592	36,592
Taxes	99,838	99,838
Restricted Cash	118,599	118,599
Note receivable	5,000	5,000
Capital assets (net)	2,119,981	2,119,981
Total assets	<u>3,418,676</u>	<u>3,418,676</u>
Deferred Outflows of Resources	<u>332,507</u>	<u>332,507</u>
<b>Liabilities</b>		
Accounts payable	171,251	171,251
Accrued salaries and benefits	17,038	17,038
Deferred revenue	118,599	118,599
Long-term liabilities		
Due within one year	71,885	71,885
Due in more than one year	162,630	162,630
Net pension liability	971,877	971,877
Total liabilities	<u>1,513,280</u>	<u>1,513,280</u>
Deferred Inflows of Resources	<u>379,740</u>	<u>379,740</u>
<b>Net Position</b>		
Net investment in capital assets	1,885,466	1,885,466
Restricted for		
Tourism	87,648	87,648
Victims' assistance	47,481	47,481
Public safety	49,893	49,893
Unrestricted	(211,325)	(211,325)
Total net position	<u>\$ 1,859,163</u>	<u>\$ 1,859,163</u>

The accompanying notes are an integral part of these financial statements.

**Town of Cowpens, South Carolina**

Statement of Activities  
Year Ended June 30, 2022

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental activities			
General government	\$ 291,703	\$ 375	\$ 337,614
Public safety			
Police	517,117	101,006	6,000
Fire	546,808		5,032
Other	11,291		
Highways and streets	213,567		
Sanitation	84,196		
Recreation, tourism, health, and social	99,428		
Interest on long-term debt	9,807		
Total governmental activities	1,773,917	101,381	348,646
Total primary government	\$ 1,773,917	\$ 101,381	\$ 348,646

General revenues:

  Taxes

- Property taxes levied for general purposes
- Property taxes levied for fire district purposes
- Business license taxes
- Franchise fee taxes
- Hospitality taxes

  Intergovernmental revenues

  Miscellaneous

  Investment earnings (losses)

    Total general revenues

Change in net position

Net Position, Beginning

Net Position, Ending

The accompanying notes are an integral part of these financial statements.



<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total Primary Government</u>
\$	\$ 46,286	\$ 46,286
	(410,111)	(410,111)
	(541,776)	(541,776)
	(11,291)	(11,291)
	(213,567)	(213,567)
	(84,196)	(84,196)
	(99,428)	(99,428)
	(9,807)	(9,807)
	<u>(1,323,890)</u>	<u>(1,323,890)</u>
<u>\$</u>	<u>(1,323,890)</u>	<u>(1,323,890)</u>
	499,199	499,199
	227,005	227,005
	326,223	326,223
	92,532	92,532
	69,713	69,713
	164,439	164,439
	56,635	56,635
	212	212
	<u>1,435,958</u>	<u>1,435,958</u>
	112,068	112,068
	<u>1,747,095</u>	<u>1,747,095</u>
<u>\$</u>	<u>1,859,163</u>	<u>\$ 1,859,163</u>

## Town of Cowpens, South Carolina

Balance Sheet - Governmental Funds  
June 30, 2022

ASSETS					
	General	Fire District Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Cash and temporary investments	\$ 395,006	\$ 247,922	\$ 145,186	\$ 214,148	\$ 1,002,262
Receivables					
Taxes receivable	30,609	12,142			42,751
Accounts receivable	36,592	57,087			93,679
Notes receivable	5,000				5,000
Restricted cash			118,599		118,599
Due from other governments	36,403				36,403
Due from other funds	324,730				324,730
Total assets	<u>\$ 828,340</u>	<u>\$ 317,151</u>	<u>\$ 263,785</u>	<u>\$ 214,148</u>	<u>\$ 1,623,424</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 163,983	\$ 7,603	\$	\$	\$ 171,586
Accrued salaries and benefits	16,703				16,703
Due to other funds		150,418	145,186	29,126	324,730
Unearned revenues			118,599		118,599
Total liabilities	<u>180,686</u>	<u>158,021</u>	<u>263,785</u>	<u>29,126</u>	<u>631,618</u>
Deferred Inflows of Resources					
Taxes and fees receivable	23,833	8,770			32,603
Fund Balances					
Nonspendable for:					
Note receivable	5,000				5,000
Restricted for:					
Victims' assistance				47,481	47,481
Tourism				87,648	87,648
Public safety				49,893	49,893
Committed to:					
Public safety	65,189				65,189
Street department	(3,799)				(3,799)
Assigned to:					
Next year's expenditures	32,053				32,053
Unassigned	525,378	150,360			675,738
Total fund balances	<u>623,821</u>	<u>150,360</u>		<u>185,022</u>	<u>959,203</u>
Total liabilities and fund balances	<u>\$ 828,340</u>	<u>\$ 317,151</u>	<u>\$ 263,785</u>	<u>\$ 214,148</u>	<u>\$ 1,623,424</u>

The accompanying notes are an integral part of these financial statements.

**Town of Cowpens, South Carolina**

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2022

Total Governmental Fund Balances	\$	959,203
Amounts reported in governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		2,119,981
Other outflows of resources are not available to pay for current-period expenditures and therefore are deferred in the funds. These include property taxes of \$32,603.		32,603
Long-term liabilities for capital leases and notes payable are not due and payable in the current period and therefore are not reported in the funds.		(234,515)
Contributions to the pension plan in the current fiscal year are deferred outflow of resources in the statement of net position		96,192
Net pension liability		(971,877)
Pension related deferrals		<u>(142,424)</u>
Net Position of Governmental Activities	\$	<u><u>1,859,163</u></u>

The accompanying notes are an integral part of these financial statements.

## Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
Year Ended June 30, 2022

	General	Fire District Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 498,941	\$ 227,095	\$	\$	\$ 726,036
Franchise fees	140,790				140,790
Intergovernmental revenues	101,512	20,753	334,614		456,879
Licenses	326,223				326,223
Reimbursement for school resource officer	55,974				55,974
Hospitality taxes				69,713	69,713
Fines and forfeitures	15,906			5,427	21,333
Rental revenue	13,468				13,468
Grants	3,000	34,732			37,732
Investment earnings	29	66	74	44	213
Miscellaneous revenue	10,984	28,696		3,900	43,580
	<u>1,166,827</u>	<u>311,342</u>	<u>334,688</u>	<u>79,084</u>	<u>1,891,941</u>
<b>Expenditures</b>					
Current					
General government	289,512				289,512
Public safety	531,701	458,739		4,779	995,219
Highways and streets	162,398				162,398
Sanitation	84,196				84,196
Tourism related				57,454	57,454
Capital outlay	335,070	19,185			354,255
Debt service	27,905	66,789			94,694
	<u>1,430,782</u>	<u>544,713</u>		<u>62,233</u>	<u>2,037,728</u>
Excess of Revenues Over (Under) Expenditures	<u>(263,955)</u>	<u>(233,371)</u>	<u>334,688</u>	<u>16,851</u>	<u>(145,787)</u>
Other financing sources (uses)					
Transfers (to) from other funds	241,160	158,671	(334,688)	(65,143)	
Total other financing sources (uses)	<u>241,160</u>	<u>158,671</u>	<u>(334,688)</u>	<u>(65,143)</u>	
Excess of Revenues and Other Sources Under Expenses and Other Uses	<u>(22,795)</u>	<u>(74,700)</u>		<u>(48,292)</u>	<u>(145,787)</u>
Fund Balances, Beginning	<u>646,616</u>	<u>225,060</u>		<u>233,314</u>	<u>1,104,990</u>
Fund Balances, Ending	<u>\$ 623,821</u>	<u>\$ 150,360</u>	<u>\$</u>	<u>\$ 185,022</u>	<u>\$ 959,203</u>

The accompanying notes are an integral part of these financial statements.

## Town of Cowpens, South Carolina

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2022

Net Change in Governmental Fund Balances	\$	(145,787)
<p>Amounts reported for governmental activities in the statement of activities are different because</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$354,255 exceeded depreciation of \$197,584.</p>		156,671
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Change in deferred outflows of resources for tax revenues of \$779.</p>		779
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt. Principal repayments totaled \$84,887 during the year.</p>		84,887
<p>Contributions to the pension plan in the current fiscal year are not included on the statement of activities</p>		96,192
<p>Pension expense</p>		(80,674)
<p>Change in Net Position of Governmental Activities</p>	\$	<u>112,068</u>

The accompanying notes are an integral part of these financial statements.

## Town of Cowpens, South Carolina

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2022

	Fire Department 1% Monies	Total Agency Funds
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$ 8,181</u>	<u>\$ 8,181</u>
Total assets	<u><u>\$ 8,181</u></u>	<u><u>\$ 8,181</u></u>
<b>LIABILITIES</b>		
Amounts held for others' benefit	<u>\$ 8,181</u>	<u>\$ 8,181</u>
Total liabilities	<u><u>\$ 8,181</u></u>	<u><u>\$ 8,181</u></u>

The accompanying notes are an integral part of these financial statements.

## Town of Cowpens, South Carolina

## Notes to Financial Statements

**Note 1 - Summary of Significant Accounting Policies**

## a. Reporting Entity

The Town of Cowpens, South Carolina is a municipal corporation which is governed by an elected mayor and four-member council. As required by generally accepted accounting principles, these financial statements present the Town.

## b. Basis of Presentation

*Government-wide Statements* - The statement of net position and the statement of activities report information about all of the nonfiduciary activities of the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through property taxes, licenses, intergovernmental revenues and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues including all taxes are presented as general revenues.

*Fund Financial Statements* - The fund financial statements provide information about the Town's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

*Governmental Funds* - Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Town reports the following major governmental funds

**General Fund** - The General Fund is the general operating fund of the Town. The General Fund is used to account for all financial resources of the Town except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, business licenses, franchise fees, intergovernmental revenues, and police fines. The primary expenditures are for public safety, street maintenance, sanitation services, recreation and tourism, and general administration.

**Fire District Fund** - The Fire District Fund is a special revenue fund used to account for the activity of the Cowpens Fire Department whose geographic boundaries exceed the Town limits. Its primary sources of revenues are ad valorem taxes and grants.

**American Rescue Plan Fund** - This fund accounts for the transactions related to the American Rescue Plan Funds.

## Town of Cowpens, South Carolina

## Notes to Financial Statements

**Note 1 - (continued)**

The Town reports the following nonmajor governmental funds

**Local Hospitality Tax Fund** - The Hospitality Tax Fund is a special revenue fund used to account for the proceeds of hospitality taxes collected under Article 7 of Title 6 of state law. These funds are required to be utilized for tourism-enhancing expenses.

**Victims Assistance Fund** - The Victims Assistance Fund is a special revenue fund used to account for required surcharges and assessments on police fines which must be used for the support of victims of crimes.

**Seized Drug Fund** - The Seized Drug Fund is a special revenue fund used to account for amounts received from confiscated drug monies. These funds are restricted for various purposes to assist public safety.

*Other Fund Types* - The Town also reports the following fund types

**Agency Funds** - The Fire Department 1% Monies account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. The Town's agency funds are used to account for funds earmarked for the benefit of the fire department where control over expenditures is exercised by the fire officers.

c. **Measurement Focus and Basis of Accounting**

The financial statements of the Town are prepared in accordance with generally accepted accounting principles (GAAP).

*Government-wide Financial Statements* - 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include taxes, licenses, and grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements* - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the accounting period when they are both measurable and available to pay the liabilities of the current period. In addition, expenditures are recorded when the related fund liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The Town has recognized assets of nonexchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Nonexchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. State shared revenues, federal grants funding federal mandates, and donations are examples of nonexchange transactions. The Town considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.



## Town of Cowpens, South Carolina

## Notes to Financial Statements

**Note 1 - (continued)**

Major revenue sources susceptible to accrual include property taxes, franchise fee taxes and intergovernmental revenues.

Under the terms of grant agreements the Town funds certain programs by a combination of specific cost - reimbursement grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Town's policy to first apply cost - reimbursement grant resources to such programs and then general revenues.

The Town's spending policy is to use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-town funds, and town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Town Council can deviate from this policy if it is in the best interest of the Town.

The government reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Refundable advances (unearned revenue) may arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for refundable advances and the deferred inflows of resources are removed from the governmental funds balance sheet and revenue is recognized.

Special reporting treatments are also applied to governmental fund long-term receivables and prepaid expenses to indicate that they do not represent "available spendable resources", even though they are a component of net current assets. Such amounts are generally offset by fund balance nonspendable accounts.

**d. Budgets and Budgetary Accounting**

Normally, the budget is legally enacted through the passage of an ordinance prior to July 1. Annual budgets are adopted for the General Fund and Fire District Fund. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end. The Town Council may amend the legally adopted budget when unexpected modifications are required. The budgets were amended during the year to record increases and decreases in revenue sources, reallocate amounts, account for increases in capital outlays and debt service, decreases in medical insurance costs, increases in other selected expense items and to account for the transfer of funds to the Fire Reserve. The budgets were prepared using the modified accrual basis of accounting.

**e. Assets, Liabilities, Deferred Inflows, and Net Position or Equity****1. Deposits and Investments**

Statutes authorize the Town to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, Savings and Loan Associations to the extent of federal insurance, certificates of deposit collaterally secured, repurchase agreements secured by the foregoing obligations and the State Treasurer's investment pool.

## Town of Cowpens, South Carolina

## Notes to Financial Statements

**Note 1 - (continued)**

## 2. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts (taxes) are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were not collected in prior years. Receivables for taxes less applicable allowances for doubtful accounts are reflected in deferred inflows of resources within the fund financial statements because the amount is not considered "available".

## 3. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

## 4. Capital Assets

The Town's capital assets are recorded at cost or estimated historical costs. Donated capital assets are recorded at their estimated fair value at the date of donation. 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 assets but are not reported in the fund financial statement.

It is the policy of the Town to capitalize all capital assets costing more than \$1,000 with an estimated useful life of two or more years. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. As allowed by generally accepted accounting principles, the Town has elected not to report general infrastructure assets retroactively.

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

	<u>Years</u>
Buildings and improvements	12-40
Furniture and equipment	5-12
Vehicles	5-12

## 5. Compensated Absences

Annual Leave - Employees receive 5 days per year for each of the first 3 years of employment, 10 days for 3 to 10 years of employment, and 15 days for over 10 years of employment. Vacation leave, if not used by December 31<sup>st</sup>, is lost. Accumulated liability totals \$9,846 of accrued salaries and benefits at June 30, 2022.

Sick Leave - Sick leave is accumulated at 1 day per month with a maximum accumulation of 90 days. Upon termination of employment, all unused sick leave is lost. No liability has been accrued in these financial statements since it does not vest for payment purposes.

## Town of Cowpens, South Carolina

## Notes to Financial Statements

**Note 1 - (continued)****6. Encumbrance Accounting**

All outstanding encumbrances lapse at year end and are rebudgeted in the following year.

**7. Estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**8. Net Position/Fund Balances**

Net position in the government-wide financial statements is classified as net investment in capital assets, restricted, and unrestricted. Net position is reported as restricted when there are legal limitations imposed on their use by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

In the governmental fund financial statements, restricted fund balances represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Committed fund balances represent Council approved plans for the use of funds that are subject to change at Council's option.

The governmental fund type classifies fund balance as follows:

**Nonspendable**

Nonspendable for Note Receivable - Portion of the fund balance that is receivable upon the sale of property owner's land due to improvements installed by the Town and not considered available, spendable resources.

**Restricted**

Restricted for Victims' Assistance Services - Portion of the fund balance available for providing victim services as required by state law Article 15 of Title 16 from assessments collected by the municipal court.

Restricted for Tourism - Portion of the fund balance available for tourism-enhancing expenses as required by state law Article 7 of Title 6 from Hospitality Taxes collected from local merchants on the sale of prepared foods and beverages.

Restricted for Public Safety - Portion of fund balance from confiscated drug money to be expended for public safety.

**Town of Cowpens, South Carolina**

## Notes to Financial Statements

**Note 1 - (continued)**

## Committed

Committed to Public Safety and Street Department - Portion of fund balance accumulated from sewer franchise fees and approved by formal action of Town Council for funding public safety (fire and police) and Street Department needs that arise and are not funded by the current budget. These amounts do not lapse at year-end.

## Assigned

Assigned to Next Years' Expenditures - Portion of fund balance that has been approved by formal action of Town Council for appropriation in next year's budget.

## 9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS) and additions to/deductions from SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by the South Carolina Public Employee Benefit Authority (PEBA). For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town of Cowpens has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## 10. Restricted Cash

Restricted cash of \$118,599 consists of unspent proceeds of the American Rescue Plan Recovery funds.

**Note 2 - Deposits**

At year end, the carrying amount of the Town's deposits was \$1,128,996 and the bank balance was \$1,163,01. Of the bank balances \$500,000 was covered by federal depository insurance. The remaining balance is collateralized by pledged governmental securities held by a third-party depository. The Town has no uncollateralized bank balances at June 30, 2022.

The Town has no policy regarding custodial credit risks for deposits and no formal policy regarding investment decisions and credit risk.

**Note 3 - Taxes Receivable**

Taxes receivable (current and delinquent) represent property and vehicle taxes which have been collected and remitted to Spartanburg County Treasurer's office for its distribution to the Town and taxes due but uncollected net of an allowance for uncollectible. In the governmental fund financial statements taxes receivable are accrued as revenue when they are considered to be both "measurable and available." If not considered available within 60 days of year end, they are recorded as deferred inflows of resources.

## Town of Cowpens, South Carolina

## Notes to Financial Statements

**Note 3 - (continued)**

In the government-wide financial statements, property taxes receivable, net of an allowance, is shown in revenue of the current period regardless of when cash is received.

The Town's property taxes (except vehicles) are levied by the Spartanburg County Auditor each fall on the assessed valuation of the property located in the Town and the Fire District as of the preceding January 1. The tax books are open for collection September 1, with the first penalty of 3% applied to payments made after January 15, the due date. An additional penalty of 5% is charged for payments made after January 31. Uncollected property taxes attach as an enforceable lien on January 1. Uncollected property taxes as of March 15 are transferred to the Spartanburg County Delinquent Tax Collector at which time an additional 5% penalty is assessed. Spartanburg County bills and collects the Town's property taxes.

At June 30, 2022, the Town's uncollected assessed taxes that have been transferred to the Spartanburg County Delinquent Tax Collector were \$45,800 and \$41,709 for the Town and the Fire District, respectively. These amounts net of allowances for doubtful accounts of \$21,966 and \$32,940, respectively and plus vehicle and delinquent taxes of \$6,775 and \$3,373 respectively are shown as taxes receivable in the accompanying statements.

Assessed values for real estate are established annually by the County Tax Assessor based on the assessment ratio applied to the appropriate class of property. Real and personal property, excluding merchant's inventory, in the Town's area for the 2021 tax levy was assessed at \$3,881,385 and \$3,690,272 for the Town and the Fire District, respectively. The Town's operating tax rate is currently 101.4 mills and 29.4 mills for the Town and Fire District, respectively.

**Note 4 - Interfund Receivables and Payables**

At June 30, 2022, the following interfund receivables and payables are reflected in the governmental fund balance sheet (such amounts are removed in the statement of net assets)

<u>Receivable by</u>	<u>Payable by</u>	<u>Amount</u>
General Fund	American Resuce Plan Fund	\$ 145,186
General Fund	Hospitality Fund	\$ 28,228
General Fund	Victims Assistance Fund	\$ 898
General Fund	Fire District Fund	\$ 150,418

## Town of Cowpens, South Carolina

## Notes to Financial Statements

## Note 5 - Capital Assets

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

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Governmental activities				
Not being depreciated				
Land and right-of-ways	\$ 252,547	\$	\$	\$ 252,547
Total capital assets not being depreciated	<u>252,547</u>			<u>252,547</u>
Being depreciated				
Land improvements		63,295		63,295
Buildings and improvements	2,109,044	6,615		2,115,659
Furniture and equipment	807,998	179,543		987,541
Vehicles	1,817,292	104,803		1,922,095
Total capital assets being depreciated	<u>4,734,334</u>	<u>354,256</u>		<u>5,088,590</u>
Less accumulated depreciation				
Land improvements		185		185
Buildings and improvements	817,916	53,799		871,715
Furniture and equipment	648,329	26,920		675,249
Vehicles	1,557,325	116,680		1,674,005
Total accumulated depreciation	<u>3,023,570</u>	<u>197,584</u>		<u>3,221,154</u>
Total capital assets being depreciated, net	<u>1,710,764</u>	<u>156,672</u>		<u>1,867,436</u>
Total capital assets, net	<u>\$ 1,963,309</u>	<u>\$ 156,672</u>	<u>\$</u>	<u>\$ 2,119,981</u>

Depreciation expense was charged to governmental functions as follows

General government	\$ 11,078
Public safety	
Police	32,469
Fire	106,785
Highways and streets	16,666
Recreation, tourism, health, and social	30,586
Total depreciation expense	<u>\$ 197,584</u>

## Town of Cowpens, South Carolina

## Notes to Financial Statements

**Note 6 - Lease Commitments and Notes Payable**

The summary below details the changes in long-term obligations for the Town for the year.

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
Capitalized lease obligation:	\$ 319,402	\$	\$ 84,887	\$ 234,515
Net pension liability	1,341,222		369,345	971,877
Total	<u>\$ 1,660,624</u>	<u>\$</u>	<u>\$ 454,232</u>	<u>\$ 1,206,392</u>

The following details the changes in capital lease obligations for the year.

	Payable at June 30, 2021	Additions	Reductions	Payable at June 30, 2022
Lease purchase of \$306,000 payable in annual installments of \$35,253 through March 2027, including interest at 2.66%, collateralized by 2013 Pierce Saber Pumper (Current principal of \$30,916)	\$ 193,142	\$	\$ 30,115	\$ 163,027
Lease purchase of \$37,395 payable in annual installments of \$8,116 through December 2024, including interest at 2.79%, collateralized by a 2020 Ford Explorer with a cost of \$36,895 (Current principal of \$7,473)	30,322		7,270	23,052
Lease purchase of \$45,000 payable in annual installments of \$7,114 including interest at 2.6%, collateralized by 24 sets of turnout gear with a cost of \$45,000, maturing June 2024. (Current principal of \$6,758)	26,700		13,007	13,693
Lease purchase of \$42,000 payable in annual installments of \$8,970 including interest at 2.23%, collateralized by 2017 Chevrolet Tahoe with a cost of \$45,895, matured March 2022.	8,774		8,774	
Lease purchase of \$72,000 payable in annual installments of \$19,789 including interest at 3.9%, collateralized by two 2018 Dodge Chargers with a cost of \$68,500, maturing August 2022. (Current principal of \$19,045)	37,376		18,332	19,044

## Town of Cowpens, South Carolina

## Notes to Financial Statements

## Note 6 - (continued)

	Payable at June 30, 2021	Additions	Reductions	Payable at June 30, 2022
Lease purchase of \$37,000 payable in annual installments of \$8,337 including interest at 4.11%, collateralized by 2019 Ford F350 with a cost of \$44,478, maturing December 2023. (Current principal \$7,693)	23,088		7,389	15,699
Total lease obligations payable	<u>\$ 319,402</u>	<u>\$</u>	<u>\$ 84,887</u>	<u>\$ 234,515</u>

The following is a summary of the Town's future annual debt service requirements

Year Ended June 30,	Principal	Interest	Total
2023	\$ 71,885	\$ 6,724	\$ 78,609
2024	54,362	4,458	58,820
2025	40,479	2,890	43,369
2026	33,450	1,803	35,253
2027	34,339	931	35,270
Total	<u>\$ 234,515</u>	<u>\$ 16,806</u>	<u>\$ 251,321</u>

Interest expense on long-term debt totaled \$9,807 for the year ended June 30, 2022. The Town has utilized resources of the General Fund and Fire District Fund to pay debt service costs in the current year.

## Note 7 - Restricted Fund Balances

Restrictions of fund equity show amounts that are not appropriate for expenditure or are legally restricted for specific purposes. Generally, the purpose for each is indicated by the account title on the face of the balance sheet.

## Note 8 - Committed Fund Balance

In the General Fund, Town Council voted to commit the proceeds of the sewer system franchise fees to be used for public safety. The franchise fees received, plus any earnings thereon, were allocated 50 percent to the police department and 50 percent to the fire department. Beginning July 1, 2017, Town Council voted to allocate the proceeds from the franchise fees received, plus any earnings thereon, 40 percent to the police department, 40 percent to the fire department and 20 percent to the street department. These amounts are requested for unbudgeted disbursements by the police chief, fire chief and street department manager as the need arises and are approved by Town Council. At June 30, 2022, \$31,224, \$33,965 and \$(3,799) are committed to the police department, fire district and street department respectively.



## Town of Cowpens, South Carolina

## Notes to Financial Statements

**Note 9 - Defined Benefit Pension Plan**

The South Carolina Public Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the State of South Carolina. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

**a. Plan Description**

Eligible employees of the Town are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS).

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

PORS - 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.

## Town of Cowpens, South Carolina

## Notes to Financial Statements

**Note 9 - (continued)****b. Membership**

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

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member 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 terms of his employment, 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 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 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.

**c. 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.

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.

## Town of Cowpens, South Carolina

## Notes to Financial Statements

**Note 9 - (continued)**

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 or 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.

**d. 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 the state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

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

## Town of Cowpens, South Carolina

## Notes to Financial Statements

## Note 9 - (continued)

Required contributions (100% funded) to the SCRS for the years ended June 30, 2021, 2020 and 2019 are as follows:

Year Ended June	Employee		Employer	
	Amount	Percent of	Amount	Percent of
2022	\$ 23,717	9.00%	\$ 43,639	16.56%
2021	\$ 22,933	9.00%	\$ 39,649	15.56%
2020	\$ 27,297	9.00%	\$ 46,729	15.56%

Required contributions (100% funded) to the PORS for the years ended June 30, 2021, 2020 and 2019 are as follows:

Year Ended June	Employee		Employer	
	Amount	Percent of	Amount	Percent of
2022	\$ 29,629	9.75%	\$ 58,469	19.24%
2021	\$ 27,642	9.75%	\$ 51,712	18.24%
2020	\$ 28,716	9.75%	\$ 52,544	17.24%

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

At June 30, 2022, the Town reported liabilities of \$477,846 and \$494,031 for its proportionate share of the net pension liabilities for the SCRS and PORS plans, respectively. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by actuarial valuation as of July 1, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions.

The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating SCRS and PORS employers, actuarially determined. At June 30, 2021 the Town's SCRS proportion was .002208 percent, as compared to .002514 percent measured as of June 30, 2020. At June 30, 2021 the Town's PORS portion was .019201 percent, as compared to .01930 percent measured as of June 30, 2020.

For the year ended June 30, 2020, the Town recognized pension expense of \$80,675. At June 30, 2022 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## Town of Cowpens, South Carolina

## Notes to Financial Statements

## Note 9 - (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
SCRS		
Difference between expected and actual experience	\$ 8,140	\$ 645
Change in assumptions	26,156	
Net difference between projected and actual earnings on pension plan investments	35,226	104,639
Town's contributions subsequent to the measurement date	45,613	
Change in proportionate share	22,784	101,188
Total SCRS	<u>\$ 137,919</u>	<u>\$ 206,472</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PORS		
Difference between expected and actual experience	\$ 16,807	\$ 1,539
Change in assumptions	35,237	
Net difference between projected and actual earnings on pension plan investments	54,406	165,166
Town's contributions subsequent to the measurement date	50,579	
Change in proportionate share	37,559	6,563
Total PORS	<u>\$ 194,588</u>	<u>\$ 173,268</u>

The \$45,613 and \$50,579 that are reported as deferred outflows of resources, which represent the Town's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will be recognized as pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2023	\$ (32,471)	\$ 22,141	\$ (10,330)
2024	(20,839)	(365)	(21,204)
2025	(33,884)	(11,579)	(45,463)
2026	(25,972)	(3,946)	(29,918)
Total	<u>\$ (113,166)</u>	<u>\$ 6,251</u>	<u>\$ (106,915)</u>

## Town of Cowpens, South Carolina

## Notes to Financial Statements

## Note 9 - (continued)

## f. Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of 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 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, 2015.

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

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

	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%	3.5% to 10.5%
Includes inflation at	2.25%	2.25%
Benefit adjustments annually	lesser of 1% or \$500	lesser of 1% or \$500

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), was developed using the System's mortality experience. These base rates are adjusted for future improvement in mortality using the published scale AA projected from the year 2020.

Assumptions used in the determination of the June 30, 2020 TPL for general employees job classification was the 2020 PRSC Males multiplied by 97% and the 2020 PRSC Females multiplied by 107% for males and females, respectively and for the public safety and firefighters job classification was the 2020 PRSC Males multiplied by 127% and the 2020 Females multiplied by 107% for males and females, respectively.

## g. Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents the particular System's total net pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2021 for SCRS and PORS are presented below.

## Town of Cowpens, South Carolina

## Notes to Financial Statements

## Note 9 - (continued)

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability
SCRS	\$55,131,579,363	\$33,490,305,970	\$21,641,273,393	60.7%
PORS	\$ 8,684,586,488	\$ 6,111,672,064	\$ 2,572,914,424	70.4%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability 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.

## h. 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 rates of returns represent assumptions developed using the 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 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.43 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.18 percent real rate of return and a 2.25 percent inflation component.

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

## Town of Cowpens, South Carolina

## Notes to Financial Statements

## Note 9 - (continued)

## i. Discount Rate

The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in 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, the System's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## j. Sensitivity Analysis

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6 percent) or 1 percentage point higher (8 percent) than the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Town's proportionate share of the net pension liability - SCRS	<u>\$ 625,918</u>	<u>\$ 477,846</u>	<u>\$ 354,767</u>
Town's proportionate share of the net pension liability - PORS	<u>\$ 716,776</u>	<u>\$ 494,031</u>	<u>\$ 311,569</u>

## Note 10 - Other Employment Benefits

The Town provides death benefits to employees through the group life insurance program for members of the South Carolina Retirement Systems. The beneficiaries of those employees who die in active service after one year of credited service are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to one year's salary of the deceased member. Accidental death benefits are provided to members of PORS equal to 50 percent of earnable compensation at the time of accidental death in the line of duty as an annuity to their surviving spouse, children, or parents. The Town has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payrolls. The Town does not determine the number of eligible participants. For the year ended June 30, 2022, the Town made contributions of \$1,611 to the State for group life and accidental death benefits.



**Town of Cowpens, South Carolina****Notes to Financial Statements****Note 11 - Contingent Liabilities**

The Town participates in both federal and state awards programs. These programs are subject to the possibility of program compliance audits by the grantors or their representatives at some future date. In the event of noncompliance findings, certain expenditures could be disallowed. However, the Town expects such amounts, if any, to be immaterial.

**Note 12 - Interfund Transfers**

The Town transferred \$125,000 to the Fire District Fund during the year which was budgeted by the Town to cover the shortfall of revenues under expenses for the district.

The Hospitality Fund transferred \$30,711 to the General Fund for payroll and related expenses allocated to special events during the year and \$34,432 for Streetscape expenses.

The American Rescue Plan Fund transferred \$301,017 to the General Fund and \$33,671 to the Fire District Fund to cover premium pay and capital outlays.

**Note 13 - Litigation**

Due to the nature of the Town's normal operating activities, it is subject to a variety of claims and demands by various individuals and entities. At present the Town is not aware of any material pending or threatened litigation, claims, or assessments. In addition, the Town is not aware of any unasserted possible claims or assessments.

**Note 14 - Risk Management**

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors or omissions, injuries to employees, and natural disasters. The Town contracted with Selective Insurance Company of the Southeast through Carolina Municipal Insurance to cover risks of loss and pay claims for covered losses relating to auto comprehensive, collision and liability, buildings and personal property including bodily injury, general tort liability claims, public official liability and police professional liability. Fire department buildings, business auto and tort liability are provided through commercial carriers, and volunteer accident, life and health insurance are contracted through SC Firefighters Insurance.

The Town also pays premiums to Carolina Municipal for workers' compensation insurance coverage up to the statutory limits. The coverage is provided through Selective Insurance Company.

There were no significant reductions in insurance coverage from the prior year and no settlements exceeding coverage for the past three years.

**Town of Cowpens, South Carolina****Notes to Financial Statements****Note 15 – American Recovery Plan Proceeds**

The American Rescue Plan (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenues for the eligible state, local, territorial, and tribal governments. The Town received \$453,213 during the year ended June 30, 2022. The Town allocated \$58,236 of the ARPA funds for premium pay and \$276,378 for capital improvements. The remaining balance of \$118,599 will be used in subsequent years.

**Note 16 - Timken Community Center**

The Town entered into an agreement in May 2014 with the County of Spartanburg for the County to use the property and facilities of the Timken Community Center for the benefit of citizens of Spartanburg County when the Town is not holding or sponsoring an event in the Center. Under this agreement, the County used the Center to provide agreed-upon recreation programs and services. The Town did not charge the County for use of the facility and the County provided facility management and operations services. The Town paid the costs for repairs and improvements to the Center and grounds and provided grounds maintenance services as agreed between the parties. The County modified the agreement effective May 20, 2015 such that the County will be responsible for the costs of the utilities and the janitorial services. The term of the agreement was from the date of the agreement until terminated and required six months advance notice prior to termination by either party. The County modified the agreement again effective March 21, 2018. The term of this agreement was twenty years and it will end on April 30, 2038. The County or the Town can terminate the agreement at any time for any reason by providing ninety days advance notice to the other party.

**Note 17 - Tax Abatements**

Spartanburg County utilizes an economic development program to attract businesses and industry to the County for purposes of expanding and diversifying the local economy and creating jobs. The two mechanisms that the County employs are Fee in Lieu of Tax agreements and Special Source Revenue Credits. For the 2021 tax assessment, abatements from Fee in Lieu of Tax agreements totaled \$23,437 for the Fire District and \$2,925 for the Town.

**Note 18 - Subsequent Events**

In March 2020, the coronavirus pandemic invaded the United States and has since created economic hardships and disruptions for individuals and businesses, from voluntary to mandatory closures of various businesses and other operations. The pandemic is currently still affecting normal operations to certain extents. The impact of this pandemic on the Town's portion of state shared revenues, its local option hospitality taxes, and other revenues cannot be properly calculated at this time but could be material to the normal operations of the Town.

## Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual - General Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 470,000	\$ 498,870	\$ 498,941	\$ 71
Homestead exemption	45,338	44,826	44,826	
Local government fund	52,188	48,698	47,107	(1,591)
Merchants inventory	2,882	2,882	2,882	
Business licenses	259,000	367,035	326,223	(40,812)
Franchise fees	104,128	92,048	140,790	48,742
Police fines	15,000	16,185	15,906	(279)
Housing authority	7,402	5,125	6,697	1,572
Rent	12,592	12,592	13,468	876
Interest income	320	39	29	(10)
Reimbursement for SRO	60,000	34,289	55,974	21,685
Grant			3,000	3,000
Miscellaneous			10,984	10,984
<b>Total revenues</b>	<u>1,028,850</u>	<u>1,122,589</u>	<u>1,166,827</u>	<u>44,238</u>
<b>Expenditures</b>				
General government				
Office				
Salaries	40,355	33,965	35,018	(1,053)
Payroll taxes	3,030	2,709	2,648	61
Medical insurance	6,000	7,684	6,605	1,079
Retirement	6,559	4,961	4,961	
Worker's compensation	185	136	136	
Computer maintenance	7,200	7,466	8,215	(749)
Conventions and seminars		175	175	
Insurance	2,163	2,440	2,440	
Internet	500	869	869	
Office equipment maintenance	2,049	1,327	1,327	
Website hosting	3,000	3,900	3,900	
<b>Total office</b>	<u>71,041</u>	<u>65,632</u>	<u>66,294</u>	<u>(662)</u>

## Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - General Fund  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Administrative</b>				
Salaries	57,301	63,605	64,415	(810)
Payroll taxes	4,326	4,738	4,725	13
Medical insurance	6,000	7,256	7,256	
Retirement	9,365	9,449	9,449	
Worker's compensation	110	136	136	
Conventions and seminars		700	625	75
Mobile phones	1,500	1,492	1,492	
Insurance	2,400	5,590	5,590	
Software	3,500	3,500	3,500	
Total administrative	<u>84,502</u>	<u>96,466</u>	<u>97,188</u>	<u>(722)</u>
<b>General</b>				
Office supplies	2,500	3,489	3,743	(254)
General insurance	2,840	3,479	369	3,110
Telephone	5,100	2,587	2,587	
Water	1,400	1,197	1,197	
Power - street lights	33,000	31,883	31,883	
Power - traffic lights	3,000	2,421	2,421	
Power - Town Hall	6,000	5,638	5,638	
Power - miscellaneous poles	750	1,407	1,407	
Power - Progressive Club	1,100	907	907	
Veteran's Park expense	3,500	2,858	2,858	
Depot expense	3,000	5,644	5,644	
Town tax notices	2,000	1,058	1,161	(103)
Municipal association	1,200	762	762	
Audit fees	12,000	11,122	11,122	
Legal fees	5,000	4,043	4,043	
Repairs and maintenance	3,500	12,569	18,418	(5,849)
Christmas lighting expense	300		334	(334)
Janitorial supplies	2,000	874	874	
Acknowledgement expense	150	483	483	
Dues	475	475	475	
Subscriptions/public relations	200	525	525	
Election expense	1,300		1,055	(1,055)
Miscellaneous	1,800	8,306	16,717	(8,411)
Community Center expenses	1,600	1,285	1,285	
Mighty Moo expense	100	552	552	
Stormwater expenses	2,000	2,000	2,200	(200)
Streetscape expenses		2,000	2,000	
Business license contract	7,500	5,375	5,370	5
Total general	<u>103,315</u>	<u>112,939</u>	<u>126,030</u>	<u>(13,091)</u>

## Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - General Fund  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Total general government	258,858	275,037	289,512	(14,475)
Public safety				
Judge				
Salary	8,500	8,141	8,141	
Insurance	3,574	3,150	3,150	
Other	700			
Total judge	12,774	11,291	11,291	
Police department				
Salaries	300,800	304,040	306,284	(2,244)
Payroll taxes	22,567	25,337	24,830	507
Medical insurance	35,000	34,409	29,578	4,831
Retirement	56,758	55,936	50,579	5,357
Worker's compensation	18,000	17,971	17,971	
Gas and oil	19,000	24,497	24,566	(69)
Supplies	3,000	5,175	5,479	(304)
Uniforms	2,000	3,319	3,319	
Repairs and maintenance- autos and equipment	8,000	13,430	13,823	(393)
Minor equipment	15,000	64,591	3,582	61,009
Conventions and seminars	500	93	592	(499)
Vehicle insurance	11,500	11,768	11,768	
Insurance	12,000	16,357	16,357	
Internet expense	600	869	869	
Mobile phones and pagers	4,720	7,553	7,553	
Computer maintenance	1,000	2,215	2,215	
Other	700	612	1,045	(433)
Total police department	511,145	588,172	520,410	67,762
Total public safety	523,919	599,463	531,701	67,762

## Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual - General Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Highways and streets				
Salaries	52,279	33,846	34,613	(767)
Payroll taxes	4,619	2,726	2,657	69
Medical insurance	7,100	7,142	7,142	
Retirement	9,998	5,967	5,967	
Worker's compensation	4,500	6,285	6,285	
Gas and oil	5,200	8,821	8,821	
Supplies	1,500	3,355	3,355	
Uniforms		194	194	
Repairs and maintenance - autos and equipment	5,000	12,068	12,068	
Repairs and maintenance - land and building	1,000	8,889	8,889	
Vehicle insurance	4,500	3,773	3,773	
Insurance	610	632	632	
Mobile telephone expense	720	720	720	
Contract labor	10,000	64,040	64,040	
Power - service building	600	671	671	
Service building expense	1,500	2,571	2,571	
Total highways and streets	<u>109,126</u>	<u>161,700</u>	<u>162,398</u>	<u>(698)</u>
Sanitation				
Garbage service	<u>88,000</u>	<u>84,196</u>	<u>84,196</u>	
Total sanitation	<u>88,000</u>	<u>84,196</u>	<u>84,196</u>	
Capital outlay				
Office		3,372	35,427	(32,055)
General		8,317	34,482	(26,165)
Police department		130,737	163,561	(32,824)
Street department	<u>2,000</u>	<u>101,600</u>	<u>101,600</u>	
Total capital outlay	<u>2,000</u>	<u>244,026</u>	<u>335,070</u>	<u>(91,044)</u>
Debt service				
Police department	<u>12,000</u>	<u>12,000</u>	<u>27,905</u>	<u>(15,905)</u>
Total debt service	<u>12,000</u>	<u>12,000</u>	<u>27,905</u>	<u>(15,905)</u>
Total expenses	<u>993,903</u>	<u>1,376,422</u>	<u>1,430,782</u>	<u>(54,360)</u>

## Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - General Fund  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Excess of revenues over (under) expenses	34,947	(253,833)	(263,955)	(10,122)
Other financing sources (uses)				
Transfers (out)	(125,000)	(125,000)	241,160	241,160
Total other financing sources - (uses)	(125,000)	(125,000)	241,160	241,160
Expenditures and other uses over revenues and other sources	<u>\$ (90,053)</u>	<u>\$ (378,833)</u>	(22,795)	<u>\$ 231,038</u>
Fund balance, beginning			646,616	
Fund balance, ending			<u>\$ 623,821</u>	

## Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual - Fire District Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Property taxes	\$ 183,471	\$ 231,684	\$ 227,095	\$ (4,589)
Intergovernmental	24,000	21,795	20,753	(1,042)
Interest income			66	66
Grant income	20,000	53,982	34,732	(19,250)
Other income		28,696	28,696	
Total revenues	<u>227,471</u>	<u>336,157</u>	<u>311,342</u>	<u>(24,815)</u>
<b>Expenditures</b>				
<b>Current</b>				
Salaries	149,876	182,451	183,533	(1,082)
Payroll taxes	13,324	13,884	13,428	456
Worker's compensation	7,835	12,596	12,596	
Retirement	19,672	25,187	24,640	547
Fire call monies	16,000	10,643	10,643	
Gas and oil	8,200	11,309	11,309	
Supplies and office expense	3,433	8,194	14,685	(6,491)
Repairs and maintenance - autos and equipment	15,000	100,432	82,692	17,740
Repairs and maintenance - land and buildings	5,000	18,402	17,058	1,344
Minor equipment	15,000	24,422		24,422
Telephone	4,000	8,154	8,154	
Uniforms	6,000	12,231	12,231	
Water	1,700	2,019	2,019	
Power	8,500	7,519	7,519	
Fire prevention	3,500	1,122	1,122	
Travel and training	6,000	7,342	7,342	
Insurance	20,842	24,950	24,950	
Immunizations and physicals	3,500	2,500	2,500	
Professional dues	1,000	1,154	1,154	
Internet expense	3,000	5,566	5,566	
Communications	1,850	1,864	1,864	
Annual contracts	6,000	2,695	2,695	
Audit expense	4,375	8,750	8,750	
Grant expense		2,289	2,289	
Capital outlay	10,112	6,498	19,185	(12,687)
Debt service	35,253	35,253	66,789	(31,536)
Total expenditures	<u>368,972</u>	<u>537,426</u>	<u>544,713</u>	<u>(7,287)</u>
Excess of revenues over (under) expenditures	<u>(141,501)</u>	<u>(201,269)</u>	<u>(233,371)</u>	<u>(32,102)</u>



## Town of Cowpens, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual - Fire District Fund  
Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Other financing sources (uses)				
Transfers out				
Transfers in	<u>125,000</u>	<u>125,000</u>	<u>158,671</u>	<u>(33,671)</u>
Total other financing sources (uses)	<u>125,000</u>	<u>125,000</u>	<u>158,671</u>	<u>33,671</u>
Excess of Revenues and Other Sources Over Expenditures	<u>\$ (16,501)</u>	<u>\$ (76,269)</u>	<u>(74,700)</u>	<u>\$ 1,569</u>
Fund Balance, Beginning			<u>225,060</u>	
Fund Balance, Ending			<u>\$ 150,360</u>	

**Town of Cowpens, South Carolina**

Town of Cowpens's Proportionate Share of Net Pension Liability  
Last Nine Fiscal Years\*

South Carolina Retirement System

	2022	2021	2020	2019	2018
Town of Cowpens's proportion of the net pension liability	0.19201%	0.01950%	0.01930%	0.01463%	0.01405%
Town of Cowpens's proportion of the net pension liability	\$ 716,776	\$ 646,554	\$ 553,128	\$ 414,547	\$ 384,771
Town of Cowpens's covered-employee payroll	\$ 283,510	\$ 294,527	\$ 277,774	\$ 202,501	\$ 189,144
Town of Cowpens's proportionate share of the net pension liability as a percentage of its covered-employee payroll	252.82%	219.52%	199.13%	204.71%	203.43%
Plan fiduciary net position as a percentage of total pension liability	58.80%	58.80%	61.70%	61.70%	60.90%
	2017	2016	2015	2014	
Town of Cowpens's proportion of the net pension liability	0.01697%	0.01835%	0.01833%	0.01833%	
Town of Cowpens's proportion of the net pension liability	\$ 430,465	\$ 399,829	\$ 350,876	\$ 379,934	
Town of Cowpens's covered-employee payroll	\$ 216,355	\$ 227,453	\$ 220,435	\$ 202,697	
Town of Cowpens's proportionate share of the net pension liability as a percentage of its covered-employee payroll	198.96%	175.79%	159.17%	187.44%	
Plan fiduciary net position as a percentage of total pension liability	60.40%	64.60%	67.55%	62.98%	

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\* This will be the same percentage for all participant employers in the SCRS/PORS plans.

**Town of Cowpens, South Carolina**

Town of Cowpens's Proportionate Share of Net Pension Liability  
Last Nine Fiscal Years\*

South Carolina Police Officers' Retirement System

	2022	2021	2020	2019	2018
Town of Cowpens's proportion of the net pension liability	0.002208%	0.271900%	0.002514%	0.002716%	0.002735%
Town of Cowpens's proportion of the net pension liability	\$ 625,918	\$ 694,668	\$ 573,963	\$ 608,561	\$ 615,692
Town of Cowpens's covered-employee payroll	\$ 254,812	\$ 303,303	\$ 267,020	\$ 281,054	\$ 271,238
Town of Cowpens's proportionate share of the net pension liability as a percentage of its covered-employee payroll	245.64%	229.03%	214.95%	216.53%	226.99%
Plan fiduciary net position as a percentage of total pension liability	50.70%	50.70%	54.10%	54.10%	53.30%
	2017	2016	2015	2014	
Town of Cowpens's proportion of the net pension liability	0.002578%	0.002684%	0.002787%	0.02787%	
Town of Cowpens's proportion of the net pension liability	\$ 550,657	\$ 509,034	\$ 479,829	\$ 499,888	
Town of Cowpens's covered-employee payroll	\$ 254,560	\$ 251,687	\$ 253,027	\$ 245,930	
Town of Cowpens's proportionate share of the net pension liability as a percentage of its covered-employee payroll	216.32%	202.25%	189.64%	203.26%	
Plan fiduciary net position as a percentage of total pension liability	52.90%	57.00%	59.88%	56.39%	

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\* This will be the same percentage for all participant employers in the SCRS/PORS plans.

Town of Cowpens, South Carolina  
 Town of Cowpens's Contributions  
 Last Nine Fiscal Years

South Carolina Retirement System

	2021	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 43,638	\$ 39,649	\$ 47,194	\$ 38,878	\$ 38,111	\$ 31,355	\$ 28,154	\$ 27,434	\$ 26,821
Contributions in relation to the contractually required contribution	43,638	39,649	47,194	38,878	38,111	31,355	28,154	27,434	26,821
Contribution deficiency (excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Town of Cowpens's covered-employee payroll

	\$ 263,521	\$ 254,812	\$ 303,303	\$ 267,020	\$ 281,054	\$ 271,238	\$ 254,560	\$ 251,687	\$ 253,027
Contributions as a percentage of covered-employee payroll	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%	10.60%

South Carolina Police Officers' Retirement System

Contractually required contribution	\$ 58,468	\$ 51,712	\$ 53,722	\$ 47,888	\$ 32,886	\$ 26,934	\$ 29,727	\$ 30,501	\$ 28,304
Contributions in relation to the contractually required contribution	58,468	51,712	53,722	47,888	32,886	26,934	29,727	30,501	28,304
Contribution deficiency (excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Town of Cowpens's covered-employee payroll

	\$ 303,886	\$ 283,511	\$ 294,527	\$ 277,774	\$ 202,501	\$ 189,144	\$ 216,355	\$ 227,453	\$ 220,435
Contributions as a percentage of covered-employee payroll	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.71%	13.41%	12.84%

Town of Cowpens, South Carolina

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2022

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Police Seized Drug Fund	Victims Assistance Fund	Local Hospitality Tax Fund		
Assets					
Cash	\$ 49,893	\$ 48,379	\$ 115,876	\$ 214,148	
Total assets	<u>\$ 49,893</u>	<u>\$ 48,379</u>	<u>\$ 115,876</u>	<u>\$ 214,148</u>	
Liabilities and Fund Balances					
Liabilities					
Due to other funds		\$ 898	\$ 28,228	\$ 29,126	
Total liabilities		<u>898</u>	<u>28,228</u>	<u>29,126</u>	
Fund balances					
Restricted	49,893	47,481	87,648	185,022	
Committed					
Total fund balances	<u>49,893</u>	<u>47,481</u>	<u>87,648</u>	<u>185,022</u>	
Total liabilities and fund balances	<u>\$ 49,893</u>	<u>\$ 48,379</u>	<u>\$ 115,876</u>	<u>\$ 214,148</u>	

Town of Cowpens, South Carolina

Combining Statement of Revenue, Expenditures,  
and Changes in Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2022

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Police Seized Drug Fund	Victims Assistance Fund	Local Hospitality Tax Fund	
Revenues				
Other taxes	\$	\$	\$	\$
Assessments and surcharges	2,798	2,629	69,713	69,713
Other income			3,900	5,427
Interest earned	5		39	3,900
Total revenues	2,803	2,629	73,652	79,084
Expenditures				
Tourism related			57,454	57,454
Victim advocate services		4,779		4,779
Total expenditures		4,779	57,454	62,233
Excess of Revenues Over (Under) Expenditures	2,803	(2,150)	16,198	16,851
Other financing sources (uses)				
Transfers in (out)			(65,143)	
Total other financing sources (uses)			(65,143)	
Fund balances, beginning	47,090	49,631	136,593	233,314
Fund balances, ending	\$ 49,893	\$ 47,481	\$ 87,648	\$ 185,022

## Town of Cowpens, South Carolina

Schedule of Fines, Assessments, and Surcharges - General Fund  
Year Ended June 30, 2022

	<u>Fines</u>	<u>Assessments</u>	<u>Surcharges</u>	<u>Victim Services</u>
Collected	\$ 16,216	\$ 18,234	\$ 10,756	\$
Retained by town	(16,216)			
Remitted to State Treasurer		(16,200)	(10,161)	
Allocated to Victims Services		(2,034)	(595)	2,629
Victim services expenditures				(4,779)
Funds carried forward	<u>\$</u>	<u>\$</u>	<u>\$</u>	(2,150)
Balance available, beginning of year				<u>49,631</u>
Balance available, end of year				<u>\$ 47,481</u>

## Request for Taxpayer Identification Number and Certification

**Give Form to the  
 requester. Do not  
 send to the IRS.**

▶ Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Print or type.  
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <b>Town of Cowpens</b>	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.  <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate  <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.  <input checked="" type="checkbox"/> Other (see instructions) ▶ <b>Municipal government</b>	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from FATCA reporting code (if any) _____  <small>(Applies to accounts maintained outside the U.S.)</small>
5 Address (number, street, and apt. or suite no.) See instructions. <b>PO Box 1399</b>	Requester's name and address (optional)
6 City, state, and ZIP code <b>Cowpens SC 29330</b>	
7 List account number(s) here (optional)	

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>	
or	
<b>Employer identification number</b>	
	<b>57 - 6001018</b>

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person ▶ <b>Terresa Carter</b>	Date ▶ <b>1/24/2024</b>
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**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*



**South Carolina State Procurement**

TOWN OF COWPENS (SC Vendor Number 7000108331)

Company

Contact

Emergency

Commodities

Contracts

Related

**Company Identification...**

**Vendor Number:** 7000108331  
**Name:** TOWN OF COWPENS

**Minority Status:**

**Company Phone:**  
**Company Fax:**

**Company Address...**

**Outside of U.S.?** No

**Street Address:** PO Box 1399

**City:** COWPENS

**State:** South Carolina

**Zip Code:** 29330

**PO Box:** 1399

**PO Box Zip:**

Return