TOWN OF KINGSTREE
SOUTH CAROLINA

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED
JUNE 30, 2024

TOWN OF KINGSTREE
SOUTH CAROLINA
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JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Town Council
Town of Kingstree
Kingstree, South Carolina 29556

Opinions
I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kingstree, South Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Kingstree's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund of the Town of Kingstree, South Carolina, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Town of Kingstree, South Carolina, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Kingstree, 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
My 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 my 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, I: 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 Kingstree, 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 my judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Town of Kingstree, South Carolina's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison – General Fund, schedule of the proportionate share of the net pension liability and schedule of contributions, as listed in the foregoing table of contents 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kingstree, South Carolina's basic financial statements. The combining and individual fund statements, water and sewer fund - statement of revenues, expenses and changes in net position - budget to actual, and schedule of fines, assessments and surcharges - victims fund are presented for purposes of additional analysis and are not a required part of 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 my opinion, the combining and individual fund statements and schedules as stated above are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated Novmeber 4, 2024 on my consideration of the Town of Kingstree's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Kingstree, South Carolina's internal control over financial reporting and compliance.

Samantha Salisbury

Samantha A. Salisbury, CPA
November 4, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
(required supplementary information)

TOWN OF KINGSTREE, SOUTH CAROLINA
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024

The Town of Kingstree's Management Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide a concise overview of the Town's financial status, (c) identify any changes in the Town's financial position (its ability to address and meet the challenges of subsequent years), (d) provide an overview of material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

This annual report consists of four sections: (1) the basic financial statements, which include government-wide statements and fund-specific statements; (2) required supplementary information; (3) combined and individual fund statements and schedules for major and non-major governmental funds; and (4) compliance.

Basic Financial Statements

Government-Wide Financial Statements

The Government-Wide Financial Statements section provides a broad overview of the Town's overall financial status, in a manner similar to a private sector enterprise. The statement of net assets is designed to be similar to bottom line results of the Town and, over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information regarding how net assets changed during the most recent fiscal year. All changes in net position are reported as soon as possible, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Town that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include administration, police, fire, streets, sanitation, recreation, and community development. The business-type activities of the Town include water and sewer operations as well as housing and economic development.

Fund Financial Statements

The fund financial statements give greater emphasis on individual parts of the Town's financial status and reports operations in greater detail than the government-wide statements.

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term uses of spendable resources, as well as on balances of spendable resources available at

the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds
Proprietary enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water and sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail; therefore, the proprietary fund financial statements provide more detailed information for the water and sewer fund which is considered a major fund of the Town.

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

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows of resources by $13,454,613 in 2024 and $12,169,036 in 2023. The following table provides a summary of the Town's net position as of June 30, 2024 and 2023:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
ASSETS, DEFFERED OUTFLOW						
Current and Other Assets	$ 4,918,368	$ 4,767,207	$ 1,534,209	$ (1,715,163)	$ 6,452,577	$ 3,052,044
Capital Assets, Net	7,872,104	7,629,040	14,426,712	13,780,390	22,298,816	21,409,430
Deferred Outflows	468,984	428,965	188,960	204,728	657,944	633,693
	13,259,456	12,825,212	16,149,881	12,269,955	29,409,337	25,095,167
LIABILITIES, DEFERRED INFLOWS AND NET ASSETS						
Liabilities :						
Other Liabilities	3,725,803	3,877,779	1,419,384	1,340,443	5,145,187	5,218,222
Noncurrent Liabilities	116,333	171,593	9,533,461	9,815,867	9,649,794	9,987,460
Deferred Inflows	1,091,166	953,927	68,577	92,750	1,159,743	1,046,677
	4,933,302	5,003,299	11,021,422	11,249,060	15,954,724	16,252,359
NET POSITION						
Invested in Capital Assets,						
Net of Related Debt	7,765,149	7,046,289	4,717,989	4,400,637	12,483,138	11,446,926
Nonspendable	5,765	82,768	21,450	21,450	27,215	104,218
Restricted	987,247	1,090,162	638,162	638,162	1,625,409	1,728,324
Unrestricted	(432,007)	(397,306)	(249,142)	(713,126)	(681,149)	(1,110,432)
Total Net Assets	$ 8,326,154	$ 7,821,913	$ 5,128,459	$ 4,347,123	$ 13,454,613	$ 12,169,036

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles, furniture and equipment and construction in progress); less any related debt used to acquire those assets that are still outstanding. Invested in capital assets (net of related debt), represents about 92.78% of total net assets. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

The Town's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Unrestricted net assets are the part of the net assets that can be used to finance daily operations without constraints established by debt covenants, enabling legislation and other legal requirements.

Governmental Activities

Governmental activities increased the Town's net position by $504,241. This increase was due primarily to the increase in tax revenue and intergovernmental revenue. Expenses remained consistent overall, with decreases in general government and increases in both public safety and public works.

Business-Type Activities

Business-type activities increased the Town's net position by $781,336. This increase was primarily due to the increase in intergovernmental revenues.

Capital Assets and Debt Administration for Government-Wide Activities

As of June 30, 2024, the Town had invested $21,298,816 (net of accumulated depreciation) in capital assets. Total depreciation expense for the year was $914,956. The following schedule presents capital asset balances net of accumulated depreciation for the fiscal year ended June 30, 2024:

	Amount
Land	$ 2,064,365
Construction in progress	80,244
Buildings and improvements	5,617,649
Equipment and Vehicles	512,773
Water and Sewer System	14,023,785
Total	$ 22,298,816

Debt Administration: The following table presents a summary of the Town's outstanding long-term debt for the fiscal year ended June 30, 2024.

	Amount
Financed Purchased Obligations	$ 54,617
Note Payable	31,521
Revenue Bond Payable	9,441,229
Total	$ 9,527,367

Change in Net Position

The Town's combined governmental and business-type activities include total revenues for the fiscal year ended June 30, 2024 in the amount of $9,754,944. The total expenses of all governmental and business-type activities were $8,469,367, leaving an increase in net position of 1,285,577

The following table presents a summary of the activity that resulted in changes to the total net position for the fiscal years June 30, 2024 and 2023:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	$ 2,479,292	$ 2,180,128	$ 2,969,762	$ 2,809,033	$ 5,449,054	$ 4,989,161
Operating Grants and Contributions	493,778	285,303	-	-	493,778	285,303
Capital Grants and Contributions	361,956	320,040	1,000,000	-	1,361,956	320,040
General Revenues:						
Taxes						
Property Taxes, levied for general purpose	1,178,303	941,031	-	-	1,178,303	941,031
Local Option Sales Tax	1,177,888	1,217,767	-	-	1,177,888	1,217,767
Other Tax	19,095	19,095	-	-	19,095	19,095
Other	44,227	54,990	30,643	17,136	74,870	72,126
Total Revenues	5,754,539	5,018,354	4,000,405	2,826,169	9,754,944	7,844,523
Expenses:						
Governmental Activities						
General Government	663,183	850,851	-	-	663,183	850,851
Public Safety	2,245,464	2,086,581	-	-	2,245,464	2,086,581
Public Works	1,311,921	1,251,573	-	-	1,311,921	1,251,573
Culture and Recreation	681,185	690,507	-	-	681,185	690,507
Health and Welfare	-	-	-	-	-	-
Interest	4,403	13,172	-	-	4,403	13,172
Business-type Activities						
Water and Sewer Utilities	-	-	3,546,059	3,463,162	3,546,059	3,463,162
Town of Kingstree Develop. Corp	-	-	17,152	10,147	17,152	10,147
Total Expenses	4,906,156	4,892,684	3,563,211	3,473,309	8,469,367	8,365,993
Excess (deficiency) of revenues before transfers over (under) expenses and capital contributions	848,383	125,670	437,194	(647,140)	1,285,577	(521,470)
Transfers	(344,142)	(36,782)	344,142	36,782	-	-
Capital Contribution	-	50,000	-	-	-	50,000
Change in net postion	504,241	138,888	781,336	(610,358)	1,285,577	(471,470)
Beginning Net Position	7,821,913	7,683,025	4,347,123	4,957,481	12,169,036	12,640,506
Ending Net Position	$ 8,326,154	$ 7,821,913	$ 5,128,459	$ 4,347,123	$ 13,454,613	$ 12,169,036

Governmental Funds

The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

For the year ended June 30, 2024, the Town's governmental funds reported a fund balance of $2,745,198. Unassigned fund balance may be a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2024, the Town's unassigned fund balance for the governmental fund was $1,737,975, all of which comes from the General Fund.

General Fund

The General Fund is the operating fund included in the town's governmental activities. At the end of the current fiscal year, total revenues were $4,623,007, and total expenditures were $4,444,327, leaving a net increase in fund balance of $178,680.

The following summarizes expenses within major categories:

	Amount
General Government	$ 762,855
Public Safety	2,015,228
Public Works	1,257,799
Culture and Recreation	324,081
Capital Outlay	30,324
Debt Service	54,040
Total	$ 4,444,327

General Fund Budgetary Highlights

The Town's budget is prepared according to South Carolina Law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. The original budget was approved by the Mayor and Town Council held at the June 2023 meeting. During the course of the 2024 fiscal year, one amendment to the Town's general fund budget.

Budgetary Highlights

A schedule showing the original and final budget amounts compared to the Town's actual financial activity for the General Fund is provided in this report as required supplementary information.

The Town's final budget was $4,285,347 in General Fund Revenue, with actual revenue totaling $4,623,007 for a difference of $337,660 in revenues. The budget for expenditures was $4,285,347 with actual expenditures being $4,444,327 for a difference of $158,980.

Request for Information

This report is intended to provide a summary of the financial condition of the Town of Kingstree and to demonstrate the Town's accountability for the resources it receives. Questions or requests for additional information should be submitted in writing to the address below:

Town of Kingstree
401 North Longstreet
Kingstree, SC 29556

BASIC FINANCIAL STATEMENTS

TOWN OF KINGSTREE, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	$ 3,009,256	$ 673,121	$ 3,682,377
Accounts Receivable (Net)	136,710	850,156	986,866
Property Taxes Receivable (Net)	990,383	-	990,383
Prepaid Expenses	5,765	-	5,765
Inventory	-	21,450	21,450
Due from Other Governments	331,537	-	331,537
Due from Other Funds- Current	412,708	(412,708)	-
Restricted Cash	32,009	402,190	434,199
Capital Assets, Net of Accumulated Depreciation:			
Land, non-depreciable	1,919,365	145,000	2,064,365
Construction in progress, non-depreciable	52,338	27,906	80,244
Buildings and Improvements	5,478,637	139,012	5,617,649
Equipment and Vehicles	421,764	91,009	512,773
Water and Sewer System	-	14,023,785	14,023,785
Total Capital Assets, Net of Accumulated Depreciation:	7,872,104	14,426,712	22,298,816
Total Assets	**12,790,472**	**15,960,921**	**28,751,393**
Deferred Outflow of Resources:			
Deferred outflow on pension	468,984	188,960	657,944
Total Deferred Outflow of Resources	**468,984**	**188,960**	**657,944**
Liabilities:			
Accounts Payable	619,484	-	619,484
Due to Third Parties	16,171	-	16,171
Interest Payable	-	10,944	10,944
Pension Liability	2,495,529	1,407,165	3,902,694
Unearned Revenue	594,619	1,275	595,894
Noncurrent Liabilities:			
Due within one year:	27,365	296,288	323,653
Due in more than one year:	88,968	9,237,173	9,326,141
Total Liabilities	**3,842,136**	**10,952,845**	**14,794,981**
Deferred Inflows of Resources:			
Deferred inflow on pension	255,664	68,577	324,241
Unavailable revenue	835,502	-	835,502
Total Deferred Inflows of Resources	**1,091,166**	**68,577**	**1,159,743**
Net Position:			
Nonspendable	5,765	21,450	27,215
Invested in Capital Assets, Net of Related Debt	7,765,149	4,717,989	12,483,138
Restricted for Victim's Fund	30,009	-	30,009
Restricted for Accommodations and Hospitality	950,280	-	950,280
Restricted for Law Enforcement	6,958	-	6,958
Restricted for Debt Service	-	638,162	638,162
Unrestricted	(432,007)	(249,142)	(681,149)
Total Net Position	**$ 8,326,154**	**$ 5,128,459**	**$ 13,454,613**

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

TOWN OF KINGSTREE SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
					Primary Government		
Function/Program Activities	**Expenses**	**Charges for Services**	**Operation Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary Government:							
Governmental Activities							
General Government	$ 663,183	$ 1,410,957	$ 493,778	$ -	$ 1,241,552	$ -	$ 1,241,552
Public Safety	2,245,464	94,618	-	13,280	(2,137,566)	-	(2,137,566)
Public Works	1,311,921	857,867	-	33,766	(420,288)	-	(420,288)
Culture and Recreation	681,185	115,850	-	314,910	(250,425)	-	(250,425)
Interest and Fiscal Charges	4,403	-	-	-	(4,403)	-	(4,403)
Total governmental activities	4,906,156	2,479,292	493,778	361,956	(1,571,130)	-	(1,571,130)
Business-type Activities							
Water and Sewer Utilities	3,546,059	2,955,287	-	1,000,000	-	409,228	409,228
Town of Kingstree Development Corporatio	17,152	14,475	-	-	-	(2,677)	(2,677)
Total business-type activities	3,563,211	2,969,762	-	1,000,000	-	406,551	406,551
Total primary government	**$ 8,469,367**	**$ 5,449,054**	**$ 493,778**	**$ 1,361,956**	**(1,571,130)**	**406,551**	**(1,164,579)**
General Revenues:							
Taxes							
Property taxes, levied for general purpose					1,178,303	-	1,178,303
Local Option Sales Tax					1,177,888	-	1,177,888
Merchant Inventory Tax					19,095	-	19,095
Unrestricted Investment Earnings					291	26,039	26,330
Gain on sale is Capital Asset					-	-	-
Transfers					(344,142)	344,142	-
Capital Contribution					-	-	-
Miscellaneous					43,936	4,604	48,540
Total General Revenues					2,075,371	374,785	2,450,156
Change in Net Position					504,241	781,336	1,285,577
Net Position - Beginning					7,821,913	4,347,123	12,169,036
Net Position - Ending					**$ 8,326,154**	**$ 5,128,459**	**$ 13,454,613**

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

TOWN OF KINGSTREE SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Accommodations & Hospitality Fund	American Rescue Act Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	$ 1,053,782	$ 1,016,212	$ 901,922	$ 37,340	$ 3,009,256
Accounts Receivable (Net)	103,843	32,867	-	-	136,710
Property Taxes Receivable (Net)	990,383	-	-	-	990,383
Due from Other Governments	288,362	43,175	-	-	331,537
Due from Other Funds	416,708	-	-	-	416,708
Prepaid Expense	5,765	-	-	-	5,765
Cash and Cash Equivalents- Restricted	-	-	-	32,009	32,009
Total Assets	**$ 2,858,843**	**$ 1,092,254**	**$ 901,922**	**$ 69,349**	**$ 4,922,368**
Liabilities:					
Accounts Payable	$ 146,548	$ 128,793	$ 344,143	$ -	$ 619,484
Due to Third Parties	-	-	-	16,171	16,171
Due to Other Funds	-	-	2,000	2,000	4,000
Unearned Revenue	25,659	13,181	555,779	-	594,619
Total Liabilities	172,207	141,974	901,922	18,171	1,234,274
Deferred inflows of resources					
Unavailable revenue	942,896	-	-	-	942,896
Total Deferred Inflows of Resources	942,896	-	-	-	942,896
Fund Balances:					
Nonspendable	5,765	-	-	-	5,765
Restricted	-	950,280	-	36,967	987,247
Committed	-	-	-	14,211	14,211
Unassigned	1,737,975	-	-	-	1,737,975
Total Fund Balance	1,743,740	950,280	-	51,178	2,745,198
Total Liabilities, Deferred Inflows of Resources and Fund Balance	**$ 2,858,843**	**$ 1,092,254**	**$ 901,922**	**$ 69,349**	**$ 4,922,368**

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

TOWN OF KINGSTREE, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUND
AS OF JUNE 30, 2024

Fund Balance- Total Governmental Fund		**$ 2,745,198**
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financing resources and therefore are not reported in the governmental fund:		
Governmental Capital Assets	$ 13,298,682	
Less Accumulated Depreciation	(5,426,578)	7,872,104
Other long-term assets, such as property taxes and pension expense are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes		107,394
Net pension deferrals		213,320
Long-term liabilities are not due and payable in the current period are therefore are not reported in the governmental fund.		
Net Pension Liability	(2,495,529)	
Capital lease	(54,617)	
Compensated Absences	(61,716)	(2,611,862)
Net Position of Governmental Activities		**$ 8,326,154**

TOWN OF KINGSTREE SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Accommodations & Hospitality Fund	American Rescue Act Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property and Local Option Sales Tax	$ 2,007,816	$ 401,888	$ -	$ -	$ 2,409,704
Intergovernmental Revenue	182,011	314,910	377,908	-	874,829
Charges for Services	2,428,892	50,400	-	-	2,479,292
Interest Earned	-	-	-	291	291
Other Revenue	4,288	34,233	-	5,415	43,936
Total Revenues	4,623,007	801,431	377,908	5,706	5,808,052
Expenditures					
Current:					
General Government	762,855	-	-	-	762,855
Public Safety	2,015,228	-	-	30,320	2,045,548
Public Works	1,257,799	-	-	-	1,257,799
Culture and Recreation	324,081	349,819	-	-	673,900
Capital Outlay	30,324	533,685	33,766	-	597,775
Debt Service					
Principal	49,637	-	-	-	49,637
Interest and fiscal charges	4,403	-	-	-	4,403
Total Expenditures	4,444,327	883,504	33,766	30,320	5,391,917
Excess of revenues over expenditures	178,680	(82,073)	344,142	(24,614)	416,135
Other financing sources					
Transfers out	-	-	(344,142)	-	(344,142)
Total other financing sources	-	-	(344,142)	-	(344,142)
Net change in fund balance	178,680	(82,073)	-	(24,614)	71,993
Fund Balances, beginning of year	1,565,060	1,032,353	-	75,792	2,673,205
Fund Balances, end of year	**$ 1,743,740**	**$ 950,280**	**$ -**	**$ 51,178**	**$ 2,745,198**

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

TOWN OF KINGSTREE, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
AS OF JUNE 30, 2024

Net Change in Fund Balance - Total Governmental Fund		**$ 71,993**
Amounts reported for governmental activities in the statement of activities are different because:		
The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciated expense. This is the amount by which capital outlay exceeds depreciation in the current period.		
Capital asset additions	$ 597,775	
Less current year depreciation	(365,784)	231,991
Because some property taxes and local option sales tax will not be collected for several months after year-end, they are not considered "available" revenues in the governmental fund.		(53,513)
Pension expense that is related to net pension liability as recorded in the statement of activities is based on the Town's proportionate share of pension expense of the retirement system as a whole, where as pension expense recorded in the funds is based on the use of current financial resources (e.g. required contributions)		198,510
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net increase/decrease in compensated absences and interest expense.		
Note payable principal payments		49,637
Compensated absences		5,623
Change in Net Position of Governmental Activities		**$ 504,241**

TOWN OF KINGSTREE, SOUTH CAROLINA
STATEMENT OF POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities Enterprise Funds		
	Water and Sewer	Town of Kingstree Development Corporation	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 665,954	$ 7,167	$ 673,121
Accounts Receivable, net	850,156	-	850,156
Inventory	21,450	-	21,450
Total Current Assets	1,537,560	7,167	1,544,727
Non-Current Assets:			
Cash and Cash Equivalents- Restricted	402,190	-	402,190
Capital Assets:			
Land	145,000	-	145,000
Construction in Progress	27,906	-	27,906
Building and Improvements	906,680	65,000	971,680
Vehicles and Equipment	630,824	-	630,824
Water and Sewer System	26,871,064	-	26,871,064
Accumulated Depreciation	(14,210,689)	(9,073)	(14,219,762)
Total Capital Assets	14,370,785	55,927	14,426,712
Total Non-Current Assets	14,772,975	55,927	14,828,902
Total Assets	**16,310,535**	**63,094**	**16,373,629**
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflow of Resources:			
Deferred outflow on pension	188,960	-	188,960
Total Deferred Outflow of Resources	**188,960**	**-**	**188,960**
LIABILITIES			
Current Liabilities:			
Accrued Interest Payable	10,944	-	10,944
Unearned Revenue - Deposits	-	1,275	1,275
Due to Other Funds	407,708	5,000	412,708
Current Portion - Compensated Absences	6,071	-	6,071
Current Portion - Bonds Payable/Notes Payable	283,500	6,717	290,217
Total Current Liabilities	708,223	12,992	721,215
Non-Current Liabilities:			
Compensated Absences	54,640	-	54,640
Bonds Payable/Notes Payable	9,157,729	24,804	9,182,533
Net Pension Liability	1,407,165	-	1,407,165
Total Non-Current Liabilities	10,619,534	24,804	10,644,338
Total Liabilities	**11,327,757**	**37,796**	**11,365,553**
DEFERRED INFLOW OF RESOURCES			
Deferred Inflow of Resources:			
Deferred inflow on pension	68,577	-	68,577
Total Deferred Inflow of Resources	**68,577**	**-**	**68,577**
NET POSITION			
Invested in Capital Assets, net of related debt	4,693,584	24,406	4,717,990
Restricted for debt service-expendable	638,162	-	638,162
Unrestricted	(228,585)	892	(227,693)
Total Net Position	**$ 5,103,161**	**$ 25,298**	**$ 5,128,459**

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

TOWN OF KINGSTREE, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED
JUNE 30, 2024

	Business-Type Activities Enterprise Funds		
	Water and Sewer	Town of Kingstree Development Corporation	Total
OPERATING REVENUES:			
Charges for Services	$ 2,955,287	$ 14,475	$ 2,969,762
Total Operating Revenues	2,955,287	14,475	2,969,762
OPERATING EXPENSES:			
Personnel services	1,001,473	-	1,001,473
Contractual Services	704,055	3,542	707,597
Materials and Supplies	254,632	-	254,632
Bad debt	-	-	-
Travel and Training	6,598	-	6,598
Utilities	206,247	-	206,247
Repairs and Maintenance	249,357	7,558	256,915
Miscellaneous	256,676	3,019	259,695
Depreciation and Amortization Expense	547,547	1,625	549,172
Total Operating Expenses	3,226,585	15,744	3,242,329
Operating Income	(271,298)	(1,269)	(272,567)
NONOPERATING REVENUES (EXPENSES):			
Interest Income	26,039	-	26,039
Interest Expense	(319,474)	(1,408)	(320,882)
Governmental Revenue	1,000,000	-	1,000,000
Other Revenue	4,604	-	4,604
Total Nonoperating Revenues (Expenses)	711,169	(1,408)	709,761
Income before transfers	439,871	(2,677)	437,194
Transfers in	344,142	-	344,142
Changes in net position	784,013	(2,677)	781,336
Total Net Position beginning of the year	4,319,148	27,975	4,347,123
Total Net Position end of the year	**$ 5,103,161**	**$ 25,298**	**$ 5,128,459**

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

TOWN OF KINGSTREE SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Enterprise Funds		
	Water and Sewer	**Town of Kingstree Development Corporation**	**Total**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	$ 2,511,451	$ 14,500	$ 2,525,951
Payments to employees and suppliers for services	(2,524,530)	(9,119)	(2,533,649)
Net cash provided by (used in) operating activities	(13,079)	5,381	(7,698)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Nonoperating other revenue (expense)	4,604	-	4,604
Transfer in	344,142	-	344,142
Net cash provide by (used in) noncapital financing activities	348,746	-	348,746
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long term debt	(267,950)	(6,519)	(274,469)
Intergovernmental revenue	1,000,000	-	1,000,000
Interest paid	(319,474)	(1,408)	(320,882)
Net cash provided by (used in) capital and related financing activities	412,576	(7,927)	404,649
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of capital assets	(1,178,498)	-	(1,178,498)
Interest received	9,044	-	9,044
Net cash received from (used by) investing activities	(1,169,454)	-	(1,169,454)
Net increase (decrease) in cash and cash equivalents	(421,211)	(2,546)	(423,757)
Cash and cash equivalents, beginning of year	1,489,355	9,713	1,499,068
Cash and cash equivalents, end of year	**$ 1,068,144**	**$ 7,167**	**$ 1,075,311**
Financial Statement Presentation: Cash and Cash Equivalents	$ 665,954	$ 7,167	$ 673,121
Cash and Cash Equivalents- Restricted	402,190	-	402,190
	$ 1,068,144	**$ 7,167**	**$ 1,075,311**
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:			
Operating Income (loss)	$ (271,298)	$ (1,269)	$ (272,567)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation and Amortization	547,547	1,625	549,172
Changes in assets and liabilities:			
(Increase) Decrease in Receivables	(443,836)	-	(443,836)
(Increase) Decrease in Due from/to Other Funds	196,033	5,000	201,033
Increase (Decrease) in Pension Obligation	(33,588)	-	(33,588)
Increase (Decrease) in Security Deposits	-	25	25
Increase (Decrease) in Compensated Absences	(7,937)	-	(7,937)
Total adjustments	258,219	6,650	264,869
Net cash provided by (used in) operating activities	$ (13,079)	$ 5,381	$ (7,698)

Supplemental Schedule of NonCash Investing and Financing Activities
None

TOWN OF KINGSTREE, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
JUNE 30, 2024

	Agency Funds
ASSETS	
Cash and Cash Equivalents	$ 15,014
Total Assets	**$ 15,014**
LIABILITIES	
Liabilities:	
Accounts Payable	$ -
Total Liabilities	**-**
Net Position	
Restricted	$ 15,014
Total Net Position	**15,014**

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

TOWN OF KINGSTREE SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND - FIREMAN FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Fireman Fund
Additions	
Fees	$ 10,708
Total Additions	10,708
Deductions	
Paid for Activities	11,341
Total Expenditures	11,341
Excess of (deficiency) of revenues over (under) expenditures	(633)
Net change in fund balance	(633)
Fund Balances, beginning of year	15,647
Fund Balances, end of year	**$ 15,014**

See independent auditor's report

TOWN OF KINGSTREE, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2024

1 - Summary of Significant Accounting Policies:

A. Introduction-

The Town of Kingstree, South Carolina (the Town) was incorporated under the laws of the State of South Carolina. The Town is governed by an elected mayor and six-member council. All legislative and administrative powers of the municipality and determination of all matters of policy are vested in the Town Council. Among the services which the Town funds provide in whole, or in part, are the following: administrative, public safety, public works, community development, and culture and recreation.

A primary government or entity is financially accountable if it appoints a voting majority of the organization's governing body, including situations in which the voting majority consists of the primary entity's officials serving as required by law (e.g., employees who serve in an ex officio capacity on the component unit's board are considered appointments by the primary entity) and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary entity. The primary entity is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

An organization can provide a financial benefit to, or impose a financial burden on, a primary government in a variety of ways. The benefit or burden may result from legal entitlements or obligations, or it may be less formalized and exist because of decisions made by the primary government or agreements between the primary government and a component unit. If a primary government appoints a voting majority of an organization‘s officials or if the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or to impose specific financial burdens on, the primary government, the primary government is financially accountable for those organizations. An organization has a financial benefit or burden relationship with the primary government if, for example, any one of these conditions exists: 1) The primary government is legally entitled to or can otherwise access the organization’s resources. 2) The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization. 3) The primary government is obligated in some manner for the debt of the organization.

Based on the criteria, The Town has one reportable blended component unit.

The Town of Kingstree Development Corporation, Inc. 401 N. Longstreet Street, Kingstree, South Carolina, 29556. This Non-Profit Corporate entity established June 12, 2018, to assist in the development, conservation and redevelopment of neighborhoods and commercial districts located in the Town of Kingstree, SC. The Corporation is governed by a Board of Directors which shall consist of five voting and three non-voting Directors. Non-voting Directors shall be three members of the Town of Kingstree’s staff consisting of the Town Manager, whom shall be the Executive Director, and two employees nominated by the Town Manager and approved by the Board to serve as the Treasurer and Secretary. The remaining five voting Directors must have a vested residential or business interest within the Town of Kingstree and/or Williamsburg County, South Carolina. This has been reported as a proprietary fund in the financial statements.

A. Introduction- (continued)

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Kingstree, South Carolina, are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended June 30, 2024.

B. Financial Reporting Entity – Basis of Presentation

The Town's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and the fund financial statements which provide a more detailed level of financial information. The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained constant with legal and managerial requirements. There are three categories of funds in this reporting entity: governmental, proprietary and fiduciary.

Government-wide Financial Statements-

The statement of net assets and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities. Governmental activities are generally supported by taxes and other intergovernmental revenues and business-type activities are generally supported in whole or in part with charges for services.

The statement of net assets presents the financial condition of the governmental and business-type activities for the Town at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental activities and business-type activities. Direct expenses are those that specifically associate with a services, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the good or services offered by the program, grant and contributions that are restricted to meeting operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues and all taxes are presented as general revenues of the Town, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Town.

Fund Financial Statements-

The Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting-

Governmental funds

Governmental funds are used to account for general governmental activities. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the 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 following are the Town's major governmental funds:

General Fund- This is the operating fund of the Town. This fund accounts for all financial resources of the general government except those required to be accounted for in another fund.

Accommodations and Hospitality Fund- This is a special revenue fund of the Town. This fund accounts for the government's state and local option accommodations and hospitality sales tax and funds that are restricted for the use of local culture and recreation development.

American Rescue Act Fund- This fund accounts for federal financial resources to be used to support operational and capital activities of the community as a result of Covid-19.

Proprietary funds

Proprietary funds financial reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flow. Proprietary funds are classified as either enterprise or internal service. These funds use 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.

The following are the Town's major and only proprietary funds:

Water and Sewer Fund- This fund is used to account for the Town's water and sewer operations. It consists of a water system and equipment used to process water to its customers and a treatment plant and equipment to process sewage.

Town of Kingstree Development Corporation -This fund is used to account for the blended component unit of the Town, which is created to assist in the development, conservation, and redevelopment of neighborhoods and commercial districts located in the Town of Kingstree, SC.

Fiduciary fund (Not included in the government-wide statements)

Fiduciary funds account for assets held by the Town in trust for others. There are four basic types of fiduciary funds: 1) Pension Trust Funds, 2) Investment Trust Funds, 3) Private-Purpose Trust Funds, and Custodial Funds. The Town's only fiduciary fund is custodial. Custodial funds are used to report fiduciary activities that are not required to be reported as another fiduciary fund type. The Town's custodial fund is the Fireman's Fund. These monies are not controlled by the Town council but rather by the Town's Fire Department Chief.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation-

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The **government-wide statements** are prepared 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 the timing of related cash flows. All assets and liabilities associated with the operations of the Town are included on the statement of net assets.

The **governmental fund financial statements** are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only the current assets and current liabilities generally are included on the balance sheet. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the Town considers revenues to be available if they are collected within 30 days of the end of the current fiscal year, except for federal grant revenue which is considered available if collected within six months. Expenditures generally are recorded when a liability is expected to be liquidated with expandable and available resources.

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, local option sales taxes, fines and forfeitures, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements which specify the year when the resources are required to be used or the year when first permitted, matching requirement in which the Town must provide local resources to be used for a specific purpose and expenditures requirements in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized. Under the modified accrual basis, the following revenue sources are deemed both measureable and available at year-end: delinquent taxes collected within 30 days of the year-end, fines and forfeitures, certain charges for services, local option sales tax, grants and other intergovernmental revenues.

Unavailable and Unearned Revenues – Unavailable and unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are not considered available to liquidate liabilities of the current period. Property taxes for which there is an enforceable legal claim as of December 31, 2023, but levied to finance fiscal year 2024 operations have been recorded as deferred inflows of resources. Grants and entitlements received before the eligibility requirements are met are recorded as deferred inflows of resources. On governmental fund

financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources. The Town also defers revenue recognition in connection with resources received prior to meeting eligibility requirements (other than time requirements). As such, certain grants have been received but not yet earned and have been reported as unearned revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The proprietary is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities. It is the Town's policy to use restricted, committed, assigned and unassigned amounts, respectively when expenditures incur.

C. Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents

The Town maintains and controls several cash accounts for the funds of the primary government, some of which is restricted. Each fund's cash is displayed on its respective balance sheet as "cash and cash equivalents" in current assets for non-restricted cash and non-current assets for restricted cash.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments, including certificates of deposits. For the purpose of the Proprietary Fund's statement of cash flows, all short-term highly liquid investments, including restricted assets, with original maturities of three months or less from the date of acquisition are considered to be cash equivalents.

The Town allows the provisions of GASB Statement No. 72, Fair Value Measurement and Application. The Town measures and records its investments using fair value measurement guidelines established by GASB Statement No. 72. These guidelines recognize a three-tiered fair value hierarchy, as follows:

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

- Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:
    - Quoted prices for similar assets and liabilities in active markets.
    - Quoted prices for identical or similar assets or liabilities in inactive markets.
    - Inputs other than quoted market prices that are observable for the asset or liability.
    - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:
    - Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The Town believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value. At June 30, 2024, The Town holds no investments.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental fund statements, reported inventories and prepaid items are equally offset by a nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to/from other funds." The property taxes for the Town are assessed, billed and collected by Williamsburg County, South Carolina. The Town recognizes property taxes in the period for which they are levied and available for financing current expenditures. Property taxes receivable represents delinquent real taxes receivable for the past ten years, less an allowance for amounts estimated to be uncollectable. All net property taxes receivable at year end, except those collected within 30 days, are recorded as deferred revenue and thus not recognized as revenue until collected in the governmental funds. Taxes on real property and certain personal property attach an enforceable lien on the property as of January 1. Taxes are levied and billed the following September on all property other than vehicle and are payable on or before January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16 – three percent, February 1st- an additional seven percent, March 16 -an additional five percent. All unpaid taxes are placed in execution on March 16th. Taxes on licensed motor vehicles are levied during the month when the taxpayer's license registration is due for renewal. The taxpayer must provide proof of payment to the South Carolina Department of Motor Vehicles before that agency will renew the vehicle license.

The water, sewer, and sanitation receivables represent various volumes, availability, and other service fees earned but not yet collected. Cycle billings at year-end are estimated to record revenues earned through year-end. Recurring consumption and capacity fees from residential and commercial customers are recognized as operating revenues.

Restricted Assets

Certain assets of the Town's General Fund and Enterprise Funds are derived from proceeds of various Revenue Bonds and Victim's Assistance programs and are set aside for the specific purpose of providing victims assistance or for the purpose to fulfill bond agreement reserve requirements. These assets are classified as restricted assets on the balance sheet in the government-wide and reserved in fund financial statements, because their use is limited by contract. All restricted assets are considered expendable.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date donated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' life are not capitalized.

All reported capital assets except land and construction in process are depreciated. Useful lives are estimated based on the Town's historical records. Depreciation is provided using the straight-line method over the following estimated useful lives, in years:

Buildings	5 – 50
Improvements, other than buildings	2 – 50
Equipment	3 – 30

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable lien claim as of December 31, 2023, but which were to be levied to finance fiscal year 2024 operations have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Deferred outflows/inflows of resources

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

resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on pension reported in the government-wide statement of net position. A deferred charge on pension results from the difference in the carrying value of the liability and allocated asset. This amount is deferred and amortized over the shorter of the life of the pension expense or pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bonds payable are reported as liabilities, net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

Sick Leave - It is the Town’s policy to permit employees to accumulate earned but unused sick benefits throughout the year. No liability is reported for unpaid accumulated sick leave as any unused sick leave is forfeited at the end of the year and therefore does not vest to individual employees.

Vacation Benefits - Every employee in the Town's service holding a regular full-time position shall begin earning vacation time with pay. An employee is allowed to accumulate unused vacation days up to a maximum number of 480 hours that may be earned in a calendar year for carryover from one year to the subsequent year. Upon termination, the employee is paid for the unused vacation days at their current salary rate.
Such vacation benefits shall be granted as follows:

Time of Continuous Service	Days Earned Per Year
1 to 2 years	5 Days
2 to 10 years	10 Days
After 10 years	15 Days

All vacation and compensatory pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only to the extent they are payable from current resources, and represent matured liabilities, for example, as a result of employee resignations and retirements.

Net Position and Fund Balances

Government-wide Statements- Equity is classified as net assets and displayed in three components:

Net investment in capital assets- Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position- Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position- Consists of all other net position that do not meet the definition of "restricted" or "net invested in capital assets, net of related debt."

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

Fund Statements- The Town follows the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Classifications are hierarchical and are based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the Town to classify and report amounts in the appropriate fund balance classifications. The Town's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned.

Non-spendable balance represents balances associated with inventories and/or prepaid expenses. Restricted balances can be spent only for the specific purpose stipulated by constitution, external resource, providers or other enabling legislation. Committed balances are those for which the specific purpose has been determined by a formal action of the government's board. Assigned balances are those for which specific purposes have been assigned without the above mentioned authorities. Unassigned balances are for which the residual amounts remain.

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

Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires the Town's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Town, these revenues are charges for services for water and sewer activity as well as housing and economic development activity. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund.

Inter-fund Activity

Inter-fund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

The Town had no outstanding encumbrances reportable for the current year-end.

E. Budgets and Budgetary Accounting

The Town adopts an annual budget for the general fund and both proprietary funds; however the proprietary funds are not legally required to be reported. The mayor and the clerk submit to the Town Council a proposed operating budget for the upcoming year. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments and prior to June 30; the budget is legally enacted through passage of an ordinance. The level of budgetary control is determined by the Town Council at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Town Council. Budget amounts presented are as originally adopted with amendments and classification for presentation purposes. The annual budgets are prepared in

accordance with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end. Encumbrance accounting in not employed in the Town's governmental funds. During the year, supplementary appropriations were necessary. The General fund budget amendments included increases and decreases within department, the planned use of fund balance for various expenditures.

2. Deposits and Investments

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. State statutes authorize the Town to invest in the following:

1. Obligations of the United States and agencies thereof;

2. General Obligations of the State of South Carolina or any of its political units;

3. Saving and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation;

4. Certificate of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and

5. No-load open or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

In addition, South Carolina statutes authorize the Town to invest in the South Carolina Local Government Investment Pool (SCLGIP). The SCLGIP is an investment trust fund created pursuant to Section 6-6-10 of the South Carolina Code of Laws, and administered by the State Treasurer, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The SCLGIP is permitted to purchase obligations of the United States, its agencies, and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services. The SCLGIP is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940.

The reported value of the Town's position in the pool, if any, is the same as the fair value of the pool shares. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools,"* investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of $1.00.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town places no limit on the amount the Town may invest in any one issuer.

Custodial Credit Risk-Deposits

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The town does not have a policy for custodial credit risk. However, South Carolina state statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, and political subdivisions of South Carolina, The Federal National Mortgage Association, The Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation.

As of June 30, 2024, the Town's bank balances, including agency funds, of $4,221,023 was collateralized by government investments held by the pledging financial institution's trust department or agent in the Town's name.

Custodial Credit Risk-Investment

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2023, the Town held no investments.

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Town or its agent in the Town's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Town's name.

3- Receivables and Deferred Revenues

Receivables and deferred revenues by fund as of year-end June 30, 2024, are as follows:

	Governmental Funds			Proprietary Funds	
	General Fund	Accommodations & Hospitality Fund	American Rescue Act Fund	Water & Sewer Fund	Development Corporation Fund
Property tax receivables					
Current property taxes	$ 835,502				
Current vehicle taxes	36,781				
Delinquent property taxes	118,100				
Net property tax receivables	$ 990,383				
Accounts receivable	$ 103,843	$ 32,867	$ -	$ 853,024	$ -
Allowance for uncollectable	-	-	-	(2,868)	-
Net receivables	$ 103,843	$ 32,867	-	$ 850,156	$ -
Unearned Revenue					
Grant projects	$ -	$ -	$ 555,779	$ -	$ -
Customer Deposits	-	-	-	-	1,275
Event/Downtown project deposits	25,659	13,181	-	-	-
Total Unearned Revenue	$ 25,659	$ 13,181	555,779	-	1,275
Deferred Revenue					
Delinquent property taxes not collected within 30 days after year-end	$ 107,394				
Total Deffered Revenue	$ 107,394				
Total Unavailable Revenue	$ 835,502				

4-Capital Assets-

Governmental capital asset activity for the year-end June 30, 2024, was as follows:

	Balance 6/30/2023	Additions/ Transfers	Deletion/ Transfers	Balance 6/30/2024
Land, not depreciated	$ 1,919,365	$ -	$ -	$ 1,919,365
Construction in Progress, not depreciated	478,497	248,417	674,576	52,338
Capital assets being depreciated:				
Buildings and improvements	7,553,916	968,457	-	8,522,373
Equipment	874,153	19,684	-	893,837
Vehicles	1,882,278	46,866	18,375	1,910,769
Total capital assets	12,708,209	1,283,424	692,951	13,298,682
Less accumulated depreciation:				
Buildings and improvements	2,862,570	181,166	-	3,043,736
Equipment	717,282	58,105	-	775,387
Vehicles	1,499,317	126,513	18,375	1,607,455
Total accumulated depreciation	5,079,169	365,784	18,375	5,426,578
Total capital assets, net	$ 7,629,040	$ 917,640	$ 674,576	$ 7,872,104

4-Capital Assets (continued) –

Business-type Activities capital asset activity for the year-end June 30, 2024, was as follows:

	Balance 6/30/2023	Additions/ Transfers	Deletion/ Transfers	Balance 6/30/2024
Land, not depreciated	$ 145,000	$ -	$ -	$ 145,000
Construction in Progress, not depreciated	304,104	372,048	648,246	27,906
Capital assets being depreciated:				
Buildings and improvements	971,680	-	-	971,680
Equipment	449,151	28,655	-	477,806
Vehicles	134,643	18,375	-	153,018
Water & sewer system	25,428,025	1,443,039	-	26,871,064
Total capital assets	27,432,603	1,862,117	648,246	28,646,474
Less accumulated depreciation:				
Buildings and improvements	812,776	19,895	-	832,671
Equipment	403,643	19,257	-	422,900
Vehicles	87,914	29,001	-	116,915
Water & sewer system	12,347,880	499,396	-	12,847,276
Total accumulated depreciation	13,652,213	567,549	-	14,219,762
Total capital assets, net	$ 13,780,390	$ 1,294,568	$ 648,246	$ 14,426,712

Depreciation expense was charged as follows:

Governmental Activities	
General government	$ 104,461
Public safety	199,916
Public works	54,122
Culture and recreation	7,285
	$ 365,784
Business - Type Activities	
Water & Sewer fund	$ 547,547
Kingstree Development Corp.	1,625
	$ 549,172

5-Interfund Activity

Outstanding balances between funds are a result of timing differences between the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions recorded in the accounting system, and (3) payments between funds being made. All balances are expected to be repaid within the following year.

5-Interfund Activity (continued)

	Receivable Fund	Payable Fund
Governmental Major Fund - General fund	$ 416,708	$ -
Governmental Major Fund - American Rescue	-	2,000
Governmental Major Fund - Black River Park Network	-	2,000
Enterprise fund - Water & Sewer	-	412,708
Total	$ 416,708	$ 416,708

Transfers were used to move grant revenues to purchase capital assets in the Water and Sewer Fund in accordance with proper authorizations.

	Transfer In	Transfer Out
Governmental Major Fund - American Resuce	$ -	$ 344,142
Enterprise Major Fund - Water and Sewer	344,142	-
Total	$ 344,142	$ 344,142

6- Long-Term Debt

The following is a summary of debt transactions for the Town for the year ended June 30, 2024:

Governmental Activities	**Balance 6/30/2023**	**Increase**	**Decrease**	**Balance 6/30/2024**	**Due within One Year**
Compensated absences	$ 67,339	$ 37,194	$ 42,817	$ 61,716	$ 6,172
Financed purchased obligation	104,254	-	49,637	54,617	21,193
	$ 171,593	$ 37,194	$ 92,454	$ 116,333	$ 27,365

Business - Type Activities	**Balance 6/30/2023**	**Increase**	**Decrease**	**Balance 6/30/2024**	**Due within One Year**
Compensated absences	$ 68,648	$ 55,713	$ 63,650	$ 60,711	$ 6,071
Note payable - KDC	38,040	-	6,519	31,521	6,717
Revenue bonds	9,709,179	-	267,950	9,441,229	283,500
	$ 9,815,867	$ 55,713	$ 338,119	$ 9,533,461	$ 296,288

Revenue Bonds Payable – Business – Type Activities

The Town issues revenue bonds to provide funds for the construction of major capital water and sewer treatment facilities. These revenue bonds are expected to be repaid using the operational revenue from the town's water and sewer fund operations. The revenue bonds payables outstanding on June 30, 2024, include the following:

6- Long-Term Debt (continued)

Issue Date	Description	Original	Outstanding
2/3/2000	Revenue Bond with an annual interest rate of 4.5%, annual fixed payments of $11,616 principal plus interest and matures in 2040. Water and Sewer operating revenues will be used to service debt.	$ 215,000	$ 130,073
2/3/2000	Revenue Bond with an annual interest rate of 4.5%, annual fixed payments of $175,068 principal plus interest and matures in 2040. Water and Sewer operating revenues will be used to service debt.	3,241,800	1,957,791
7/19/2013	Revenue Bond with an annual interest rate of 2.125%, annual fixed payments of $316,200 principal plus interest and matures in 2045. Water and Sewer operating revenues will be used to service debt.	8,500,000	5,525,022
7/19/2013	Revenue Bond with an annual interest rate of 2.125%, annual fixed payments of $84,540 principal plus interest and matures in 2053. Water and Sewer operating revenues will be used to service debt.	2,272,500	1,828,343
		$ 14,229,300	$ 9,441,229

A summary of the annual requirements for revenue bond payables are as follows:

Business - Type Activities

Year Ended June 30,	Principal	Interest
2025	$ 283,500	$ 252,350
2026	291,827	244,023
2027	300,437	235,414
2028	309,337	226,512
2029	318,543	217,307
2030 - 2034	1,742,560	936,980
2035 - 2039	2,024,035	653,950
2040 - 2044	1,556,142	385,907
2045 - 2049	1,531,053	227,294
2050 - 2053	1,083,795	63,280
	$ 9,441,229	$ 3,443,017

6- Long-Term Debt (continued)

Note Payable

The Town of Kingstree Development Corporation entered into a note payable agreement with a financial institution in the amount of $65,000 with an annual interest rate of 3.5% with monthly payments in the amount of $644 until December 19, 2028, after which time it may change to a variable interest rate of Index (w/Margin) Wall Street Journal Prime minus 1.75%. Total proceeds were used to purchase a building which has been used as collateral on this note payable.

A summary of the annual requirements for note payables are as follows:

Note Payable

Year Ended June 30,	Principal	Interest
2025	$ 6,717	$ 997
2026	6,955	757
2027	7,203	510
2028	7,459	253
2029	3,220	29
	$ 31,554	$ 2,546

Financed Purchased Obligations

The Town of Kingstree entered into several agreements with an institution for six police vehicles. Four vehicles in the amount of $125,907 with monthly payments in the amount of $3,185, including an estimated annual interest rate of about 5.192% until 2026. Two vehicles in the amount of $71,320 with monthly payments in the amount of $1,388, including an estimated annual interest rate of 5.192% until 2027. The vehicles have a reported cost of $238,567 and accumulated depreciation in the amount of $187,485.

A summary of the annual requirements for financed purchased obligations are as follows:

Financed Purchased Obligations

Year Ended June 30,	Principal	Interest
2025	$ 21,193	$ 1,100
2026	18,109	940
2027	15,315	795
	$ 54,617	$ 2,836

7- Risk Management

The Town is exposed to various risks of loss and pays insurance premiums to certain State agencies and commercial insurers to cover risks that may occur in normal operations. Management believes such coverage is sufficient to preclude any significant losses for the covered risk. The Town has not had a significant reduction in insurance in the last three years and has not had claims in excess of coverage in the last three years.

Several State funds accumulated assets and the State itself assumes substantially all risks for the following:

1) Claims of State employees for unemployment compensation benefits (Employment Security Commission)
2) Claims of covered employees for workers compensation benefits for job-related illness or injuries (State Accident Fund)
3) Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement Systems)

8- Retirement Plans

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and the retirement programs of the state of South Carolina, including the State Optional Retirement Program and the SC Deferred Compensation Program, as well as the state's employee insurance programs. Division. 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 Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds, By law, the State trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. 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

Plan Descriptions

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, 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.

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 allowances and other benefits for employees of the state, its public school districts, and political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

The South Carolina Police Officers Retirement System (PORS), a cost–sharing multiple-employer defined benefit pension plan, was established 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 allowances and other benefits for police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

Membership

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

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

- State ORP - As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a

defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

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

Benefits

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

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

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

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

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent. Contributions are prescribed in Title 9 of the South Carolina Code of Laws.

Required employee contribution rates[1] are as follows:

	Fiscal Year 2024[1]	Fiscal Year 2023[1]
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%

PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates[1] are as follows:

	Fiscal Year 2024[1]	Fiscal Year 2023[1]
SCRS		
Employer Class Two	18.41%	17.41%
Employer Class Three	18.41%	17.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution[2]	18.41%	17.41%
Employer Incidental Death Benefit	0.15%	0.15%

	Fiscal Year 2024[1]	Fiscal Year 2023[1]
PORS		
Employer Class Two	20.84%	19.84%
Employer Class Three	20.84%	19.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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

[2] Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

Actuarial Assumptions and Methods

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

The June 30, 2023, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2023, 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, 2023.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return[1]	7%	7%
Projected salary increases	3.0% to 11.0% (varies by service)[1]	3.5% to 10.5% (varies by service)[1]
Benefit adjustments	lesser of 1% or $500 annually	lesser of 1% or $500 annually

[1] *Includes inflation at 2.25%*

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2020. Assumptions used in the determination of the June 30, 2023, TPL are as follows.

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

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2023, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 58,464,402,454	$ 34,286,961,942	$ 24,177,440,512	58.6%
PORS	9,450,021,576	6,405,925,370	3,044,096,206	67.8%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the 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.

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 return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 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 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity[1]	9.0%	10.91%	0.98%
Private Debt[1]	7.0%	6.16%	0.43%
Real Assets	**12.0%**		
Real Estate[1]	9.0%	6.41%	0.58%
Infrastructure[1]	3.0%	6.62%	0.20%
Total Expected Return[2]	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
			7.56%

[1] RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.
[2] Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 15% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

Discount Rate

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

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6 percent) or 1.00 percent higher (8 percent) than the current rate.

Town's Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
SCRS	$ 3,030,319	$ 2,345,275	$ 1,775,890
PORS	2,196,975	1,557,419	1,033,543

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2024, and the accounting valuation report as of June 30, 2024. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' CAFR.

The Town of Kingstree Employer's Proportionate Share of the South Carolina Retirement System is .009700%. The Town of Kingstree Employer's Proportionate Share of the South Carolina Police Officers Retirement System is .05116% and is reported on the governmental-wide financials in the governmental activities in the amount of approximately $2,496,000 and the business-type activities in the amount of $1,407,000.

Deferred Outflows (Inflows) of Resources

At June 30, 2024, the Town reported deferred outflows (inflows) of resources related to pensions from the following sources. The following schedule reflects the amortization of the Town's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2024.

	Deferred outflows of resources	Deferred inflow of resources
Pension contributions subequent to measurement date	$ 444,107	$ -
Difference in actual and expected experience	114,012	25,704
Change in assumptions	99,825	-
Net difference between projected and actual earnings on plan investments	-	5,884
Change in proportionate share and differences between employer contributions and proportionate share of contributions.	-	292,653
	$ 657,944	$ 324,241

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2024	2025	$ 27,355	$ 50,116
2025	2026	71,466	63,799
2026	2027	(62,561)	(42,776)
2027	2028	1,376	1,629
		$ 37,636	$ 72,768

The Town reported $444,107 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The Town received credits from the State in the amount of $10,705 for SCRS and $9,747 toward this obligation. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years.

9- Excess of Expenditures over Appropriations-

For the year ended June 30, 2024, expenditures exceeded appropriations in the General Fund (the legal level of budgetary control) by approximately $159,000, for which additional revenue was provided by approximately $338,000 in funding above budgeted revenues and other financing sources. As a result, no fund balance was used to support expenditures and other financing uses over budget.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

TOWN OF KINGSTREE, SOUTH CAROLINA
BUDGETARY COMPARISON (GAAP BASIS) SCHEDULE
GENERAL FUND-UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Property and Local Option Sales Tax	$ 1,766,000	$ 1,766,000	$ 2,007,816	$ 241,816
Intergovernmental Revenues	177,095	177,095	182,011	4,916
Charges for Services	2,337,252	2,337,252	2,428,892	91,640
Other Revenue	5,000	5,000	4,288	(712)
Total Revenue	4,285,347	4,285,347	4,623,007	337,660
EXPENDITURES				
General Government	732,605	728,606	762,855	(34,249)
Public Safety	1,922,132	1,918,132	2,015,228	(97,096)
Public Works	1,272,843	1,268,843	1,257,799	11,044
Culture and Recreation	288,767	300,766	324,081	(23,315)
Capital Outlay	14,960	14,960	30,324	(15,364)
Debt Service				
Principal	49,637	49,637	49,637	-
Interest	4,403	4,403	4,403	-
Total Expenditures	4,285,347	4,285,347	4,444,327	(158,980)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	178,680	178,680
Net Change in Fund Balance	-	-	178,680	
Fund Balance - beginning of the year	1,565,060	1,565,060	1,565,060	
Fund Balance -end of year	**$ 1,565,060**	**$ 1,565,060**	**$ 1,743,740**	

TOWN OF KINGSTREE, SOUTH CAROLINA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Year Ended June 30, 2024

	ORIGNAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Property and Local Option Sales Tax	$ 1,766,000	$ 1,766,000	$ 2,007,816	$ 241,816
Intergovernmental Revenue	177,095	177,095	182,011	4,916
Charges for Services	2,337,252	2,337,252	2,428,892	91,640
Other Revenue	5,000	5,000	4,288	(712)
Total Revenues	4,285,347	4,285,347	4,623,007	337,660
EXPENDITURES				
General Government:				
Salaries	269,707	269,708	266,357	3,351
Fringe Benefits	70,328	70,328	66,225	4,103
Workers Compensation	2,746	2,746	2,836	(90)
Utilities	200,000	200,000	175,455	24,545
Communication	11,600	11,600	12,875	(1,275)
Grant Expense	1,000	1,000	1,000	-
Printing	3,700	3,700	3,215	485
Repairs and Maintenance	3,500	3,000	3,341	(341)
Dues and Subscriptions	3,400	2,900	2,420	480
Insurance	35,800	35,800	37,277	(1,477)
Travel/Training	5,200	4,700	9,241	(4,541)
Materials	11,400	10,900	17,546	(6,646)
Contract Services	-	-	7,746	(7,746)
Building Demo	8,000	7,000	2,438	4,562
Contract Services	84,000	83,000	108,080	(25,080)
Vehicle O and M	2,750	2,750	2,676	74
Train/Depot Project	14,600	14,600	33,032	(18,432)
Miscellaneous	4,874	4,874	11,095	(6,221)
Total General Governmental	732,605	728,606	762,855	(34,249)

TOWN OF KINGSTREE, SOUTH CAROLINA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Year Ended June 30, 2024

Public Safety:				
Police Department:				
Salaries	$ 595,433	$ 595,433	$ 551,523	$ 43,910
Fringe Benefits	165,948	165,948	153,231	12,717
Workers Compensation	31,639	31,639	35,294	(3,655)
Communication	25,000	24,500	22,589	1,911
Printing	1,200	1,200	47	1,153
Repairs and Maintenance	15,000	14,500	12,524	1,976
Dues and Subscriptions	200	200	394	(194)
Insurance	95,700	95,700	62,128	33,572
Travel/Training	2,000	2,000	2,266	(266)
Materials	9,000	8,500	9,953	(1,453)
Safety	1,500	1,500	485	1,015
Miscellaneous	500	500	320	180
Vehicle O and M	30,000	30,000	59,640	(29,640)
Grant Expense	-	-	27,270	27,270
Uniform	13,000	13,000	9,281	3,719
Utilities	1,100	1,100	1,171	(71)
Special Contracts	154,000	153,500	255,315	(101,815)
State Fees	8,500	8,500	8,500	-
Total Police Department	1,149,720	1,147,720	1,211,931	(64,211)
Fire Department:				
Salaries	420,942	420,442	407,534	12,908
Fringe Benefits	113,338	113,338	109,607	3,731
Workers Compensation	20,812	20,812	22,427	(1,615)
Communication	17,000	17,000	18,637	(1,637)
Printing	300	300	437	(137)
Repairs and Maintenance	8,500	8,500	13,087	(4,587)
Travel/Training	4,000	4,000	5,277	(1,277)
Materials	13,500	13,000	16,179	(3,179)
Dues and Subscriptions	300	300	120	180
Special Contracts	63,000	62,500	105,790	(43,290)
Safety	12,000	12,000	14,457	(2,457)

TOWN OF KINGSTREE, SOUTH CAROLINA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Year Ended June 30, 2024

Fire Department (continued):				
Insurance	$ 69,620	$ 69,620	$ 56,244	$ (13,376)
Uniforms	7,000	7,000	6,287	713
Utilities	2,500	2,000	2,106	(106)
Vehicle O and M	18,000	18,000	23,975	(5,975)
Miscellaneous	1,600	1,600	1,133	467
	772,412	770,412	803,297	(32,885)
Total Public Safety	1,922,132	1,918,132	2,015,228	(97,096)
Public Works:				
Salaries	198,170	198,170	184,538	13,632
Fringe Benefits	48,929	48,929	43,250	5,679
Workers Compensation	7,624	7,624	7,887	(263)
Communication	1,850	1,850	2,567	(717)
Printing	500	500	432	68
Repairs and Maintenance	12,450	11,700	20,211	(8,511)
Uniform	2,650	2,650	4,950	(2,300)
Insurance	43,500	43,500	30,134	13,366
Safety	920	920	1,796	(876)
Special Contracts - Trash	891,000	891,000	866,356	24,644
Special Contracts	19,500	18,500	35,374	(16,874)
Utilities	1,500	1,500	1,887	(387)
Vehicle O and M	21,000	20,500	20,635	(135)
Miscellaneous	10,750	10,000	3,359	6,641
Materials	12,500	11,500	34,423	(22,923)
Total Public Works	1,272,843	1,268,843	1,257,799	11,044
Culture and Recreation:				
Salaries	$ 123,530	$ 139,130	$ 130,210	$ 8,920
Fringe Benefits	32,951	33,570	32,262	1,308
Workers Compensation	3,126	3,126	3,222	(96)
Communication	3,000	3,000	3,485	(485)
Repairs and Maintenance	9,750	9,750	14,770	(5,020)
Insurance	26,100	26,100	25,830	270

TOWN OF KINGSTREE, SOUTH CAROLINA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Year Ended June 30, 2024

Culture and Recreation (continued):				
Materials	12,750	10,000	7,723	2,277
Safety	360	360	(272)	632
Special Contracts	19,750	18,780	47,730	(28,950)
Uniforms	500	500	255	245
Miscellaneous	2,200	1,700	241	1,459
Canteen Expense	8,500	8,500	9,688	(1,188)
Sports expense	39,500	39,500	44,437	(4,937)
Vehicle O and M	6,750	6,750	4,500	2,250
Total Culture and Recreation	288,767	300,766	324,081	(23,315)
Capital Outlay:				
Land, Furniture, Fixtures and Equipment	14,960	14,960	30,324	(15,364)
Total Capital Outlay	14,960	14,960	30,324	(15,364)
Debt Service:				
Principal	49,637	49,637	49,637	-
Interest and Fiscal Charges	4,403	4,403	4,403	-
Total Debt Service	54,040	54,040	54,040	-
Total Expenditures	4,285,347	4,285,347	4,444,327	(158,980)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	178,680	178,680
Net Change in Fund Balance	-	-	178,680	178,680
Fund Balance -beginning of the year			1,565,060	
FUND BALANCE - end of year			**$ 1,743,740**	

TOWN OF KINGSTREE, SOUTH CAROLINA
Schedule of Town of Kingstree's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

Year Ended June 30,	Net Pension Liability percentage	Share of Net Pension Liability	Covered Employee Payroll	Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
South Carolina Retirement System					
2014	0.01264%	2,266,986	1,103,103	205.51%	56.39%
2015	0.01264%	2,176,017	1,120,870	194.14%	59.92%
2016	0.01200%	2,275,858	1,147,457	198.34%	57.00%
2017	0.01084%	2,314,767	904,800	255.83%	52.90%
2018	0.01014%	2,282,002	1,022,785	223.12%	53.30%
2019	0.01015%	2,273,549	832,556	273.08%	54.10%
2020	0.01047%	2,390,966	1,105,710	216.24%	54.40%
2021	0.01091%	2,788,785	1,011,947	275.59%	50.70%
2022	0.01023%	2,214,830	1,001,732	221.10%	60.70%
2023	0.00985%	2,387,247	977,579	244.20%	57.06%
2024	0.00970%	2,345,275	1,011,767	231.80%	58.60%
South Carolina Police Retirement System					
2014	0.07097%	1,471,168	790,610	186.08%	62.98%
2015	0.07097%	1,385,650	803,082	172.54%	67.55%
2016	0.07238%	1,577,519	852,153	185.12%	64.60%
2017	0.07437%	1,886,376	779,449	242.01%	60.40%
2018	0.07012%	1,920,980	957,613	200.60%	60.90%
2019	0.06517%	1,846,517	832,461	221.81%	61.70%
2020	0.06859%	1,965,597	908,408	216.38%	62.70%
2021	0.06342%	2,103,244	874,089	240.62%	58.80%
2022	0.05791%	1,490,056	834,298	178.60%	70.40%
2023	0.05734%	1,719,544	822,748	209.00%	66.45%
2024	0.05116%	1,557,419	774,450	201.10%	67.80%

Note to Schedule:
The amounts presented for each fiscal year were deermined as of June 30th of the preceding year.

TOWN OF KINGSTREE, SOUTH CAROLINA
Schedule of Town of Kingstree's Contributions
Last Ten Fiscal Years

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
South Carolina Retirement System					
2014	118,812	118,812	-	1,120,870	10.60%
2015	125,073	125,073	-	1,147,457	10.90%
2016	100,071	100,071	-	904,800	11.06%
2017	118,234	118,234	-	1,022,785	11.56%
2018*	104,569	104,569	-	832,556	12.56%
2019*	149,934	149,934	-	1,105,710	13.56%
2020*	147,340	147,340	-	1,011,947	14.56%
2021*	155,870	155,870	-	1,001,732	15.56%
2022*	194,184	194,184	-	977,579	16.56%
2023*	177,666	177,666	-	1,011,767	17.56%
2024*	245,468	245,468	-	1,322,564	18.56%
South Carolina Police Retirement System					
2014	103,276	103,276	-	803,082	12.86%
2015	114,274	114,274	-	852,153	13.41%
2016	105,553	105,553	-	779,449	13.54%
2017	134,468	134,468	-	957,613	14.04%
2018*	125,219	125,219	-	832,461	15.04%
2019*	145,727	145,727	-	908,408	16.04%
2020*	148,962	148,962	-	874,089	17.04%
2021*	150,524	150,524	-	834,298	18.04%
2022*	158,297	158,297	-	822,748	19.24%
2023*	156,749	156,749	-	774,450	20.24%
2023*	206,540	206,540	-	972,412	21.24%

Note to Schedule:

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

* They County's actual contributions to SCRS and PORS equal the required contribution before the state credit of 1% issued in accordance with South Carolina 2018-2019 Appropriations Act, Section 117.139.

COMBINING STATEMENTS AND OTHER SUPPLEMENTARY INFORMATION

TOWN OF KINGSTREE SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds				
	Federal Equitable Sharing Fund	Black River Park Network Fund	Police Narcotics Fund	Victims Advocate Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 6,958	$ -	$ 30,382	$ -	$ 37,340
Cash and Cash Equivalents - Restricted	-	2,000	-	30,009	32,009
Total Assets	**$ 6,958**	**$ 2,000**	**$ 30,382**	**$ 30,009**	**$ 69,349**
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Third Party	$ -	$ -	$ 16,171	$ -	$ 16,171
Due to Other Funds	-	2,000	-	-	2,000
Total Liabilities	-	2,000	16,171	-	18,171
Fund Balances:					
Restricted	6,958	-	-	30,009	36,967
Committed to Special Revenue Projects/Programs	-	-	14,211	-	14,211
Total Fund Balance	6,958	-	14,211	30,009	51,178
TOTAL LIABILITIES AND FUND BALANCES	**$ 6,958**	**$ 2,000**	**$ 30,382**	**$ 30,009**	**$ 69,349**

TOWN OF KINGSTREE SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Federal Equitable Sharing Fund	Black River Park Network Fund	Police Narcotics Fund	Victims Advocate Fund	Total Nonmajor Governmental Funds
Revenues					
Interest Earned	$ -	$ -	$ 291	$ -	$ 291
Other Revenue	1	-	-	5,414	5,415
Total Revenues	1	-	291	5,414	5,706
Expenditures					
Current:					
Public Safety	-	-	4,063	26,257	30,320
Total Expenditures	-	-	4,063	26,257	30,320
Excess of (deficiency) of revenues over (under) expenditures	1	-	(3,772)	(20,843)	(24,614)
Net change in fund balance	1	-	(3,772)	(20,843)	(24,614)
Fund Balances, beginning of year	6,957	-	17,984	50,851	75,792
Fund Balances, end of year	**$ 6,958**	**$ -**	**$ 14,212**	**$ 30,008**	**$ 51,178**

TOWN OF KINGSTREE, SOUTH CAROLINA
Water and Sewer Fund
Statement of Revenues, Expenses and Changes in Net Position
Budget (GAAP Basis) and Actual
Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH BUDGET
OPERATING REVENUES				
Charges for Services - Water	$ 1,637,877	$ 1,637,877	$ 1,515,748	$ (122,129)
Charges for Services - Sewer	1,756,436	1,756,436	1,439,539	(316,897)
Total Operating Revenues	3,394,313	3,394,313	2,955,287	(439,026)
OPERATING EXPENSES				
Water Department				
Salaries	677,478	677,478	646,765	30,713
Fringe Benefits	175,457	175,457	139,542	35,915
Workers Compensation	13,683	13,683	14,116	(433)
Utilities	76,500	76,500	73,527	2,973
Communication	20,000	20,000	39,362	(19,362)
Repairs and Maintenance	55,000	55,000	42,820	12,180
Printing	4,000	4,000	3,683	317
Dues and Subscriptions	3,000	3,000	1,380	1,620
Insurance	112,900	112,900	86,806	26,094
Travel/Training	6,000	6,000	4,950	1,050
Special Contracts	486,788	486,788	485,349	1,439
Materials and Supplies	125,000	125,000	215,265	(90,265)
Safety	4,000	4,000	2,747	1,253
Miscellaneous	1,000	1,000	762	238
Uniform	5,000	5,000	3,522	1,478
Contingency	2,153	2,153	-	2,153
Small Equipment & Improvements	159,600	159,600	26,185	133,415
Vehicle Operation and Maintenance	35,000	35,000	45,100	(10,100)
Depreciation and Amortization	-	-	328,528	(328,528)
Total Water Department	1,962,559	1,962,559	2,160,409	(197,850)
Sewer Department				
Salaries	210,180	210,180	176,360	33,820
Fringe Benefits	55,088	55,088	38,806	16,282
Workers Compensation	8,081	8,081	8,991	(910)

TOWN OF KINGSTREE, SOUTH CAROLINA
Water and Sewer Fund
Statement of Revenues, Expenses and Changes in Net Position
Budget (GAAP Basis) and Actual
Year Ended June 30, 2024

Utilities	$ 155,000	$ 155,000	$ 132,720	$ 22,280
Communication	7,000	7,000	7,965	(965)
Repairs and Maintenance	170,000	170,000	180,352	(10,352)
Dues and Subscriptions	400	400	285	115
Insurance	34,800	34,800	29,472	5,328
Travel/Training	4,500	4,500	1,648	2,852
Materials and Supplies	60,000	60,000	39,367	20,633
Bad Debt	-	-	-	-
Special Contracts	120,000	120,000	218,706	(98,706)
Miscellaneous	1,900	1,900	726	1,174
Safety	700	700	632	68
Depreciation	-	-	219,019	(219,019)
Vehicle Operation and Maintenance	16,000	16,000	8,137	7,863
Uniform	2,500	2,500	2,990	(490)
Total Sewer Department	846,149	846,149	1,066,176	(220,027)
Total Expenses	2,808,708	2,808,708	3,226,585	(417,877)
Operating Income (Loss)	585,605	585,605	(271,298)	(856,903)
Nonoperating Revenue (Expenses):				
Interest Income	3,500	3,500	26,039	22,539
Governmental Revenue	-	1,000,000	1,000,000	-
Grant Projects	-	(1,000,000)	-	1,000,000
Interest Expense - Water	(259,545)	(259,545)	(230,665)	28,880
Interest Expense - Sewer	(102,771)	(102,771)	(88,809)	13,962
Other Revenue - Water	5,000	5,000	4,604	(396)
Total Nonoperating Revenue (Expenses)	(353,816)	(353,816)	711,169	1,064,985
Income (loss) before transfers	231,789	231,789	439,871	208,082
Transfer in	-	-	344,142	344,142
Changes in Net Position	$ 231,789	$ 231,789	784,013	$ 208,082
Net Position- beginning of the year			4,319,148	
Net Position - end of the year			**$ 5,103,161**	

See independent auditor's report

FOR THE STATE TREASURER'S OFFICE: TOWN OF KINGSTREE

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected			143,952	143,952
Court fines and assessments remitted to State Treasurer			(49,334)	(49,334)
Total Court Fines and Assessments retained	-	-	94,618	94,618
Surcharges and Assessments retained for victim services:				-
Surcharges collected and retained			1,453	1,453
Assessments retained			4,159	4,159
Total Surcharges and Assessments retained for victim services	-	-	5,612	5,612

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	50,783		50,783
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	4,159		4,159
Victim Service Surcharges Retained by City/County Treasurer	1,453		1,453
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund	380		380
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	56,775	-	56,775
Expenditures for Victim Service Program:	**Municipal**	**County**	**Total**
Salaries and Benefits			
Operating Expenditures			
Victim Service Contract(s):			
(1) Entity's Name			
(2) Entity's Name			
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund	915		915
Total Expenditures from Victim Service Fund/Program (B)	915	-	915
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	55,860		55,860
Less: payment to to the SC Attorney General	(25,851)		(25,851)
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year	30,009	-	30,009

COMPLIANCE SECTION

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

To the Members of Town Council
Town of Kingstree
Kingstree, South Carolina

I have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Kingstree, South Carolina (the "Town") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Kingstree, South Carolina's basic financial statements, and have issued my report thereon dated November 4, 2024.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider, 2024-1 and 2024-2, described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did identify deficiencies; 2024-1 and 2024-2, in internal control not to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

The Town of Kingstree, South Carolina's Response to Findings

The Town of Kingstree, South Carolina's responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. The Town of Kingstree, South Carolina's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

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

Samantha Salisbury

Samantha A. Salisbury, CPA
November 4, 2024

TOWN OF KINGSTREE
SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENT FINDINGS

2024-1. Financial Statements prepared using Accounting Principles Generally Accepted in the United States of America (GAAP).

Condition: The Town's management does not prepare the financial statements. There are policies, procedures, and resources in place to provide source documentation used to prepare the statements, but financial statement preparation is not done by management.

Criteria: Effective internal control over financial reporting should include control activities developed and maintained to support personnel responsible for producing financial statements prepared using GAAP.

Effect: Potential material disclosures and classifications are not prevented or detected prior to the end of the year.

Recommendation: Management should continue to evaluate the current control activities and determine the cost/benefit to the organization to prepare financial statements.

Views of Responsible Officials and Planned Corrective Actions: Management continues to evaluate the cost-effectiveness of this condition. Management provides a skilled, experienced, and knowledgeable staff member to examine and review all information included in the financial statements and supplemental sections before release.

2024-2. Financial Policy and Procedures
Condition: The Town needs to finish its comprehensive financial policy and procedures manual used to manage the town's activities and utilize internal controls to support the Town's financial reporting system.

Criteria: Effective internal control over financial reporting should include control activities, policies, and procedures that ensure all transactions are entered and accounted for in the financial reporting system.

Effect: Material disclosures and classifications are not prevented or detected prior to the end of the year.

Recommendation: Management should finalize policies and procedures manual to record and reconcile all transactions to the general ledger. There are policies and procedures in place, and cross-training is being performed, but a manual will support this process.

Views of Responsible Officials and Planned Corrective Actions: Management concurs and has worked to develop a manual. Each department is working to prepare a policy and procedures manual to be used in case of their absence or for new personnel.

TOWN OF KINGSTREE
SOUTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENT FINDINGS

2023-1 Financial Statements prepared using Accounting Principles Generally Accepted in the United States of America (GAAP).

Condition: The Town's management does not prepare the financial statements; there are policies, procedures, and resources in place to provide source documentation used to prepare the statements, but financial statement preparation is not done by management.

Criteria: Effective internal control over financial reporting should include control activities developed and maintained to support personnel responsible for producing financial statements prepared using GAAP.

Current Year Status: Management continues to work to resolve this issue and reports all financial information within the financial reporting system maintained by the finance department. Management examines reviews and provides a skilled, experienced, and knowledgeable staff member to approve drafts before release. This will remain a significant deficiency for the current reporting year.

2023-2 Financial Policy and Procedures

Condition: The Town needs to develop a comprehensive financial policy and procedures manual to define the role and responsibility of its staff and use available resources to manage the town's activities and utilize internal controls to support the Town's financial reporting system.

Criteria: Effective internal control over financial reporting should include control activities, policies, and procedures that ensure all transactions are entered and accounted for in the financial reporting system.

Effect: Material disclosures and classifications are not prevented or detected prior to the end of the year.

Current Year Status: Management is training personnel in the procedures necessary to maintain a proper and useful general ledger. The written manual is almost completed, and documentation of all departmental procedures is in progress, but departments have procedures in place to support the financial reporting of the Town. This will remain a significant deficiency for the current reporting year.

COMPLIANCE FINDINGS

None noted in the prior year.