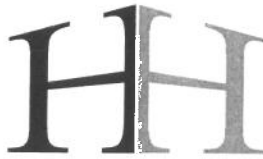


Town of Irmo
Financial Statements
Year Ended June 30, 2020
(With Independent Auditor's Report Thereon)

Town of Irmo

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HIGHSMITH & HIGHSMITH, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Member
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Travelers Rest, South Carolina 29690
(864) 834-3868

Member
American Institute of
Certified Public Accountants

Independent Auditor's Report

The Honorable Mayor and
Members of Town Council
Town of Irmo
Irmo, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Irmo, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Town of Irmo, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability and schedule of related ratios and schedule of employer contributions as listed in the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Draft

Highsmith & Highsmith, LLC
Travelers Rest, South Carolina

October 16, 2020

Town of Irmo
Management's Discussion and Analysis
June 30, 2020

This section of the Town of Irmo, South Carolina (the "Town") annual financial report presents our discussion and analysis of the Town's financial performance for the year ended June 30, 2020. Please read it in conjunction with the Town's financial statements, which follow this section.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$6,099,008 (*net position*). Of this amount, \$430,563 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$523,839.
- As of the close of the current fiscal year, the Town's governmental fund reported combined ending fund balance of \$5,326,435, a decrease of \$124,552 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,028,878, or 76 percent of total general fund expenditures.

Overview of the Financial Statements

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

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. Financial information is presented in two statements – *statement of net position* and *statement of activities*.

The *statement of net position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all of a significant portion of their costs through user fees and charges (*business-*

Town of Irmo
Management's Discussion and Analysis
June 30, 2020

type activities). The governmental activities of the Town include general government, highways and streets, human services, economic development, culture and recreation activities.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the other governmental funds. Only the general fund is considered to be a major fund. Data from the other three governmental funds are combined into a single, aggregated presentation.

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.

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 statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for the governmental funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Town of Irmo
Management's Discussion and Analysis
June 30, 2020

Government-wide Financial Analysis

As noted earlier, net position may service over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$6,099,008 at the close of the most recent fiscal year. The largest portion of the Town's net position (92 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Net position of \$62,012 is restricted by state law for specific purposes. The remaining balance of unrestricted net position \$430,563 may be used to meet the government's ongoing obligations to citizens and creditors.

- During the current fiscal year, the government's net position decreased by \$523,839, primarily due to depreciation and pension expenditures.

Statement of Net Position Information

The following information is a condensed version of the Statement of Net Position.

	Net Position					
	Governmental		Business-type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 5,499,337	\$ 5,548,960	\$ 92,159	95,495	\$ 5,591,496	\$ 5,644,455
Capital assets, net of depreciation	5,606,433	5,768,414	-	-	5,606,433	5,768,414
Restricted assets	62,012	63,434	-	-	62,012	63,434
Total assets	11,167,782	11,380,808	92,159	95,495	11,259,941	11,476,303
Deferred outflows	964,407	1,197,776	-	-	964,407	1,197,776
Total assets and deferred outflows	12,132,189	12,578,584	92,159	95,495	12,224,348	12,674,079
Liabilities						
Long-term liabilities outstanding	5,104,788	5,046,391	-	-	5,104,788	5,046,391
Other liabilities	724,193	607,928	66	-	724,259	607,928
Total liabilities	5,828,981	5,654,319	66	-	5,829,047	5,654,319
Deferred inflows	296,293	396,913	-	-	296,293	396,913
Total liabilities and deferred inflows	6,125,274	6,051,232	66	-	6,125,340	6,051,232
Net Position						
Invested in capital assets, net of related debt	5,606,433	5,768,414	-	-	5,606,433	5,768,414
Restricted	62,012	63,434	-	-	62,012	63,434
Unrestricted	338,470	695,504	92,093	95,495	430,563	790,999
Total net position	\$ 6,006,915	\$ 6,527,352	\$ 92,093	\$ 95,495	\$ 6,099,008	\$ 6,622,847

The Town's Total Net Position decreased by \$523,839 during the fiscal year ended June 30, 2020.

Town of Irmo
Management's Discussion and Analysis
June 30, 2020

Statement of Activities Information

The following information is a condensed version of the Statement of Activities.

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenue:						
Program revenue:						
Charges for services	\$ 1,140,390	\$ 1,080,038	\$ 95,454	\$ 74,315	\$ 1,235,844	\$ 1,154,353
Operating grants and contributions	30,569	142,520	-	-	30,569	142,520
General revenue:						
Local option sales and fire taxes	1,205,491	1,138,783	-	-	1,205,491	1,138,783
State shared and unallocated intergovernmental	310,085	337,640	-	-	310,085	337,640
Licenses and permits	2,937,404	3,210,214	-	-	2,937,404	3,210,214
Other and transfers	822,731	737,266	15,021	26,028	837,752	763,294
Total revenue	<u>6,446,670</u>	<u>6,646,461</u>	<u>110,475</u>	<u>100,343</u>	<u>6,557,145</u>	<u>6,746,804</u>
Expenses:						
Legislative	59,178	55,736	-	-	59,178	55,736
Administrative	535,097	534,172	-	-	535,097	534,172
Court	278,381	267,553	-	-	278,381	267,553
Public works	690,858	721,366	-	-	690,858	721,366
Sanitation	1,186,551	1,246,712	-	-	1,186,551	1,246,712
Police	2,953,578	2,832,059	-	-	2,953,578	2,832,059
Non-departmental and support services	1,263,464	1,255,667	-	-	1,263,464	1,255,667
Okra Strut Festival fund	-	-	113,877	100,141	113,877	100,141
Total expenses	<u>6,967,107</u>	<u>6,913,265</u>	<u>113,877</u>	<u>100,141</u>	<u>7,080,984</u>	<u>7,013,406</u>
Change in net position	(520,437)	(266,804)	(3,402)	202	(523,839)	(266,602)
Beginning net position	<u>6,527,352</u>	<u>6,794,156</u>	<u>95,495</u>	<u>95,293</u>	<u>6,622,847</u>	<u>6,889,449</u>
Ending net position	<u>\$ 6,006,915</u>	<u>\$ 6,527,352</u>	<u>\$ 92,093</u>	<u>\$ 95,495</u>	<u>\$ 6,099,008</u>	<u>\$ 6,622,847</u>

For governmental activities, 100% of the Town's expenses related to government and public activities.

Town of Irmo
Management's Discussion and Analysis
June 30, 2020

Financial Analysis of the Government's Funds

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

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

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,028,878 and the restricted fund balance was \$62,012. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 76% of the total general fund expenditures.

During the current fiscal year, the Town's general fund balance decreased \$112,571.

- Total revenues decreased by \$189,115 from the prior year.
- Total expenditures decreased by \$274,179.

General Fund Budgetary Highlights

The Town adopted a budget with budgeted expenditures less than budgeted revenues for the fiscal year ended June 30, 2020. There were no changes between the original budget and the final budget.

Capital Asset Administration

Capital assets - The Town's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$5,606,433 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, and streets and sidewalks. Capital assets, net of accumulated depreciation are comprised of the following:

Town of Irmo
Management's Discussion and Analysis
June 30, 2020

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Capital assets not being depreciated					
Land and rights of way	\$ 1,492,883	\$ -	\$ -	\$ -	\$ 1,492,883
Total capital assets not being depreciated	1,492,883	-	-	-	1,492,883
Capital assets being depreciated					
Land improvements	5,083,095	-	-	-	5,083,095
Building and improvements	2,996,499	-	-	-	2,996,499
Furniture, vehicles, equipment	1,848,263	228,458	(43,825)	-	2,032,896
Total capital assets being depreciated	9,927,857	228,458	(43,825)	-	10,112,490
Less accumulated depreciation for:					
Land improvements	(2,169,754)	(127,476)	-		(2,297,230)
Building and improvements	(1,959,084)	(100,546)	-		(2,059,630)
Furniture, vehicles, equipment	(1,523,488)	(162,418)	43,825		(1,642,081)
Total accumulated depreciation	(5,652,326)	(390,440)	43,825	-	(5,998,941)
Total capital assets being depreciated, net	4,275,531	(161,982)	-	-	4,113,549
Net capital assets - Governmental Activities	\$ 5,768,414	\$ (161,982)	\$ -	\$ -	\$ 5,606,432

The total decrease of \$161,982 in net capital assets is the net of asset additions of \$228,458 and depreciation expense of \$390,440.

Economic Factors and Next Year's Budgets and Rates

Inflationary trends in the region compare favorably to national indices. This factor, among others, was considered in preparing the Town's budget for the 2020 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Irmo, South Carolina 29063.

Town of Irmo

**Statement of Net Position
June 30, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 4,398,562	\$ 1,181	\$ 4,399,743
Equity in pooled cash	511,881	90,978	602,859
Receivables, net	99,698	-	99,698
Due from other governments	312,951	-	312,951
Prepaid expenses	176,245	-	176,245
Restricted assets:			
Cash and cash equivalents	62,012	-	62,012
Capital assets, net of accumulated depreciation	5,606,433	-	5,606,433
Total assets	<u>11,167,782</u>	<u>92,159</u>	<u>11,259,941</u>
Deferred outflows			
Deferred outflows for pensions	964,407	-	964,407
Total assets and deferred outflows	\$ <u>12,132,189</u>	\$ <u>92,159</u>	\$ <u>12,224,348</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 211,782	\$ 66	\$ 211,848
Deposit liabilities	17,460	-	17,460
Deferred revenue	494,951	-	494,951
Accrued compensated absences	393,967	-	393,967
Net pension liability	4,710,821	-	4,710,821
Total liabilities	<u>5,828,981</u>	<u>66</u>	<u>5,829,047</u>
Deferred inflows			
Deferred inflows for pensions	296,293	-	296,293
Total liabilities and deferred inflows	<u>6,125,274</u>	<u>66</u>	<u>6,125,340</u>
Net Position			
Invested in capital assets, net of related debt	5,606,433	-	5,606,433
Restricted	62,012	-	62,012
Unrestricted	338,470	92,093	430,563
Total net position	\$ <u>6,006,915</u>	\$ <u>92,093</u>	\$ <u>6,099,008</u>

Town of Irmo
Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental activities:							
Legislative	\$ (59,178)	\$ -	\$ -	\$ -	\$ (59,178)	\$ -	\$ (59,178)
Administrative	(535,097)	-	-	-	(535,097)	-	(535,097)
Court	(278,381)	-	-	-	(278,381)	-	(278,381)
Public works	(690,858)	-	-	-	(690,858)	-	(690,858)
Sanitation	(1,186,551)	1,040,064	-	-	(146,487)	-	(146,487)
Police	(2,953,578)	100,326	30,569	-	(2,822,683)	-	(2,822,683)
Non-departmental and support services	(1,263,464)	-	-	-	(1,263,464)	-	(1,263,464)
Total governmental activities	(6,967,107)	1,140,390	30,569	-	(5,796,148)	-	(5,796,148)
Business-type activities:							
Okra Strut fund	(113,877)	95,454	-	-	-	(18,423)	(18,423)
Total business-type activities	(113,877)	95,454	-	-	-	(18,423)	(18,423)
Total functions and programs	\$ (7,080,984)	\$ 1,235,844	\$ 30,569	\$ -	(5,796,148)	(18,423)	(5,814,571)
General revenues and transfers							
Local option sales tax					1,205,491	-	1,205,491
State shared and unallocated intergovernmental					310,085	-	310,085
Licenses, permits and franchise fees					2,937,404	-	2,937,404
Fire taxes					651,041	-	651,041
Unrestricted investment earnings					67,362	21	67,383
Miscellaneous					119,328	-	119,328
Transfers in (out)					(15,000)	15,000	-
Total general revenues and transfers					5,275,711	15,021	5,290,732
Change in net position					(520,437)	(3,402)	(523,839)
Net position, beginning					6,527,352	95,495	6,622,847
Net position, ending					\$ 6,006,915	\$ 92,093	\$ 6,099,008

See accompanying notes to financial statements.

Town of Irmo

**Balance Sheet
Governmental Funds
June 30, 2020**

	<u>General Fund</u>	<u>ABC Permit Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 4,397,484	\$ -	\$ 1,078	\$ 4,398,562
Equity in pooled cash	452,095	59,300	486	511,881
Receivables, net	58,026	-	36,000	94,026
Due from other governments	312,951	-	-	312,951
Prepaid items	176,245	-	-	176,245
Restricted assets:				
Cash and cash equivalents	62,012	-	-	62,012
Total assets	<u>\$ 5,458,813</u>	<u>\$ 59,300</u>	<u>\$ 37,564</u>	<u>\$ 5,555,677</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 211,782	\$ -	\$ -	\$ 211,782
Due to state government	-	-	-	-
Deposit liabilities	17,460	-	-	17,460
Total liabilities	<u>229,242</u>	<u>-</u>	<u>-</u>	<u>229,242</u>
Fund balances:				
Nonspendable - prepaid items	176,245	-	-	176,245
Restricted	62,012	-	-	62,012
Assigned	-	59,300	-	59,300
Unassigned	4,991,314	-	37,564	5,028,878
Total fund balances	<u>5,229,571</u>	<u>59,300</u>	<u>37,564</u>	<u>5,326,435</u>
Total liabilities and fund bal	<u>\$ 5,458,813</u>	<u>\$ 59,300</u>	<u>\$ 37,564</u>	<u>\$ 5,555,677</u>

Town of Irmo

**Reconciliation of the Governmental Funds - Balance Sheet
to the Statement of Net Position
June 30, 2020**

Total fund balance - Governmental Funds	\$	5,326,435
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in these funds.		5,606,433
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Other assets not available to pay current expenditures and therefore not reported in the fund statements.		5,672
--	--	-------

Cash received in advance of period for which revenue is recognized as deferred in the statement of net position.		(494,951)
---	--	-----------

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

Compensated absences		(393,967)
----------------------	--	-----------

Net pension liability		(4,710,821)
-----------------------	--	-------------

Deferred outflows for pensions		964,407
--------------------------------	--	---------

Deferred inflows for pensions		<u>(296,293)</u>
-------------------------------	--	------------------

Total net position of Governmental Activities	\$	<u><u>6,006,915</u></u>
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Town of Irmo

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2020**

	<u>General Fund</u>	<u>ABC Permit Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Local option sales tax	\$ 1,205,491	\$ -	\$ -	\$ 1,205,491
Licenses and permits	2,155,149	-	-	2,155,149
State shared revenue	310,085	-	-	310,085
Franchise fees	782,255	-	-	782,255
Fines and forfeitures	100,326	-	-	100,326
Fire taxes	651,041	-	-	651,041
Grants	30,569	-	-	30,569
Interest income	67,343	-	19	67,362
Sanitation fees	1,082,824	-	-	1,082,824
Other revenue	119,328	-	-	119,328
Total revenues	<u>6,504,411</u>	<u>-</u>	<u>19</u>	<u>6,504,430</u>
Expenditures				
General Government:				
Legislative	56,975	-	-	56,975
Administrative	507,070	-	-	507,070
Court	258,145	-	-	258,145
Public works:				
General public works	660,561	-	-	660,561
Sanitation	1,186,551	-	-	1,186,551
Police	2,927,808	-	-	2,927,808
Non-departmental and support services	1,016,872	-	-	1,016,872
Total expenditures	<u>6,613,982</u>	<u>-</u>	<u>-</u>	<u>6,613,982</u>
Excess (deficiency) of revenues over expen	<u>(109,571)</u>	<u>-</u>	<u>19</u>	<u>(109,552)</u>
Other Financing Sources (Uses)				
Transfers in (out)	(3,000)	-	(12,000)	(15,000)
Net change in fund balance	<u>(112,571)</u>	<u>-</u>	<u>(11,981)</u>	<u>(124,552)</u>
Fund balance, beginning of year	5,342,142	59,300	49,545	5,450,987
Fund balance, end of year	<u>\$ 5,229,571</u>	<u>\$ 59,300</u>	<u>\$ 37,564</u>	<u>\$ 5,326,435</u>

Town of Irmo

**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
Year Ended June 30, 2020**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds	\$ (124,552)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(161,981)
Net revenues and expenses in the statement of activities that do not provide or use current financial resources are not reported in these funds.	<u>(233,904)</u>
Change in net position of governmental activities	<u><u>\$ (520,437)</u></u>

Town of Irmo

**Balance Sheet
Proprietary Fund
June 30, 2020**

		Business-type Activities
		<u>Okra Strut Fund</u>
Assets		
Cash and cash equivalents	\$	1,181
Equity in pooled cash		90,978
Total assets	\$	<u>92,159</u>
 Liabilities and Net Position		
Liabilities:		66
Total liabilities		<u>66</u>
Net Position:		
Unrestricted		92,093
Total net position		<u>92,093</u>
Total liabilities and net position	\$	<u>92,159</u>

Town of Irmo

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Fund

Year Ended June 30, 2020

	Business-type Activities
	<u>Okra Strut Fund</u>
Operating Revenues	
Rental, concessions and sales	\$ 95,454
Total operating revenues	<u>95,454</u>
Operating Expenses	
Contract labor and volunteer expenses	24,789
Contractual services/rentals/marketing	81,822
Miscellaneous	7,266
Total operating expenses	<u>113,877</u>
Operating income	<u>(18,423)</u>
Non-Operating Revenue (Expenses)	
Interest income	21
Transfer in from other funds	15,000
Total Non-operating revenue (expenses)	<u>15,021</u>
Change in net position	(3,402)
Net position, beginning of year	95,495
Net position, end of year	\$ <u><u>92,093</u></u>

Town of Irmo
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2020

	Business-type Activities
	<u>Okra Strut Fund</u>
Cash Flows from Operating Activities	
Receipts from customers and others	\$ 95,454
Payments to suppliers	<u>(113,811)</u>
Net cash provided (used) by operating activities	<u>(18,357)</u>
Cash Flows from Capital and Related Financing Activities	
Net transfers from other funds	<u>15,000</u>
Net cash provided (used) by financing activities	<u>15,000</u>
Cash Flows from Investing Activities	
Interest income	<u>21</u>
Net cash provided (used) by investing activities	<u>21</u>
Net decrease in cash and cash equivalents	(3,336)
Cash and cash equivalents, beginning of year	<u>95,495</u>
Cash and cash equivalents, end of year	<u>\$ <u>92,159</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income	\$ (18,423)
Increase in accounts payable	<u>66</u>
Net cash provided (used) by operating activities	<u>\$ <u>(18,357)</u></u>

Town of Irmo

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2020

**Susan Rene
Branham
Memorial Fund**

Assets

Equity in pooled cash	2,228
Total assets	<u>\$ 2,228</u>

Net Position

Held in trust for substance abuse educational programs	2,228
Total net position	<u>\$ 2,228</u>

Town of Irmo

**Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended June 30, 2020**

	<u>Susan Rene Branham Memorial Fund</u>
Additions	
Contributions	-
Total additions	\$ -
 Change in net position	 -
 Net position, beginning of year	 2,228
Net position, end of year	\$ <u>2,228</u>

Town of Irmo

Notes to the Financial Statements Year Ended June 30, 2020

Note 1 – Description of Entity

The Town of Irmo, South Carolina (the “Town”) was incorporated in 1890. The Town operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation, public improvements, planning and zoning, general and administrative services. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based on the application of these criteria, there were no organizations which met the criteria described above.

Note 2 – Summary of Significant Accounting Policies

The Town applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principles Board (APB) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual government funds are reported as separate columns in the fund financial statements.

Town of Irmo

Notes to the Financial Statements Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies, continued

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes collected within this sixty day period is an example of such revenue. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Expenditures generally are recorded when a liability is incurred, except for debt service expenditures, as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

The government reports the following major governmental fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government.

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The Town has established a special revenue fund for the ABC

Town of Irmo

Notes to the Financial Statements Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies, continued

Measurement focus, basis of accounting, and financial statement presentation

Permit revenues which are restricted to expenditures for tourism and development.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The *proprietary fund (enterprise fund)* is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through the user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Okra Strut Annual Festival is accounted for as an Enterprise Fund operation.

The government reports the following funds separately that are not included in the government-wide financial statements:

The *fiduciary fund* consists of Trust and Agency Funds which are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. These include Expendable Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as government funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The resources of these funds are not available to support government programs and are therefore not reported in government funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Cash and Cash Equivalents

The State of South Carolina General Statutes permits the Town to invest in certain types of financial instruments. In addition, the State has a Local Government Investment Pool (where fair value of the position in the pool is the same as the value of the pool shares) which invests in the types of instruments allowed under state laws.

Cash is maintained in demand deposits or savings accounts, certificates of deposits, repurchase agreements, or U.S. Government Securities. There were no deposit or investment transactions during the year that were in violation of either state statutes or the policy of the Town.

Town of Irmo

Notes to the Financial Statements Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents, continued

As of June 30, 2020, the Town had deposits and investments as follows:

	<u>Fair Value</u>
Deposits with financial institutions	\$ 747,525
Investment with S.C. Local Government Investment Pool	<u>4,317,089</u>
	<u>\$ 5,064,614</u>

Interest rate risk. The Town manages its exposure to declines in fair values by limiting its investments to the State's investment pools which do not normally have maturity dates and can be withdrawn on demand.

Credit risk. As of June 30, 2020, the Town's investment with the S.C. Local Government Investment Pool is overseen by the State, which invests in instruments allowed under state laws.

Concentration of Credit Risk. The Town's investment policy currently does not involve investment in individual issuers.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to the Town. The Town's policy is that all deposits in excess of federal insurance amounts be collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name. As of June 30, 2020, the Town did not have any amounts exposed to custodial credit risk.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investment in the state investment pool is not subject to custodial credit risk.

Receivables and Payables

Outstanding balances between funds are reported as "due to/from other funds." Advances between funds, as reported in the funds financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The Town did not levy a tax on personal and real property for its fiscal 2019 – 2020. Revenue and receivables reported as of and for the year ended June 30, 2020 are the result of collections of prior fiscal year levies.

Town of Irmo

Notes to the Financial Statements Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies, continued

Capital Assets

Capital assets, which include land, buildings, improvements, machinery and equipment are reported in the government-wide financial statements. Capital assets are defined by the government 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 capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20 - 30
Furniture and equipment	3 - 10
Infrastructure	10 - 25

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. 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.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Upon termination of employment, unused vacation or sick leave is payable to the employee. All vacation and sick pay is accrued when incurred in the government-wide financial statements.

Town of Irmo

Notes to the Financial Statements Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies, continued

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts or other commitments for expenditures are recorded to reserve a portion of an applicable appropriation, is utilized in governmental funds, primarily the General Fund. Encumbrances outstanding at year-end are reported as reservations of fund balance as they do not constitute expenditures or liabilities under accounting principles generally accepted.

Fund Equity

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Assets – The category presents external restrictions imposed by creditor, grantors, contributors or laws or regulation of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This category represents the net assets of the Town, which are not restricted for any project or other purpose.

In the fund financial statements, the Town implemented GASB No. 54 Fund Balance Reporting and Governmental Fund Type Definitions for the year ended June 30, 2013. GASB No. 54 established that fund balance for governmental funds should be reported in the classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purpose for which the amounts in these funds can be spent. These classifications may consist of the following:

Non-spendable – generally, amounts that are not expected to be converted to cash, such as inventories or prepaid amounts. This classification also includes some long-term amounts such as property acquired for resale or the long-term portion of loans receivable. However, if the eventual proceeds or collections from these would be restricted, committed, or assigned, these amounts would be included in that other classification.

Legally or Contractually Required to be Maintained Intact – amounts that are required to be maintained intact, such as the principal of a permanent fund.

Restricted – amounts that can be used only for specific purpose because of (a) constitutional provisions of enabling legislation of (b) externally imposed constraints. (External constraints might be imposed by creditors, grantors, contributors, or even the laws or regulations of other governments.

Town of Irmo

**Notes to the Financial Statements
Year Ended June 30, 2020**

Note 2 – Summary of Significant Accounting Policies, continued

Fund Equity, continued

Committed – amounts that can be used only for specific purposes because of a formal action by the government’s highest level of decision-making authority. This classification might also include contractual obligation if existing resources have been committed for use in satisfying those contractual requirements. The formal action to establish constraints should be taken before year-end, even if the amount might not be determined until the subsequent period.

Assigned – amounts intended to be used for specific purposes but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a finance committee), or by an official to whom that authority has been given. This is the residual fund balance classification for all governmental funds except the general fund. Assigned fund balances should not be reported in the general fund if doing so causes the government to report a negative unassigned general fund balance.

Unassigned - this is the residual classification for the general fund (i.e., everything that is not in another classification or in another fund). The general fund is the only governmental fund that can report a positive unassigned fund balance. Other governmental funds might have a negative unassigned fund balance as a result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Below are the fund balance classifications for the governmental funds at June 30, 2020:

	General Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances			
Nonspendable - prepaid	\$ 176,245	\$ -	\$ 176,245
Restricted			
Victims Assistance	62,012	-	62,012
Assigned			
Tourism development	-	59,300	59,300
Unassigned	4,991,314	37,564	5,028,878
Total Fund Balances	\$ <u>5,229,571</u>	\$ <u>96,864</u>	\$ <u>5,326,435</u>

Town of Irmo

Notes to the Financial Statements Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies, continued

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Note 3 – Stewardship, Compliance, and Accountability

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The various departments meet with their respective Council Committees during the last quarter of the fiscal year to discuss their operating budget requests
2. The Council meets in a workshop to discuss all the department's budgets.
3. The proposed budget is enacted prior to July 1 in the form of an ordinance (with three readings and one public hearing) to raise revenue.
4. Department heads may transfer budget amounts (up to \$1,500) between line items in their department with the approval of the Town Administrator. Amounts over \$1,500 require Town Council approval.
5. Town Council must authorize budget transfers between departments and all transfers in/out of personnel line items.
6. Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

For the year ended June 30, 2020, total budgets for the General Fund equaled \$6,320,765.

Town of Irmo

Notes to the Financial Statements Year Ended June 30, 2020

Note 4 – Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Capital assets not being depreciated					
Land and rights of way	\$ 1,492,883	\$ -	\$ -	\$ -	\$ 1,492,883
Total capital assets not being depreciated	1,492,883	-	-	-	1,492,883
Capital assets being depreciated					
Land improvements	5,083,095	-	-	-	5,083,095
Building and improvements	2,996,499	-	-	-	2,996,499
Furniture, vehicles, equipment	1,848,263	228,458	(43,825)	-	2,032,896
Total capital assets being depreciated	9,927,857	228,458	(43,825)	-	10,112,490
Less accumulated depreciation for:					
Land improvements	(2,169,754)	(127,476)	-		(2,297,230)
Building and improvements	(1,959,084)	(100,546)	-		(2,059,630)
Furniture, vehicles, equipment	(1,523,488)	(162,418)	43,825		(1,642,081)
Total accumulated depreciation	(5,652,326)	(390,440)	43,825	-	(5,998,941)
Total capital assets being depreciated, net	4,275,531	(161,982)	-	-	4,113,549
Net capital assets - Governmental Activities	\$ 5,768,414	\$ (161,982)	\$ -	\$ -	\$ 5,606,432

Depreciation expense for the year ended June 30, 2020 was charged to functions/programs of the primary government as follows:

Governmental Activities	
Non-departmental	\$ 246,593
Police	126,980
Public works	16,867
Total depreciation expense - governmental activities	\$ 390,440

Town of Irmo

Notes to Financial Statements Year Ended June 30, 2020

Note 5 – Long-Term Debt

Changes in long-term debt for the year ended June 30, 2020 was as follows:

	Balance at <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance at <u>June 30, 2020</u>	Due Within <u>One Year</u>
Governmental activities:					
Compensated absences	\$ 418,175	-	24,208	\$ 393,967	\$ -
Governmental activities					
Long-term liabilities	\$ 418,175	\$ -	\$ 24,208	\$ 393,967	\$ -

Note 6 – Pension Plan

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012 and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as cotrustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, 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.

Town of Irmo

Notes to Financial Statements Year Ended June 30, 2020

Note 6 – Pension Plan, continued

Plan Description

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

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the 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 record keepers.

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

Membership

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

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

State ORP – As an alternative 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 defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. For this reason, State ORP programs are not considered part of the retirement systems for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates

Town of Irmo

Notes to Financial Statements Year Ended June 30, 2020

Note 6 – Pension Plan, continued

Membership, continued

as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (8 percent) 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 (5.75 percent) and an incidental death benefit contribution (.15 percent), 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 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

Town of Irmo

Notes to Financial Statements Year Ended June 30, 2020

Note 6 – Pension Plan, continued

Benefits, continued

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

Town of Irmo

**Notes to Financial Statements
Year Ended June 30, 2020**

Note 6 – Pension Plan, continued

Contributions, continued

and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

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

Required employee contribution rates for fiscal year 2019-2020 are as follows:

	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>
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%

Town of Irmo

**Notes to Financial Statements
Year Ended June 30, 2020**

Note 6 – Pension Plan, continued

Contributions, continued

Required employer contributions for fiscal year 2019-2020 are as follows:

	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>
SCRS		
Employer Class Two	15.41%	14.41%
Employer Class Three	15.41%	14.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution (2)	15.41%	14.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	17.84%	16.84%
Employer Class Three	17.84%	16.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

Pension Plan Fiduciary Net Position

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, 2019, for SCRS and PORS are presented below.

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 50,073,060,256	\$ 27,238,916,138	\$ 22,834,144,118	54.4%
PORS	\$ 7,681,749,768	\$ 4,815,808,554	\$ 2,865,941,214	62.7%

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.

Town of Irmo

Notes to Financial Statements Year Ended June 30, 2020

Note 6 – Pension Plan, continued

Actuarial Assumptions

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, 2015.

The June 30, 2019, 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, 2018. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2019, 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, 2019.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return (1)	7.25%	7.25%
Projected salary increases (1)	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

(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 2016 Public Retirees of South Carolina Mortality table (2016 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 2016.

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

Town of Irmo

**Notes to Financial Statements
Year Ended June 30, 2020**

Note 6 – Pension Plan, continued

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected 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 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0%	7.29%	2.55%
Private Equity	9.0%	7.67%	69.00%
Equity Options Strategies	7.0%	5.23%	37.00%
Real Assets	12.0%		
Real estate (Private)	8.0%	5.59%	45.00%
Real estate (REITs)	1.0%	8.16%	0.08%
Infrastructure (Private)	2.0%	5.03%	0.10%
Infrastructure (Public)	1.0%	6.12%	0.06%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.09%	0.22%
Other Opportunistic Strategies	1.0%	3.82%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans	4.0%	3.14%	0.13%
Emerging Markets Debt	4.0%	3.31%	0.13%
Private Debt	7.0%	5.49%	0.38%
Rate Sensitive	14.0%		
Core Fixed Income	13.0%	1.62%	0.21%
Cash and Short Duration (Net)	1.0%	0.31%	0.00%
Total Expected Real Return	100.0%		5.41%
Inflations for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.66%

Town of Irmo

Notes to Financial Statements Year Ended June 30, 2020

Note 6 – Pension Plan, continued

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in 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 7.25 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 2,538,088	\$ 2,014,690	\$ 1,577,884
PORS	\$ 3,563,897	\$ 2,696,131	\$ 1,911,479

Net Pension Liability

At June 30, 2020, the Town reported a net pension liability of \$2,014,690 and \$2,696,131 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively. The net pension liability was measured as of July 1, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportionate shares of the net pension liabilities were based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the Town's proportionate shares of the SCRS and PORS plans were .008823 percent and .09408 percent respectively, for June 30, 2019.

Pension Expense

For the year ended June 30, 2020, the Town recognized pension expense for the SCRS plan of \$285,971. For the year ended June 30, 2020, the Town recognized pension expense for the PORS plan of \$370,149.

Town of Irmo

**Notes to Financial Statements
Year Ended June 30, 2020**

Note 6 – Pension Plan, continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

For the SCRS plan, there were total deferred outflows of resources of \$403,963 consisting of differences between expected and actual experience of \$64,536, the net difference between projected and actual earnings on pension plan investments of \$40,599, changes in proportion and differences between employer contributions and proportionate share of contributions of \$144,831, and Town contributions subsequent to the measurement date of \$153,997. There were deferred inflows of resources of \$108,557 for the SCRS plan consisting of differences between expected and actual experience.

For the PORS plan, there were total deferred outflows of resources of \$560,444 consisting of differences between expected and actual experience of \$165,552, the net difference between projected and actual earnings on pension plan investments of \$106,915, changes in proportion and differences between employer contributions and proportionate share of contributions of \$1,823, and Town contributions subsequent to the measurement date of \$286,154. There were deferred inflows of resources of \$187,736 for the PORS plan consisting of differences between expected and actual experience.

The \$153,997 and \$286,154 reported as deferred outflows of resources resulting from the Town's contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2020 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS and PORS plans, respectively:

For the SCRS plan, \$75,713 will be recognized for the fiscal years 2021. For fiscal year 2022 \$41,966 will be recognized. For fiscal year 2023 \$16,597 will be recognized and \$7,133 will be recognized in 2024.

For the PORS plan, \$75,826 will be recognized for the fiscal years 2021. For fiscal year 2022 \$(799) will be recognized. For fiscal year 2023 \$1,874 will be recognized and \$9,653 will be recognized in 2024.

Town of Irmo

**Notes to Financial Statements
Year Ended June 30, 2020**

Note 6 – Pension Plan, continued

Covered Payroll and Contributions

The payroll for Town employees covered by the SCRS totaled \$989,698 and \$931,700 for the year ended June 30, 2020 and 2019, while the payroll for PORS covered employees totaled \$1,568,828 and \$1,362,057, respectively.

The Town's contributions to SCRS and PORS are summarized as follows:

Year Ended	Employer			Employee		
	Percent	SCRS	PORS	Percent	SCRS	PORS
June 30, 2020	100%	\$ 152,512	\$ 279,879	100%	\$ 89,073	\$ 152,961
June 30, 2019	100%	\$ 134,258	\$ 229,370	100%	\$ 83,853	\$ 132,801
June 30, 2018	100%	\$ 116,214	\$ 202,366	100%	\$ 77,996	\$ 124,563

Note 7 – Post-Employment Benefits

As of June 30, 2020, the Town does not offer any post-employment retirement benefits to its employees.

Note 8 – Commitments

The Town has contracted with a third-party company to provide residential garbage pick-up (sanitation) service for a five-year period ending December 31, 2020 with annual cost of living adjustments of not less than 3% nor more than 5%. The contract is paid in monthly installments equaling \$11.70 per residential dwelling.

Note 9 – Leases - Lessors

The Town, as lessor, renewed the lease agreement dated July 18, 2007 on June 19, 2008 with the South Carolina Department of Public Safety to lease the building located at 1239 Columbia Avenue, Irmo, South Carolina at a basic annual rental payment of \$5,168 for a term of 108 months with two five-year unconditional renewal options.

Town of Irmo

**Notes to Financial Statements
Year Ended June 30, 2020**

Note 10 – Risk Management

The Town is exposed to various risks of loss relating to liability, theft or impairment of assets, errors or omissions, injuries to employees and natural disasters. Commercial liability and property insurance coverage is purchased to protect against losses from these risks. The Town does not maintain a self-insurance fund.

During the fiscal year ended June 30, 2020, the Town did not experience any significant uninsured claims. Accordingly, there was no liability or expense recorded for actual claims, and management does not believe any provision for unasserted claims is necessary.

Note 11– Subsequent Events

Subsequent events were evaluated through October 16, 2020, which is the date the financial statements were available to be issued.

Town of Irmo

**Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund
Budget and Actual**

Year Ended June 30, 2020

(With comparative actual amounts for year ended June 30, 2019)

	2020				2019
	Budgeted Amounts		Actual	Variance With	
	Original	Final	Amounts	Final Budget	Actual
Revenues					
Local option sales tax	\$ 1,055,000	\$ 1,055,000	\$ 1,205,491	\$ 150,491	\$ 1,138,783
Licenses and permits	2,272,750	2,272,750	2,155,149	(117,601)	2,472,354
State shared revenue	302,750	302,750	310,085	7,335	321,890
Franchise fees	710,000	710,000	782,255	72,255	737,860
Fines and forfeitures	125,750	125,750	100,326	(25,424)	120,888
Fire taxes	540,000	540,000	651,041	111,041	595,347
Grants	-	-	30,569	30,569	142,520
Interest income	50,500	50,500	67,343	16,843	85,566
Sanitation fees	1,040,000	1,040,000	1,082,824	42,824	995,990
Other revenue and appropriation of fund balance	224,015	224,015	119,328	(104,687)	82,328
Total revenues	<u>6,320,765</u>	<u>6,320,765</u>	<u>6,504,411</u>	<u>183,646</u>	<u>6,693,526</u>
Expenditures					
General Government:					
Legislative	54,048	54,048	56,975	(2,927)	53,837
Administrative	510,262	510,262	507,070	3,192	488,626
Court	260,150	260,150	258,145	2,005	247,563
Public works:					
General public works	682,733	682,733	660,561	22,172	639,351
Sanitation	1,090,000	1,090,000	1,186,551	(96,551)	1,246,712
Police	2,892,572	2,892,572	2,927,808	(35,236)	2,657,752
Non-departmental	831,000	831,000	1,016,872	(185,872)	1,005,962
Total expenditures	<u>6,320,765</u>	<u>6,320,765</u>	<u>6,613,982</u>	<u>(293,217)</u>	<u>6,339,803</u>
Excess of expenditures over revenues	<u>-</u>	<u>-</u>	<u>(109,571)</u>	<u>(109,571)</u>	<u>353,723</u>
Other Financing Sources (Uses)					
Transfers in (out)	<u>-</u>	<u>-</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>(14,000)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(112,571)</u>	<u>(112,571)</u>	<u>339,723</u>
Fund balance, beginning of year	<u>5,342,142</u>	<u>5,342,142</u>	<u>5,342,142</u>	<u>-</u>	<u>5,002,419</u>
Fund Balance, end of year	<u>\$ 5,342,142</u>	<u>\$ 5,342,142</u>	<u>\$ 5,229,571</u>	<u>\$ (112,571)</u>	<u>5,342,142</u>

Town of Irmo

**Schedule of Proportionate Share of the Net Pension Liability
Employee Pension Plan
Year Ended June 30, 2020**

<u>System</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
SCRS					
2015	0.007219%	\$ 1,242,872	\$ 727,834	170.76%	59.90%
2016	0.007763%	\$ 1,472,290	\$ 827,001	178.03%	57.00%
2017	0.008540%	\$ 1,824,131	\$ 765,292	238.36%	52.90%
2018	0.007585%	\$ 1,707,505	\$ 866,621	197.03%	53.30%
2019	0.008613%	\$ 1,929,000	\$ 931,700	207.04%	54.10%
2020	0.008823%	\$ 2,014,690	\$ 989,698	203.57%	54.40%
PORS					
2015	0.09850%	\$ 1,885,634	\$ 1,282,145	147.07%	67.50%
2016	0.10349%	\$ 2,255,648	\$ 1,383,276	163.07%	64.60%
2017	0.10410%	\$ 2,640,521	\$ 1,289,328	204.80%	60.40%
2018	0.09574%	\$ 2,622,910	\$ 1,277,566	205.31%	60.90%
2019	0.09552%	\$ 2,698,126	\$ 1,362,057	198.09%	61.70%
2020	0.09408%	\$ 2,696,131	\$ 1,568,828	171.86%	62.70%

Schedule is intended to show information for 10 years.

Additional information will be displayed as they become available.

Town of Irmo

**Schedule of Contributions to Employee Pension Plan
Year Ended June 30, 2020**

	2020	2019	2018	2017	2016	2015
SCRS						
Contractually required contribution	\$ 152,512	\$ 134,258	116,214	87,320	\$ 90,226	\$ 78,242
Contributions in relation to the contractually required contribution	152,512	134,258	116,214	87,320	90,226	78,242
Contribution deficiency (excess)	\$ -	\$ -	-	-	\$ -	\$ -
Covered payroll	\$ 989,698	\$ 931,700	866,621	765,292	\$ 827,001	\$ 727,834
Contributions as a percentage of covered payroll	15.41%	14.41%	13.41%	11.41%	10.91%	10.75%
PORS						
Contractually required contribution	\$ 279,879	\$ 229,370	202,366	178,443	\$ 184,529	\$ 166,807
Contributions in relation to the contractually required contribution	279,879	229,370	202,366	178,443	184,529	166,807
Contribution deficiency (excess)	\$ -	\$ -	-	-	\$ -	\$ -
Covered payroll	\$ 1,568,828	\$ 1,362,057	1,277,566	1,289,328	\$ 1,383,276	\$ 1,282,145
Contributions as a percentage of covered payroll	17.84%	16.84%	15.84%	13.84%	13.34%	13.01%

*Schedule is intended to show information for 10 years.
Additional information will be displayed as they become available.*

Town of Irmo
Notes to Required Supplementary Information
June 30, 2020

Budgets and Budgetary Accounting

The approved budget and amendments are legally enacted through passage of an ordinance authorizing the Town Administrator to administer the budget and to transfer necessary appropriations among departments. Additional budget appropriations must be approved by Council.

Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue and Okra Strut Funds.

The legal level of budget is at the fund level for the Town of Irmo. The budgetary comparison schedule displays detail at the department level as additional information.

Net Pension Liability

	SCRS	PORS
Valuation date	July 1, 2017	July 1, 2017
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	5-year smoothed	5 year-smoothed
Amortization method	Level percent of payroll	Level percent of payroll
Remaining amortization period	30-year maximum, closed period	30- year maximum, closed period
Inflation rate	2.25%	2.25%
Projected salary increases	3.0% plus step-rate increases for members with less than 21 years of service.	3.5% plus step-rate increases for members with less than 15 years of service.
Investment rate of return	7.25%	7.25%
Mortality	The 2016 public retirees of South Carolina mortality tables for males and females, both projected at Scale AA from the year 2016. Male rates multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	The 2016 public retirees of South Carolina mortality tables for males and females, both projected at Scale AA from the year 2016. Male rates multiplied by 125% and female rates are multiplied by 111%.
Comment on the development of the actuarially determined and actual contribution rate	Contribution rate for fiscal year 2019 is determined in accordance with the Retirement System Funding and Administration Act of 2017.	Contribution rate for fiscal year 2019 is determined in accordance with the Retirement System Funding and Administration Act of 2017.

Town of Irmo

**Schedule of Court Fines, Assessments and Surcharges
Year Ended June 30, 2020**

Court fines and assessments

Court fines and assessments collected	\$ 110,677
Court fines and assessments remitted to State Treasurer	(99,143)
Total court fines and assessments retained	<u>\$ 11,534</u>

Surcharges and assessments retained for victims services

Surcharges collected and retained	\$ 2,543
Assessments retained	8,991
Total surcharges and assessments retained for victims services	<u>\$ 11,534</u>

Funds allocated to victims services

Carryover funds from prior years	\$ 63,434
Surcharges and assessments retained	11,534
Expenditures for victims services	(12,956)
Total unexpended victims rights assistance funds	<u>\$ 62,012</u>